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*Fifty-second*  
**Annual Report**  
*of the*  
**United States Tariff Commission**



*Fiscal Year Ended June 30*  
**1968**

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**TC Publication 273**

**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 (Rep  
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–Jun  
1952 (Rept. No. 191, 2d ser., 1954)**

**\*Operation of the Trade Agreements Program: Sixth Report, July 1952–Jun  
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–Jun  
1955 (Rept. No. 197, 2d ser., 1956)**

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

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

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

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

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

**\*Operation of the Trade Agreements Program: 14th Report, July 1960–Jun  
1962 (TC Publication 120, 1964)**

**\*Operation of the Trade Agreements Program: 15th Report, July 1962–Jun  
1963 (TC Publication 147, 1965)**

**\*Operation of the Trade Agreements Program: 16th Report, July 1963–Jun  
1964 (TC Publication 164, 1966)**

**Operation of the Trade Agreements Program: 17th Report, July 1964  
December 1965 (TC Publication 192, 1968), 35¢**

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NOTE.—The reports preceded by an asterisk (\*) are out of print. The report 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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*of the*  
**United States Tariff Commission**

*Fiscal Year Ended June 30*  
**1968**



U.S. GOVERNMENT PRINTING OFFICE  
WASHINGTON : 1968

**UNITED STATES TARIFF COMMISSION**

**STANLEY D. METZGER, *Chairman***

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

**PENELOPE H. THUNBERG**

**BRUCE E. CLUBB**

**WILL E. LEONARD, Jr.**

**HERSCHEL D. NEWSOM**

**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, 1968.*

SIR: Transmitted herewith is the *Fifty-second Annual Report of the United States Tariff Commission.*

Respectfully,

STANLEY D. METZGER,  
*Chairman.*

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



## PREFACE

This, the *Fifty-second Annual Report of the United States Tariff Commission*, describes the Commission's activities during the year ended June 30, 1968. During this period, the Commission and its staff were engaged principally in the following activities: The conduct of public investigations in response to statutory obligations; the completion of special studies, frequently requested by the Congress, relating to U.S. foreign-trade problems; assistance to the President's Special Representative for Trade Negotiations in connection with the implementation of the Kennedy Round of trade negotiations; and services to Congress and the business community.

During the period under review, the Commission conducted numerous public investigations and prepared reports thereon. Pursuant to provisions of the Trade Expansion Act of 1962, the Commission conducted investigations (1) to advise the President regarding the probable economic effect on certain industries of the scheduled termination of increased import restrictions and (2) to determine whether, as a result in major part of concessions granted under trade agreements, certain articles were being imported into the United States in such increased quantities as to cause, or threaten to cause, unemployment to a group of workers or serious injury to a domestic industry or firm.

Several investigations, under the Automotive Products Trade Act of 1965, provided information for use by the Automotive Agreement Adjustment Assistance Board in determining the eligibility of auto workers to apply for adjustment assistance. Other investigations, pursuant to the Antidumping Act of 1921, were conducted to determine whether domestic industries were being, or were likely to be, injured by sales of foreign merchandise at less than fair value. Under section 332 of the Tariff Act of 1930, the Commission conducted investigations relating to (1) dairy products, (2) mink furskins, (3) textiles and apparel, and (4) nonrubber footwear. In addition, at the request of the President, the Commission initiated an investigation of certain dairy products pursuant to the Agricultural Adjustment Act.

Throughout the year, work continued on a new series of the Commission's *Summaries of Trade and Tariff Information*. A number of volumes of the 62-volume version were published during the year. The summaries provide a concise compendium of trade information on articles included in the Tariff Schedules of the United States.

The Commission continued to supply technical assistance to the office of the Special Representative for Trade Negotiations in connection with implementation of the results of the Kennedy Round of trade negotiations and other foreign-trade matters. As in earlier years, the Commission supplied trade information to the Congress, the President, and the public.





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## PART I. PUBLIC INVESTIGATIONS

Various provisions of law direct the U.S. Tariff Commission under designated circumstances to conduct investigations relating to the impact of imports on U.S. industries. During the year under review, the Commission conducted investigations under the following statutes: The Trade Expansion Act of 1962 (TEA), the Tariff Act of 1930, the Antidumping Act of 1921, the Automotive Products Trade Act of 1965, and the Agricultural Adjustment Act. The investigations conducted under each of the several statutes are summarized below.

### Trade Expansion Act of 1962

The Trade Expansion Act provided the President with authority not only to reduce tariffs but also to prevent segments of the U.S. economy from being adversely affected by trade concessions. As in earlier legislation, the President is authorized under designated circumstances to increase duties or impose other restrictions on imports that were found to be injuring or threatening to injure domestic industries. In addition, he is authorized to provide adjustment assistance for firms or groups of workers adversely affected by trade concessions. Firms can receive technical assistance, loans, and tax benefits; workers can receive unemployment compensation, retraining, and relocation allowances. The President may authorize such assistance when the Tariff Commission, after investigation, has determined that, as a result in major part of trade-agreement concessions, an article is being imported in such increased quantities as to cause or threaten unemployment of a group of workers or serious injury to an industry or firm.

During the period covered by this report, the Commission conducted 10 investigations under the Trade Expansion Act; seven of them, conducted under section 301, concerned the possibility of injury from trade-agreement concessions, and three, under section 351(d)(3), related to the probable effect of the scheduled termination of escape-clause restrictions. These investigations are discussed below.

#### Section 301(b), industry investigations

During the year, the Commission conducted three investigations under section 301(b) of the Trade Expansion Act.<sup>1</sup>

In such investigations the Commission determines whether, as a result in major part of concessions granted under trade

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

agreements, an article is being imported into the United States in such increased quantities as to cause, or threaten to cause, serious injury to the domestic industry producing an article that is like or directly competitive with the imported article.

Investigations may be initiated upon the request of the President, upon resolution of either the Committee on Finance of the Senate or the Committee on Ways and Means of the House of Representatives, upon the Commission's own motion, or upon the filing of a petition by a trade association, firm, certified or recognized union, or other representative of an industry.

If the Commission finds in the affirmative, the President may (1) provide tariff adjustment; (2) authorize the firms or the workers involved to request the Secretary of Commerce or the Secretary of Labor, respectively, to certify their eligibility to apply for adjustment assistance; (3) take any combination of such actions; or (4) enter into orderly marketing agreements to limit the importation into the United States of the article causing or threatening to cause serious injury.

*Eyeglass frames.*—On petition by the International Union of Electrical, Radio and Machine Workers and its subordinate affiliate, the Optical Council of the IUE, the Commission on April 12, 1967, instituted an investigation regarding frames and mountings for eyeglasses, lorgnettes, goggles, and similar articles. A public hearing was held on July 11, 1967, in conjunction with the investigation. On October 6, 1967, the Commission submitted its report to the President.<sup>2</sup> The Commission unanimously found that eyeglass frames were not, as a result in major part of trade-agreement concessions, being imported in such increased quantities as to cause, or threaten to cause, serious injury to the domestic industry producing like or directly competitive articles.

*Barbers' chairs.*—In response to a petition by the principal domestic producers of barbers' chairs, Emil J. Paidar Co. and Koken Companies, Inc., the Commission on July 26, 1967, instituted an investigation regarding barbers' chairs.<sup>3</sup> A public hearing was held on November 7 and 8, 1967. In a report to the President on January 22, 1968,<sup>4</sup> the Commission unanimously found that barbers' chairs were not, as a result in major part of concessions granted under trade agreements,

<sup>2</sup> *Eyeglass Frames: Report to the President on Investigation No. TEA-I-10 Under Section 301(b) of the Trade Expansion Act of 1962*, TC Publication 219, 1967 [processed].

<sup>3</sup> As noted later, this investigation was consolidated with two others instituted under section 301(c) (1) in response to petitions by each of the respective firms. See the section on petitions by firms.

<sup>4</sup> *Barbers' Chairs: Report to the President on Investigation No. TEA-I-11 Under Section 301(b) (1) of the Trade Expansion Act of 1962*, TC Publication 228, 1968 [processed].

being imported in such increased quantities as to cause, or threaten to cause, serious injury to the domestic industry producing like or directly competitive articles.

*Broomcorn.*—On October 11, 1967, the Commission instituted an investigation under section 301(b) regarding broomcorn. The Commission's action was in response to the petition filed by the Rocky Mountain Farmers Union acting on behalf of the growers of broomcorn in Colorado and New Mexico. Following a request by the petitioners, a public hearing—originally scheduled for January 16, 1968, in Washington, D.C.—was held in Denver, Colo., on February 1, 1968. On March 25, 1968, the Commission submitted its report to the President.<sup>5</sup> The Commission unanimously found that broomcorn was not, as a result in major part of concessions granted under trade agreements, being imported in such increased quantities as to cause, or threaten to cause, serious injury to the domestic industry producing like or directly competitive articles.

#### **Section 301(c)(1), petitions by firms**

During the year, the Commission conducted two concurrent investigations under section 301(c)(1) of the Trade Expansion Act.<sup>6</sup>

In such investigations the Commission 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 a 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. An eligible firm may, through the Department of Commerce, receive technical, financial, or tax assistance from designated Government agencies.

*Emil J. Paidar Co.*—On petition by the Emil J. Paidar Co. of Chicago, Ill.,<sup>7</sup> the Commission on November 29, 1967, instituted an investigation to determine the effect of the importation of barbers' chairs on the operations of that firm. Pursuant to section 403 of the Trade Expansion Act, this investigation was consolidated with the forementioned investigation of the barber chair industry, and no separate hearing was requested or held relating to the firm. On January 22, 1968, the Commission submitted its report to the Presi-

<sup>5</sup> *Broomcorn: Report to the President on Investigation No. TEA-I-12 Under section 301(b) of the Trade Expansion Act of 1962, TC Publication 238, 1968 [processed].*

<sup>6</sup> 19 U.S.C. 1901(c)(1).

<sup>7</sup> Emil J. Paidar Co. was one of the petitioners in the industry investigation under sec. 301(b)(1) concerning imports of barbers' chairs.

dent;<sup>8</sup> the Commission found (Commissioners Thunberg and Clubb dissenting) that barbers' chairs were not, as a result in major part of concessions granted thereon under trade agreements, being imported in such increased quantities as to cause, or threaten to cause, serious injury to the Emil J. Paidar Co.

*Koken Companies, Inc.*—In response to a similar petition by Koken Companies, Inc., of St. Louis, Mo.,<sup>9</sup> the Commission on November 29, 1967, instituted an investigation to determine the effect of the importation of barbers' chairs on the operations of that firm. This investigation was also consolidated with the investigation of the barber chair industry, and no separate hearing was requested or held relating to the firm. In its report to the President on January 22, 1968,<sup>10</sup> the Commission unanimously found that barbers' chairs were not, as a result in major part of concessions granted thereon under trade agreements being imported in such increased quantities as to cause, or threaten to cause, serious injury to Koken Companies, Inc.

#### Section 301(c)(2), petitions by workers

During fiscal 1968, the Commission conducted two investigations under section 301(c)(2) of the Trade Expansion Act.<sup>11</sup>

In such investigations the Commission 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 workers' firm, or an appropriate subdivision thereof, is being imported into the United States in such increased quantities as to cause, or threaten to cause unemployment or underemployment of a significant number or proportion of the workers in the firm or subdivision.

If the Commission's finding is affirmative, the President may certify the group of workers involved as eligible to apply for adjustment assistance. Workers certified as eligible may through the Department of Labor, receive adjustment assistance in the form of unemployment compensation, training, or relocation allowance.

*Mosaic Tile Co.*—In response to a petition filed on behalf of worker of the Mosaic Tile Co., Zanesville, Ohio, the Commission, on December 14, 1967, instituted an investigation regarding imports of certain ceramic tiles. On January 17, 1968, after the petitioners had withdrawn their request, the investigation was terminated.

<sup>8</sup> *Barbers' Chairs, Emil J. Paidar Company: Report to the President on Investigation No. TEA-F-7 Under Section 301(c)(1) of the Trade Expansion Act of 1962*, TC Publication 229, 1968 [processed].

<sup>9</sup> Koken Companies, Inc., was one of the petitioners in the industry investigation under sec. 301(b)(1) concerning imports of barbers' chairs.

<sup>10</sup> *Barbers' Chairs, Koken Companies, Inc.: Report to the President on Investigation No. TEA-F-8 Under Section 301(c)(1) of the Trade Expansion Act of 1962*, TC Publication 230, 1968 [processed].

<sup>11</sup> 19 U.S.C. 1901(c)(2).

*Knapp Brothers Shoe Manufacturing Corp.*—In response to a petition filed by the United Shoe Workers of America, AFL-CIO, CLC, on behalf of a group of workers of the Packard Division, Knapp Brothers Shoe Manufacturing Corp., Brockton, Mass., the Commission on January 3, 1968, instituted an investigation regarding welt footwear. No public hearing was requested and none was held. On March 4, 1968, the Commission submitted its report to the President.<sup>12</sup> The Commission unanimously found that footwear like or directly competitive with welt footwear produced by the Packard Division was not, as a result in major part of trade-agreement concessions, being imported in such increased quantities as to cause, or threaten to cause, the unemployment or underemployment of a significant number or proportion of the workers of the Packard Division.

**Section 351(d) (3), termination of restrictions**

During fiscal 1968, the Commission completed three investigations under section 351(d) (3) of the Trade Expansion Act of 1962.<sup>13</sup>

Section 351(d) (3) directs the Commission, upon petition on behalf of the industry concerned, to advise the President of the Commission's judgment as to the probable economic effect on that industry of the scheduled termination (pursuant to section 351(c)) of an increase in import restrictions.

Under section 351(c) (1), increased import restrictions proclaimed pursuant to section 7 of the Trade Agreements Extension Act of 1951 were scheduled to terminate at the close of October 11, 1967, unless extended by the President under section 351(c) (2) following advice from the Tariff Commission.<sup>14</sup>

For an extension of increased import restrictions, a petition on behalf of the industry must be filed with the Commission not earlier than 9 months nor later than 6 months before the increased import restrictions would otherwise terminate. The President is authorized to extend the restrictions for such periods (not in excess of 4 years at any one time) as he may designate.

*Wilton, Brussels, velvet, and tapestry carpets and rugs.*—The Commission instituted an investigation on January 18, 1967, respecting Wilton, Brussels, velvet, and tapestry carpets and rugs, in order to advise the President regarding the scheduled termination, at the close of October 11, 1967, of the increased rate of duty applicable to these

<sup>12</sup> *Men's Leather Footwear; Certain Workers of the Packard Division of Knapp Brothers Shoe Manufacturing Corporation, Brockton, Massachusetts: Report to the President on Investigation No. TEA-W-7 Under Section 301(c) (2) of the Trade Expansion Act of 1962*, TC Publication 232, 1968 [processed].

<sup>13</sup> 19 U.S.C. 1981(d) (3).

<sup>14</sup> No increased import restrictions were proclaimed pursuant to sec. 351(a) of the Trade Expansion Act of 1962.

articles. The increased rate had been imposed in 1962, following an escape-clause investigation and report to the President by the Tariff Commission. A public hearing was held April 18-20, 1967. On September 5, 1967, the Commission submitted its report to the President.<sup>15</sup>

The Commission advised the President that the producers of Wilton and velvet carpets and rugs, in the aggregate, would be little affected by the restoration of the concession rate of duty; it indicated, however, that a few firms employing less than 10 percent of the workers in plant-making such products would suffer from any increase in competition that might follow restoration of the concession. Commissioners Thunberg and Clubb, in an additional statement, commented on the adjustment assistance provisions of the Trade Expansion Act of 1962

*Stainless-steel table flatware.*—On February 8, 1967, the Commission instituted an investigation in order to prepare advice to the President regarding the scheduled termination of escape-action import restrictions on stainless-steel table flatware. A tariff quota and increased rates of duty on imports entered in excess of the quota had been imposed by the President in 1959, following an escape-clause investigation by the Tariff Commission. On January 7, 1966, the President had relaxed the increased restrictions (retroactive to November 1, 1965) by enlarging the tariff quota and by reducing, but not eliminating, the increases in the rates of duty applicable to such flatware entered in excess of the enlarged quota. Pursuant to section 351(c)(1)(B) of the TEA, the remaining increased restrictions were scheduled to terminate at the close of October 11, 1967, unless extended by the President. In conjunction with the investigation, the Commission held a public hearing on May 23, 1967.

On September 21, 1967, the Commission submitted its report to the President.<sup>16</sup> Commissioners Thunberg and Clubb advised the President (Commissioner Sutton dissenting) that termination of the remaining escape-clause restrictions would result in a more intense competition in the U.S. market and that the resulting situation might prove fatal to certain small domestic producers; they concluded that the degree of dislocation in the domestic industry likely to follow termination of the escape-clause restrictions would warrant consideration of their continuance. Commissioner Sutton, in a separate statement, advised that in his judgment termination of the remaining escape-clause restrictions would not materially impair the vigor of the domestic industry.

*Sheet glass (blown or drawn flat glass).*—On April 12, 1967, the Commission instituted an investigation in order to advise the Pres

<sup>15</sup> *Wilton, Brussels, Velvet, and Tapestry Carpets and Rugs: Report to the President on Investigation No. TEA-I-EX-2 Under Section 351(d)(3) of the Trade Expansion Act of 1962, TC Publication 213, 1967 [processed].*

<sup>16</sup> *Stainless-Steel Table Flatware: Report to the President on Investigation No. TEA-I-EX-3 Under Section 351(d)(3) of the Trade Expansion Act of 1962, TC Publication 217, 1967 [processed].*



dent regarding the scheduled termination of the increased rates of duty on certain blown or drawn flat glass. Increased rates of duty had been imposed in 1962 under the escape-clause procedure; on January 11, 1967, the President had terminated certain of these increases and reduced the remainder of them. The increased rates that had been reduced but not eliminated were scheduled to terminate at the close of October 11, 1967, unless extended by the President. A public hearing was held on June 20, 1967, in conjunction with the investigation.

The Commission reported to the President on September 8, 1967.<sup>17</sup> Commissioners Culliton, Thunberg, and Clubb advised the President that termination of the remaining restrictions would put increased pressure on an already changing industry but that the industry probably would continue to meet the largest portion of the domestic demand for sheet glass at a reasonable rate of profit on both sales and invested capital. Commissioner Sutton, in a separate statement, indicated that any further reduction in the rates of duty on imported sheet glass would impair the domestic industry more seriously than was envisaged by his colleagues.

*Action taken by the President.*—On October 11, 1967, the President, under authority of section 351(c)(2),<sup>18</sup> extended the existing increased rates of duty on Wilton, Brussels, velvet, and tapestry carpets and rugs and on sheet glass until the close of December 31, 1969, unless he proclaimed otherwise pursuant to section 351(c)(1) or (2) of the Trade Expansion Act.<sup>19</sup> The remaining escape-clause restrictions on stainless-steel table flatware were allowed to terminate as scheduled at the close of October 11, 1967.

### Tariff Act of 1930

During the period under review, the Commission conducted eight investigations, several of which were extensive, under the Tariff Act of 1930.

The Tariff Act of 1930 empowers the Commission to investigate and report on a broad range of subjects relating to international trade and requires it 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 fiscal 1968, the Tariff Commission conducted seven investigations under section 332 of the Tariff Act of 1930;<sup>20</sup> three of these

<sup>17</sup> *Sheet Glass (Blown or Drawn Flat Glass): Report to the President on Investigation No. TEA-I-EX-4 Under Section 351(d)(3) of the Trade Expansion Act of 1962*, TC Publication 215, 1967 [processed].

<sup>18</sup> 19 U.S.C. 1981(c)(2).

<sup>19</sup> 19 U.S.C. 1981(c).

<sup>20</sup> 19 U.S.C. 1332.

investigations were long-range studies that were instituted in previous fiscal years.

Section 332 sets forth the Commission's general powers to conduct investigations; 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.

*Title 19 of the United States Code.*—In July 1965 the Commission initiated a study of the provisions of title 19 of the United States Code which permit the temporary importation of merchandise without the payment of ordinary duties, or authorize drawback or refund of duties paid, when the imported merchandise or its domestic equivalent is exported either in its original form or in a changed condition. The Commission issued an interim report on the legislative objectives of these provisions on March 30, 1966.<sup>21</sup> At the close of the period covered by this report, the Commission's study was still in progress.

*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 products subject to ad valorem rates of duty based on the American-selling-price (ASP) method of valuation. The products and the provisions of the Tariff Schedules of the United States 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 provision for American-selling-price valuation, 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 . . . provisions . . . in such period." The Commission was also asked to assess the degree of equivalency of protection that would be achieved by use of the converted rates.

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<sup>21</sup> *Study of Temporary Entry Provisions of Title 19 of the United States Code, Investigation 332-45: Report on Legislative Objectives*, TC Publication 170, 1966 [processed].

The Commission submitted its report to the Special Representative for Trade Negotiations on July 25, 1966.<sup>22</sup> The report contained a schedule of converted rates of duty based on conventional methods of valuation, which formed the basis for discussion during negotiation of the separate agreement relating principally to chemicals that was concluded in Geneva simultaneously with the Kennedy Round on June 30, 1967.

The converted rates reported by the Commission were based principally on import data for 1964. In April 1967 the Commission, on its own motion, began computing converted rates based on imports in 1965 and 1966. On December 20, 1967, the Special Trade Representative, at the direction of the President, requested completion of this project for use in connection with legislation to be proposed relating to elimination of the ASP valuation system. The work was still in progress at the end of the period covered by this report.

*Ceramic floor and wall tile.*—On October 13, 1966, the Commission instituted an investigation of the conditions of competition in the United States between ceramic floor and wall tile (glazed and unglazed, and including trim) produced in the United States and that produced in foreign countries. The investigation was instituted in response to a resolution adopted October 11, 1966, by the Committee on Ways and Means of the U.S. House of Representatives. In connection with the investigation, the Commission held a public hearing May 9–12, 1967. At the close of fiscal 1968, the investigation was in process.

*Dairy products.*—On April 12, 1968, following authorization by the House Committee on Ways and Means, the Commission released to the public its report on the results of its investigation of dairy products.<sup>23</sup> This report was made in response to a request from the committee directing the Commission to investigate the conditions of competition in the United States between dairy products produced in the United States and those produced in foreign countries. The Commission had already undertaken a report, similar in content, in response to a request from the President on April 7, 1967, under the authority of section 22 of the Agricultural Adjustment Act.<sup>24</sup>

<sup>22</sup> *Products Subject to Duty on the American Selling Price Basis of Valuation; Conversion of Rates of Duty on Such Products to Rates Based on Values Determined by Conventional Valuation Methods: Report to the Special Representative for Trade Negotiations on Investigation No. 332-47 Under Section 332 of the Tariff Act of 1930*, TC Publication 181, 1966 [processed].

<sup>23</sup> *Dairy Products: Report on Investigation No. 332-53 Under Section 332 of the Tariff Act of 1930 Pursuant to a Resolution of the Committee on Ways and Means of the House of Representatives Adopted May 10, 1967*, TC Publication 233, 1968 [processed].

<sup>24</sup> *Dairy Products: Report to the President on Investigation No. 22-26 Under Section 22 of the Agricultural Adjustment Act, as Amended*, TC Publication 211, 1967 [processed].

Specifically, the Commission was requested by the Committee on Ways and Means to include in its report information on domestic and foreign production and on U.S. imports, consumption, channels and methods of distribution, prices, exports, and customs treatment since 1930. The Commission was also directed to include information indicating whether dairy products were being imported into the United States under circumstances and in quantities interfering with, or threatening to interfere with, price-support programs of the Department of Agriculture for milk and butterfat.

*Mink furskins.*—In response to a request by the President dated August 28, 1967, the Tariff Commission on August 29, 1967, instituted an investigation of the conditions of competition in the United States between mink furskins produced in the United States and those produced in foreign countries.

In connection with the investigation, a public hearing was held December 5–8, 1967. The Commission's report, issued on April 9, 1968,<sup>25</sup> contained information on the following: Domestic producers of mink furskins, including their financial experience; U.S. consumption, production and sales, inventories, imports, exports, and prices of mink furskins; U.S. tariff treatment; channels and methods of distribution; and foreign production and marketing.

*Textiles and apparel.*—On October 4, 1967, the President—joined by Chairman Wilbur D. Mills of the House Ways and Means Committee—requested that the Commission undertake “a comprehensive investigation of the economic condition of the United States textile and apparel industries, especially the present and prospective impact of imports upon those industries,” and report the results not later than January 15, 1968. On October 4, 1967, the Commission instituted the investigation; a public hearing was held November 13–17 and 20, 1967. On January 15, 1968, the Commission issued its report in two volumes.<sup>26</sup> Volume I contained the Commission's analysis of the industries involved and the changes, including the impact of imports, affecting them. Volume II presented available relevant information concerning textiles and textile products, by fiber components, for the convenience of those interested in the more specific information.

*Nonrubber footwear.*—On April 30, 1968, the Commission, in response to a request by the President dated April 29, 1968, instituted an investigation of the economic condition of the domestic producers of nonrubber footwear. Representative Wilbur D. Mills, chairman of the Committee on Ways and Means, joined the President in this request. The Commission was directed to report—

on all factors which, in its judgment, relate to the economic condition of such producers, including, but not limited to, production, sales, investment, employ-

<sup>25</sup> *Mink Furskins: Report to the President on Investigation No. 332-54 Under Section 332 of the Tariff Act of 1930*, TC Publication 242, 1968 [processed].

<sup>26</sup> *Textiles and Apparel: Report to the President on Investigation No. 332-55 Under Section 332 of the Tariff Act of 1930*, TC Publication 226, 1968 [processed].

ment, prices, profits, exports, imports, United States tariff treatment, the participation of such producers in international trade, and, in particular, the effect of imports upon such producers, including the competitive relationship between imports and their products.

At the close of the period covered by this report, the investigation was in process.

#### **Section 337, unfair competition**

During the period under review, the Commission considered one complaint under section 337 of the Tariff Act of 1930.<sup>27</sup>

This section 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. 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 in order to assist him in making decisions under section 337.

On March 19, 1968, the Commission received a complaint filed by the Norwich Pharmacal Co. of Norwich, N. Y., alleging unfair methods of competition and unfair acts in the importation and sale of furazolidone. On April 2, 1968, the Commission, in accordance with the provisions of section 203.3 of its Rules of Practice and Procedure,<sup>28</sup> initiated a preliminary inquiry to determine whether there was good and sufficient reason for a full investigation, and if so, whether the Commission should recommend to the President the issuance of a temporary order of exclusion from entry under section 337 (f) of the Tariff Act of 1930. At the close of the period covered by this report, the preliminary inquiry was still in progress.

#### **Antidumping Act, 1921, as Amended**

During the period under review, the Commission conducted three investigations under section 201 (a) of the Antidumping Act of 1921.<sup>29</sup>

This section 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

<sup>27</sup> 19 U.S.C. 1337, 1337a.

<sup>28</sup> 19 CFR 203.3.

<sup>29</sup> 19 U.S.C. 160 et seq.

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.

#### **Cast iron soil pipe from Poland**

Having received advice from the Treasury Department that cast iron soil pipe from Poland was being, or was likely to be, sold in the United States at less than fair value, the Tariff Commission on June 6, 1967, instituted an investigation under section 201 of the Antidumping Act. A public hearing was held on August 4, 1967. On September 5, 1967, the Commission determined<sup>30</sup> that an industry in the United States was being injured by reason of the importation of cast iron soil pipe from Poland sold at less than fair value within the meaning of the Antidumping Act, 1921, as amended.<sup>31</sup>

#### **Titanium sponge from the U.S.S.R.**

On April 23, 1968, the Commission was advised by the Treasury Department that titanium sponge from the U.S.S.R. was being, or was likely to be, sold in the United States at less than fair value. Accordingly, the Commission instituted an investigation under section 201; a public hearing was held on June 4 and 5, 1968. At the close of the period covered by this report, the investigation was in progress.

#### **Pig iron from East Germany, Czechoslovakia, Romania, and the U.S.S.R.**

The Treasury Department on June 25, 1968, advised the Commission that pig iron from East Germany, Czechoslovakia, Romania, and the U.S.S.R. was being, or was likely to be, sold in the United States at less than fair value. Accordingly, the Commission instituted four investigations under section 201. A public hearing was scheduled to be held on July 29, 1968. The investigations were in progress at the close of fiscal 1968.

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

During the year, the Commission conducted eight investigations under section 302 of the Automotive Products Trade Act of 1965.<sup>32</sup>

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<sup>30</sup> Commissioners Sutton and Clubb determined that there was injury, and Commissioners Culliton and Thunberg determined that there was no injury. Pursuant to sec. 201(a) of the Antidumping Act, the Commission is deemed to have made an affirmative determination when the votes of the Commissioners are equally divided.

<sup>31</sup> *Cast Iron Soil Pipe From Poland: Determination of Injury in Investigation No. AA1921-50 Under the Antidumping Act, 1921, As Amended*, TC Publication 214, 1967 [processed]; 32 F.R. 12925.

<sup>32</sup> 19 U.S.C. 2022.

This section provides that firms or groups of workers that consider themselves dislocated as a result of the United States-Canadian automotive agreement may petition for adjustment assistance. 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 automotive agreement has been the primary factor causing such dislocation or threat thereof.

Section 302(e) of the act stipulates that the 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 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.

All the investigations conducted under the Automotive Products Trade Act during the year, as during the previous year, were instituted at the request of the Automotive Agreement Adjustment Assistance Board and related to the eligibility of workers to apply for adjustment assistance. They are summarized in the following compilation:

Employer and product	Status
1. Borg-Warner Corp., Long Manufacturing Division, Detroit, Mich. (Investigation No. APTA-W-15, respecting oil coolers)	<i>Investigation instituted:</i> June 13, 1967. <i>Investigation completed:</i> Investigation terminated without prejudice, July 31, 1967.
2. Eaton Yale & Towne, Inc., Stamping Division, Cleveland, Ohio. (Investigation No. APTA-W-16, respecting automotive stampings)	<i>Investigation instituted:</i> June 27, 1967. <i>Investigation completed:</i> Aug. 15, 1967. <i>Reference:</i> <i>Tariff Commission Submits Report to the Automotive Agreement Adjustment Assistance Board in Adjustment Assistance Case Pertaining to Certain Workers of Eaton Yale &amp; Towne's Stamping Division Plant in Cleveland, Ohio (APTA-W-16), TC Publication 212, 1967 [processed].</i>
3. Borg-Warner Corp., Long Manufacturing Division, Detroit, Mich. (Investigation No. APTA-W-17, respecting oil coolers)	<i>Investigation instituted:</i> Aug. 9, 1967. <i>Investigation completed:</i> Sept. 21, 1967. <i>Reference:</i> <i>Tariff Commission Submits Report to the Automotive Agreement Adjustment Assistance Board in Adjustment Assistance Case Pertaining to Certain Workers of Borg-Warner Corporation's Long Manufacturing Division Plant in Detroit, Michigan (APTA-W-17), TC Publication 218, 1967 [processed].</i> <i>Supplemental report requested:</i> Oct. 6, 1967. <i>Supplemental report completed:</i> Oct. 31, 1967.

Employer and product	Status
4. Rockwell-Standard Corp., Bumper Division, Mishawaka, Ind. (Investigation No. APTA-W-18, respecting automobile bumpers)	<i>Investigation instituted:</i> Aug. 29, 1967. <i>Investigation completed:</i> Oct. 17, 1967. <i>Reference:</i> <i>Tariff Commission Submits Report to the Automotive Agreement Adjustment Assistance Board in Adjustment Assistance Case Pertaining to Certain Workers of Rockwell-Standard Corporation's Bumper Division Plant in Mishawaka, Indiana (APTA-W-18), TC Publication 220, 1967 [processed].</i>
5. Borg-Warner Corp., Long Manufacturing Division, Detroit, Mich. (Investigation No. APTA-W-19, respecting condensers)	<i>Investigation instituted:</i> Nov. 7, 1967. <i>Investigation completed:</i> Dec. 27, 1967. <i>Reference:</i> <i>Tariff Commission Submits Report to the Automotive Agreement Adjustment Assistance Board in Adjustment Assistance Case Pertaining to Certain Workers of Borg-Warner Corporation's Long Manufacturing Division Plant in Detroit, Michigan (APTA-W-19), TC Publication 223, 1967 [processed].</i> <i>Supplemental report requested:</i> Jan. 11, 1968.
6. PPG Industries, Inc., Works No. 4, Ford City, Pa. (Investigation No. APTA-W-20, respecting tempered-glass components)	<i>Supplemental report completed:</i> Feb. 5, 1968. <i>Investigation instituted:</i> Nov. 14, 1967. <i>Investigation completed:</i> Jan. 3, 1968. <i>Reference:</i> <i>Tariff Commission Submits Report to the Automotive Agreement Adjustment Assistance Board in Adjustment Assistance Case Pertaining to Certain Workers of PPG Industries' Works No. 4, Ford City, Pennsylvania (APTA-W-20), TC Publication 224, 1968 [processed].</i>
7. PPG Industries, Inc., Works No. 1, Creighton, Pa. (Investigation No. APTA-W-21, respecting laminated-glass components)	<i>Investigation instituted:</i> Nov. 14, 1967. <i>Investigation completed:</i> Jan. 3, 1968. <i>Reference:</i> <i>Tariff Commission Submits Report to the Automotive Agreement Adjustment Assistance Board in Adjustment Assistance Case Pertaining to Certain Workers of PPG Industries' Works No. 1, Creighton, Pennsylvania (APTA-W-21), TC Publication 225, 1968 [processed].</i>
8. C. M. Hall Lamp Co., Detroit, Mich. (Investigation No. APTA-W-22, respecting die cast automotive parts)	<i>Investigation instituted:</i> Jan. 25, 1968. <i>Investigation completed:</i> Mar. 13, 1968. <i>Reference:</i> <i>Tariff Commission Submits Report to the Automotive Agreement Adjustment Assistance Board in Adjustment Assistance Case Pertaining to Certain Workers of the C. M. Hall Lamp Company's Plant in Detroit, Michigan (APTA-W-22), TC Publication 236, 1968 [processed].</i> <i>Supplemental report requested:</i> Mar. 28, 1968. <i>Supplemental report completed:</i> Apr. 23, 1968.



The Automotive Agreement Adjustment Assistance Board certified workers as eligible to apply for adjustment assistance in two of the seven investigations on which the Tariff Commission submitted a factual report. Both involved the Borg-Warner Corp., one (APTA-W-17) respecting oil coolers and the other (APTA-W-19) respecting condensers. In the two cases fewer than 15 workers were certified as eligible to apply for adjustment assistance.

### **Agricultural Adjustment Act, Section 22**

During fiscal 1968, the Tariff Commission instituted one investigation under section 22 of the Agricultural Adjustment Act, as amended.<sup>33</sup>

This section requires the Commission, when so directed by the President, to conduct an investigation, including a public hearing, concerning imports of a specified agricultural commodity or product thereof, and to submit a report with appropriate findings and recommendations to the President. The President is then authorized to restrict imports of any such commodity, by imposing either fees or quotas (within specified limits), whenever, on the basis of the Commission's report,<sup>34</sup> he finds that such articles are being or are practically certain to be imported under such conditions and in such quantities as to render or tend to render ineffective, or materially interfere with, any program of the U.S. Department of Agriculture relating to agricultural commodities or products thereof. This 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.

At the direction of the President, the Tariff Commission on June 10, 1968, instituted an investigation under subsections (a) and (d) of section 22 of the Agricultural Adjustment Act, as amended. The Commission was requested to determine whether condensed and evaporated milk and cream, certain cheeses and substitutes for cheese, and certain articles containing over 5.5 percent by weight of butterfat were being or were practically certain to be imported into the United States under such conditions and in such quantities as (1) to render or tend to render ineffective, or materially interfere with, the price-support programs of the U.S. Department of Agriculture for milk and butterfat,

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<sup>33</sup> 7 U.S.C. 624.

<sup>34</sup> In certain emergency situations, the President may take immediate action to restrict imports without awaiting the recommendations of the Tariff Commission.

or (2) to reduce substantially the amount of products processed in the United States from domestic milk and butterfat.

Simultaneously with the request to the Tariff Commission, the President took action under the emergency provisions of section 22 and imposed quotas on imports of condensed and evaporated milk and cream. The quotas were to continue in effect pending Presidential action upon receipt of the report and recommendation of the Tariff Commission.

Public hearings in connection with the investigation were scheduled to begin on July 22, 1968. At the close of the period covered by this report, the investigation was in progress.

## PART II. REPORTS AND OTHER ACTIVITIES

In addition to conducting public investigations, the Commission is required by law to support various other operations of the Government. Directives in the Tariff Act of 1930 and the Trade Expansion Act of 1962, for example, require the Commission to supply pertinent trade information to the President and his Special Representative for Trade Negotiations. Similarly, the Commission is directed to submit periodic reports to the Congress on the operation of the trade agreements program and to render reports on subjects within its fields of competence, such as tariff relations between the United States and foreign countries and the competition of foreign industries with those of the United States. Periodically the Commission has issued *Summaries of Tariff Information*; other studies have encompassed compilations of information on U.S. import duties and other import restrictions, 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

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 is the chief representative of the United States at trade-agreement negotiations and to whom the President delegated many of his functions under the Trade Expansion Act.<sup>1</sup> 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>2</sup> concerning the trade agreements program.<sup>3</sup> The Commission

<sup>1</sup> Executive Order 11075, Jan. 15, 1963, as amended.

<sup>2</sup> A subcabinet-level interagency committee chaired by a Deputy Special Representative for Trade Negotiations that recommends policies and actions to the Special Representative.

<sup>3</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."

representative has no vote and does not participate in discussion of policy matters.

The Commission assisted the Special Trade Representative in the assembly of technical information for use in connection with the proposed trade expansion act of 1968, which was introduced as H.R. 17551. Legal assistance was supplied in drafting the bill. Assistance was also given to the Special Trade Representative on various aspects of his study, instituted at the request of the President, on the future of U.S. foreign-trade policy.

#### **Tariff negotiations**

The Commission supplies both professional and clerical staff for U.S. delegations to trade negotiations. Of the 11 members of the Commission's staff who had served in Geneva on the U.S. delegation at the sixth (Kennedy) round of tariff negotiations, concluded in June 1967 under the General Agreement on Tariffs and Trade (GATT), seven remained in Geneva for the first month of fiscal year 1968 to assist in the final work of the delegation.

Substantial assistance was given to the Office of the Special Trade Representative in the preparation of Presidential Proclamation 3822 to carry out commitments which the United States had undertaken in the Geneva (1967) Protocol to the General Agreement on Tariffs and Trade. In addition to furnishing legal advice in drafting the proclamation and supporting documentations, the Commission calculated the four intermediate stages for the concessions granted on approximately 4,100 items in the Tariff Schedules of the United States (TSUS) and supplied clerical and other assistance for production of the 150-page proclamation.

Work continued on the negotiations to reconcile U.S. commitments in existing trade agreements with the provisions of the TSUS, which took effect in August 1963. At the close of fiscal year 1968, agreements had been reached with all the countries involved, but formal agreements had not yet been signed with Sweden and Switzerland.

#### **Eighteenth report on the operation of the trade agreements program**

Section 402(b) of the Trade Expansion Act of 1962 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. At the close of the fiscal year, the Commission's 18th report, covering events from January 1, 1966, through December 31, 1966, was near completion.<sup>4</sup>

The report included information on (1) current U.S. trade-agreement obligations; (2) U.S. participation in the GATT and, in particular, the status of negotiations under the Kennedy Round at the

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<sup>4</sup>The report was published on July 9, 1968. *Operation of the Trade Agreements Program: 18th Report, January-December 1966*, TC Publication 252, 1968 [processed].

close of 1966; (3) major commercial policy developments in countries or areas with which the United States has trade agreements; and (4) the European Free Trade Association, which, at the end of 1966, achieved its basic objective of establishing a free-trade area for industrial commodities.

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

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 imported into the United States. Section 201 of the Tariff Classification Act of 1962, moreover, authorizes the Tariff Commission "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." Under the foregoing authority, a Committee for Statistical Annotation of Tariff Schedules, including representatives of the Tariff Commission, the Bureau of Customs, and the Bureau of the Census, establishes the statistical enumerations authorized in section 484(e) of the Tariff Act of 1930. The representative of the Tariff Commission is the chairman of the Committee.

The aforementioned statistical enumerations are published as *Tariff Schedules of the United States Annotated (TSUSA)*. The *TSUSA* is supplied by the Bureau of Customs to its officials at 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. It is also used widely by importers, customs brokers, and others of the interested public.

Under the authority of section 201, the Commission in November 1967 published the 1968 edition of the schedules to replace the *TSUSA (1965)*. The 1968 edition incorporated modifications in the legal language and rates of duty that resulted from the Kennedy Round of trade negotiations and from earlier bilateral compensatory agreements with Canada, the United Kingdom, and Japan. By June 30, 1968, the Commission had issued one supplement to the *TSUSA (1968)*, which included changes resulting from two legislative amendments to the schedules.

### **Summaries of Trade and Tariff Information**

During the period under review, the Commission completed and published 12 volumes of its new edition of *Summaries of Trade and Tariff Information*. The new series provides concise information on domestic and foreign trade in the articles enumerated in the Tariff Schedules of the United States. Each summary includes data on consumption, production, exports, and imports; a discussion of U.S.

tariff treatment; and statistical tables. The summaries are thus designed to meet the varied needs of the Congress, the courts, Government agencies, business concerns, research organizations, and others.

The summaries are divided into eight schedules of commodities co-extensive with the eight TSUS schedules; approximately 1,800 summaries will be published in 62 volumes, each dealing with groups of related articles. The following volumes were published during fiscal 1968:

*Iron and Steel* (TC Publication 221, 1967)  
*Arms and Ammunition; Fishing Tackle; Wheel Goods; Sporting Goods; Games and Toys* (TC Publication 231, 1968)  
*Gems, Gemstones, Industrial Diamonds, Clays, Fluorspar, Talc, and Miscellaneous Nonmetallic Minerals and Products Thereof* (TC Publication 235, 1968)  
*Fatty Substances, Waxes, and Miscellaneous Chemical Products* (TC Publication 239, 1968)  
*Dairy Products and Birds' Eggs* (TC Publication 240, 1968)  
*Nonferrous Metals I* (TC Publication 241, 1968)  
*Textile Furnishings and Apparel* (TC Publication 245, 1968)  
*Paper and Related Products I* (TC Publication 247, 1968)  
*Jewelry and Related Articles, Decorative Materials, Combs, Smokers' Articles, Pens, Pencils, Works of Art, and Antiques* (TC Publication 249, 1968)  
*Animals and Meats* (TC Publication 250, 1968)  
*Pigments, Inks, Paints, and Related Products* (TC Publication 251, 1968)  
*Inorganic Chemicals I* (TC Publication 253, 1968)

### Reports on Synthetic Organic Chemicals

During the year under review, the Commission prepared its customary reports on U.S. production, sales, and imports of synthetic organic chemicals. A continuous annual series of such reports has been published since 1918. The data for these reports are collected for use primarily by the Commission; the reports are published in order that the data may become available to other interested Government agencies and the business community. As the statistics become available, the Commission publishes monthly reports for certain products. Preliminary reports are issued for each section of the annual report on synthetic organic chemicals, and, when the statistics are available in final form, an annual report incorporating all sections is published.

#### Monthly reports on production and sales of synthetic organic chemicals

In fiscal 1968, the Commission published two series of reports.<sup>5</sup> One series (the C series) supplied data on the production of selected synthetic organic chemicals; the other (the P series) supplied production and sales data on plastics and resin materials.

<sup>5</sup> S.O.C. (Synthetic Organic Chemicals) Series C; S.O.C. Series P.

**Preliminary annual reports on production and sales of synthetic organic chemicals in 1966**

As preliminary annual statistics for 1966 became available, the Commission, in fiscal 1968, issued separate preliminary annual reports for the 14 segments of the synthetic organic chemicals industry, covering production and sales by each segment. Data were reported on each of the following: Tar and tar crudes, crude products from petroleum and natural gas for chemical conversion, cyclic intermediates, benzenoid dyes, synthetic organic pigments (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 related products, and miscellaneous cyclic and acyclic organic chemicals.

**Annual report on production and sales of synthetic organic chemicals in 1966**

During the period covered herein, the Commission prepared its annual report on U.S. production and sales of synthetic organic chemicals in 1966. This report brings together, in one volume, data on the 14 segments of the industry for which preliminary information had been published earlier in separate reports. Statistics relating to the production and sales of approximately 8,000 chemicals and chemical products were supplied by more than 800 primary manufacturers. The report identifies the manufacturers of each item for which data were reported and records U.S. general imports in 1966 of benzenoid intermediates, dyes, medicinal chemicals, and other finished coal-tar products (i.e., products entered under schedule 4, parts 1B and 1C of the TSUS). At the close of fiscal 1968, the annual report for 1966 was in press.<sup>6</sup>

**Report on imports of benzenoid chemicals and products in 1966**

On September 21, 1967, the Commission issued a report on U.S. imports of benzenoid chemicals and products in 1966.<sup>7</sup> The report provided detailed statistics on imports of products entered under schedule 4, parts 1B and 1C of the TSUS—benzenoid intermediates, dyes, organic pigments, medicinals and pharmaceuticals, flavor and perfume materials, and other benzenoid products.

**Other Reports**

During fiscal 1968, the Commission made two quantitative determinations (regarding brooms and watches) in compliance with statutory obligations, published two reports relating to foreign trade, and initiated exploratory studies of subjects related to future aspects of U.S. foreign trade.

<sup>6</sup> *Synthetic Organic Chemicals, United States Production and Sales, 1966*, TC Publication 248, was issued on Aug. 2, 1968.

<sup>7</sup> *Imports of Benzenoid Chemicals and Products, 1966*, TC Publication 216, 1967 [processed].

**Brooms**

In response to Executive Order 11377 of October 23, 1967, the Commission on May 2, 1968, reported to the President its judgment respecting U.S. consumption, in 1965 and 1967, of whiskbrooms and other brooms made of broomcorn. The President's request for information resulted from responsibilities assigned to him by the Tariff Schedules Technical Amendments Act of 1965.<sup>8</sup> That act had established two tariff-rate quotas on imports of brooms wholly or in part of broomcorn and had provided for substantially increased rates of duty on overquota imports of such products. Moreover, it empowered the President<sup>9</sup> to vary the quantity of brooms that may be imported at the specified rates of duty in proportion with changes in domestic consumption. The Commission's report was the first in a series of annual reports designed to assist the President in determining the extent to which changes have occurred in the consumption of whiskbrooms and other brooms made of broomcorn.

**Watch movements**

On March 27, 1968, the Commission published in the Federal Register—and transmitted to the Secretaries of the Treasury, Interior, and Commerce—its determination of the apparent U.S. consumption of watch movements in 1967 and the number of watches and watch movements that are the product of the Virgin Islands, Guam, and American Samoa that may be entered free of duty during the calendar year 1968. The Commission had made a similar determination in March 1967.

The determinations were made in compliance with headnote 6(c), schedule 7, part 2, subpart E of the TSUS, which provides that—

On or before April 1 of each calendar year (beginning with 1967), the Tariff Commission shall determine the apparent United States consumption of watch movements during the preceding calendar year, shall report such determination to the Secretary of the Treasury, the Secretary of the Interior, and Secretary of Commerce, and shall publish such determination in the Federal Register, together with the number of watches and watch movements which are the product of the Virgin Islands, Guam, and American Samoa which may be entered free of duty under paragraph (b) during the calendar year.

The statutory basis for headnote 6 is Public Law 89-805, enacted November 10, 1966.<sup>10</sup>

**Foreign-trade studies**

During fiscal 1968, the Commission also issued two reports relating to current aspects of foreign trade. The first of these reports traced

<sup>8</sup> Public Law 89-241, 19 U.S.C. 1202.

<sup>9</sup> Headnote 3, schedule 7, part 8, subpart A of the Tariff Schedules of the United States.

<sup>10</sup> 80 Stat. 1521, 1522.



the historical antecedents of the Brussels Tariff Nomenclature.<sup>11</sup> The report examined a series of efforts—spanning more than a century—which were aimed at developing a uniform international tariff nomenclature; it also analyzed the results of these efforts.

The second report dealt with quantitative import restrictions maintained by the United States.<sup>12</sup> It presented information on the background, status, and economic significance of such restrictions in existence as of July 1, 1967. It included discussion of embargoes, absolute quotas, and tariff-rate quotas, as well as U.S. obligations under the GATT with regard to the application of quantitative import restrictions.

In view of anticipated changes in U.S. foreign trade following the recently concluded Kennedy Round of trade negotiations, the Commission, in the period covered in this report, initiated preliminary studies to determine the feasibility of projects on a variety of subjects. Chief among these were the probable impact on U.S. trade if tariff preferences were granted to the less developed countries, the effects of national and regional agricultural programs on U.S. exports and imports, and the achievements possible under the proposed East-West trade bill.

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

Essential to the effective performance of the Commission is the assembly of information on imported commodities and their impact on domestic industries. Such information includes technical data on the commodities, their uses, and the methods of their production; data on U.S. production, imports, exports, marketing practices, and prices; and the conditions of competition between foreign and domestic products. For certain commodities that are important in international trade, data are also assembled on production, exports, and prices in leading foreign producing countries. Information is acquired through the assembly and analysis of data obtained from standard statistical sources, from other Government agencies, from individual firms, through fieldwork by the Commission's personnel, and through questionnaires and public hearings.

##### **The Commission's New York City office**

The Tariff Commission's New York City office is engaged principally in the analysis of customhouse documents (invoices and related papers) on imports entering through the customs district of New York. Such data are not available elsewhere and are essential to the

<sup>11</sup> *The Development of a Uniform International Tariff Nomenclature From 1853 to 1967 With Emphasis on the Brussels Tariff Nomenclature*, TC Publication 237, 1968 [processed].

<sup>12</sup> *Quantitative Import Restrictions of the United States*, TC Publication 243, 1968 [processed].

Commission's work. In addition, the New York office maintains contacts with manufacturers, importers, exporters, and customs officers in the New York area to assist the Commission's specialists in assembling information in their respective fields. A file of Tariff Commission notices and publications is available for inspection by interested parties.

**The Commission's library**

During the period under review, the Tariff Commission library acquired 946 new titles and added 3,084 new volumes. Although the library serves primarily the Commission's staff, its resources are available to individuals and organizations engaged in research, and to other Government agencies. The approximately 64,000 volumes and 1,200 periodicals in the library represent a unique and comprehensive collection of material on U.S. tariff and commercial policy, international trade, business conditions, foreign-trade statistics, and the technical and economic aspects of production in the United States and in foreign countries. In addition to the material in the library, the legislative reference section, in the Commission's Legal Division, maintains a comprehensive file of documents on legislation affecting U.S. import trade.

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

The Tariff Act of 1930 requires the Commission to supply information and assistance to the Congress and to other Government agencies. The Commission also furnishes information to the business community and to the general public.

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

During fiscal 1968, as in previous years, the Commission's response to directives and requests from the Congress constituted a vital part of its activities. This 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 this report.

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 period covered by this report, the Commission submitted 37 reports on bills concerning tariffs and matters related to international trade. One of these reports commented extensively on a concurrent resolution of the 90th Congress regarding the international antidumping code, which was negotiated within the framework of the General Agreement on Tariffs and Trade and signed in Geneva on June 30, 1967.<sup>1</sup>

Members of the Commission's staff were requested to be present and to furnish technical information at several congressional hearings. At Ways and Means Committee hearings (held from June 4 to July 2, 1968) on a wide range of tariff and trade proposals, the Commission's staff was required to supply data on the trade in numerous commodities, to furnish information orally to members of the committee, and to abstract briefs submitted in connection with the hearings. Two members of the staff were designated to act as liaison between the committee and the Commission during these hearings.

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<sup>1</sup> U.S. Senate, Committee on Finance, *Report of the U.S. Tariff Commission on S. Con. Res. 38, Regarding the International Antidumping Code Signed at Geneva on June 30, 1967*, 1968.

The Commission also replies to numerous requests from individual Members of Congress for information in connection with pending legislation or queries raised by constituents. Some requests are answered from data readily available in the Commission; others require research and the preparation of statistical compilations and analyses. During the fiscal year, the Commission responded to 664 such requests from Senators and Representatives.

### **Cooperation With Government Agencies**

During the year, the Commission 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, and Interdepartmental Commodity Advisory Committees under the Office of Emergency Planning of the Executive Office of the President. The Commission continued to supply information on strategic and critical materials to the Business and Defense Services Administration and to other Government agencies concerned with the problems of defense.

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

The Commission assisted nongovernmental organizations by providing technical information and data on tariffs and trade. As in previous years, 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. 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.

A member of the Commission's staff represented the Commission at the organizational meeting of the National Committee on International Trade Documentation, which seeks to eliminate unnecessary paperwork in international trade.

### **Assistance to Business Concerns and the Public**

In response to requests from business organizations, lawyers, teachers, editors, students, and others, the Commission regularly furnishes information on a broad range of subjects within its area of competence. 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. The President annually designates the Chairman and Vice Chairman from the membership of the Commission.

During the period under review, the President appointed Stanley D. Metzger to the Commission and named him Chairman, Glenn W. Sutton was reappointed Vice Chairman, and Bruce E. Clubb assumed office. On June 30, 1968, the members of the Commission and the dates on which their respective terms expire were as follows:

Commissioner.....	Stanley D. Metzger, Democrat from the District of Columbia. (Term expiring June 16, 1973.) <sup>1</sup>
Commissioner.....	Glenn W. Sutton, Democrat from Georgia. (Term expiring June 16, 1972.) <sup>2</sup>
Commissioner.....	Penelope H. Thunberg, political independent from Maryland. (Term expiring June 16, 1970.)
Commissioner.....	Bruce E. Clubb, Republican from Virginia. (Term expiring June 16, 1971.) <sup>3</sup>
Commissioner.....	Vacancy. (Term expiring June 16, 1969.) <sup>4</sup>
Commissioner.....	Vacancy. (Term expiring June 16, 1974.) <sup>5</sup>

<sup>1</sup> On Aug. 7, 1967, the President nominated Mr. Metzger to fill the vacancy left by the retirement of Mr. Paul Kaplowitz. The Senate confirmed the nomination on Nov. 7, 1967; Mr. Metzger assumed office on Nov. 9, 1967. He was designated to serve as Chairman of the Commission until June 16, 1968, and was redesignated as Chairman for the period June 17, 1968-June 16, 1969.

<sup>2</sup> Mr. Sutton served his second term as Vice Chairman of the Commission during the period June 17, 1967-June 16, 1968; he was reappointed Vice Chairman by the President for the period June 17, 1968-June 16, 1969.

<sup>3</sup> Mr. Bruce E. Clubb assumed office on July 3, 1967. He was nominated by the President on May 31, 1967, to fill the vacancy left by the death of Mr. Joseph E. Talbot on Apr. 30, 1966. Mr. Clubb's nomination was confirmed by the Senate on June 27, 1967.

<sup>4</sup> Mr. Bernard Norwood was nominated by the President on Apr. 3, 1968, to fill the vacancy left by the resignation of Mr. Dan H. Fenn on June 21, 1967. On Oct. 8, 1968, the President announced that the nomination of Mr. Norwood would be withdrawn. Later, the President nominated Mr. Will E. Leonard, Jr., Democrat from Louisiana. Mr. Leonard was confirmed by the Senate on Oct. 9, 1968, and assumed office on Oct. 29, 1968.

<sup>5</sup> The term of Commissioner James W. Culliton expired on June 16, 1968. On Oct. 8, 1968, the President indicated his intention to nominate Mr. Herschel D. Newsom, Republican from Indiana, to fill the vacancy left by Mr. Culliton. On Oct. 9, 1968, the Senate confirmed the nomination of Mr. Newsom; he assumed office on Nov. 21, 1968.

### 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 Office of the Special Adviser for Trade Agreements; the Economics Division; and, under the direction of the Chief of Technical Services, seven commodity divisions, the Accounting Division, and the Support Division (statistics and office services). 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 in the general conduct of its business, including relations with the public and other Government agencies; issues public notices in formal proceedings; receives documents and requests filed in connection with official proceedings; schedules the order of appearances at public hearings; and records minutes of Commission meetings.

On June 30, 1968, the Tariff Commission was composed of four Commissioners and 258 staff members.<sup>1</sup>

### Finances and Appropriations, Fiscal Year 1968

The appropriated funds available to the U.S. Tariff Commission during the fiscal year 1968 amounted to \$3,739,000. Reimbursements received totaled \$10,688, making a grand total available of \$3,749,688. The unobligated balance as of June 30, 1968, was \$7,643. Expenditures for the fiscal year 1968 were as follows:

Salaries:	
Commissioners.....	\$125, 448
Employees:	
Departmental.....	2, 964, 460
Field.....	60, 520
Overtime .....	16, 674
Personnel benefits.....	231, 504
Travel and transportation expense.....	28, 747
Rentals and communications service.....	61, 138
Printing and reproduction.....	36, 921
Contractual services.....	17, 851
Services performed by other agencies.....	97, 706
Books of reference and other publications.....	12, 356
Office supplies and equipment.....	88, 720
	<hr/>
Total .....	3, 742, 045

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



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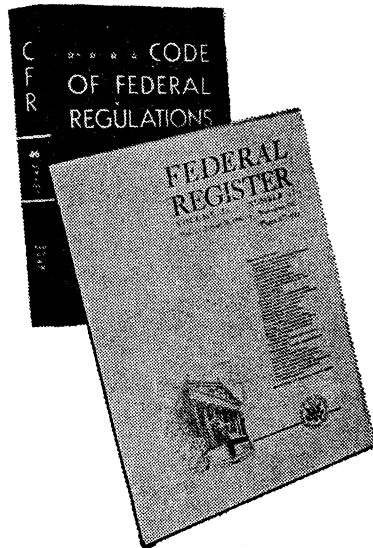
**TARIFF SCHEDULES**

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