
Forty-fifth
Annual Report
of the
United States Tariff Commission

◆
Fiscal Year Ended June 30
1961

TC Publication 47

**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), 55¢

***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), 60¢

Operation of the Trade Agreements Program: 12th Report, July 1958-June 1959 (TC Publication 9, 1961), 55¢

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1961



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LETTER OF TRANSMITTAL

UNITED STATES TARIFF COMMISSION,
Washington, December 1, 1961.

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

Respectfully,

BEN DORFMAN,
Chairman.

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

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INTRODUCTION

This—the *Forty-fifth Annual Report of the United States Tariff Commission*¹—covers the period July 1, 1960, through June 30, 1961. References in this report to the year 1961 (unless otherwise indicated) are to the fiscal year ending June 30, 1961, rather than to the calendar year 1961.

For the purposes of this report, the current work of the Tariff Commission—described in parts I, II, III, and IV—has been classified under the following headings: Public investigations; special reports and activities; furnishing technical information and assistance; and other activities. Part V of the report deals with the membership and staff of the Commission, and its finances and appropriations. As required by law, summaries of all reports made by the Commission during 1961 appear under the appropriate headings in parts I and II of this report.

¹The U.S. Tariff Commission was created by act of Congress approved Sept. 8, 1916 (39 Stat. 795), and was formally organized on Mar. 31, 1917.

PART I. PUBLIC INVESTIGATIONS

Specific provisions of law and certain Executive orders direct the U.S. Tariff Commission to conduct various investigations and to make certain studies and reports. These directives are contained in sections 3¹ and 7² of the Trade Agreements Extension Act of 1951, as amended; Executive Orders 10082³ and 10401;⁴ sections 332,⁵ 336,⁶ and 337⁷ of the Tariff Act of 1930, as amended; section 22 of the Agricultural Adjustment Act, as reenacted and amended;⁸ and section 201(a) of the Antidumping Act, 1921, as amended.⁹

During 1961 the Commission conducted investigations under all these statutes and Executive orders. As in the last several years, activities relating to public investigations continued to account for a major part of the Commission's work.

Section 3 of the Trade Agreements Extension Act of 1951

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

The President may not conclude a trade agreement until the Commission has submitted its report to him, or until 6 months from the date he transmits the list of products to the Commission.¹⁰ Should

¹ 19 U.S.C. 1360.

² 19 U.S.C. 1364.

³ 3 CFR, 1949-1953 Comp., 281.

⁴ 3 CFR, 1949-1953 Comp., 901.

⁵ 19 U.S.C. 1332.

⁶ 19 U.S.C. 1336, 1352.

⁷ 19 U.S.C. 1337, 1337a.

⁸ 7 U.S.C. 624.

⁹ 19 U.S.C. 160 *et seq.*

¹⁰ Originally 120 days, but extended to 6 months by the Trade Agreements Extension Act of 1958.

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

The Trade Agreements Extension Act of 1958 amended section 3 of the Trade Agreements Extension Act of 1951, as amended, by providing that if in the course of any peril-point investigation the Tariff Commission finds—with respect to any article on the President's list upon which a tariff concession has been granted—that an increase in duty or additional import restriction is required to avoid serious injury to the domestic industry producing like or directly competitive articles, the Commission must promptly institute an escape-clause investigation with respect to that article.

During fiscal 1961 the Commission completed peril-point investigations under the provisions of section 3 of the Trade Agreements Extension Act of 1951, as amended, with respect to articles included in three Presidential lists.

On May 27, 1960, the Interdepartmental Committee on Trade Agreements issued public notice of the intention of the U.S. Government to participate in multilateral tariff negotiations—within the framework of the General Agreement on Tariffs and Trade—at Geneva, Switzerland, beginning in September 1960. On the basis of then available information, the Trade Agreements Committee announced that the United States expected to negotiate (1) with the Commission of the European Economic Community on behalf of its 6 member states (Belgium, France, West Germany, Italy, Luxembourg, and the Netherlands); (2) with 17 other contracting parties to the General Agreement (Australia, Austria, Canada, Chile, Denmark, the Dominican Republic, Finland, Haiti, India, Japan, New Zealand, Nicaragua, Norway, Peru, Sweden, the United Kingdom, and Uruguay); and (3) with 4 countries that have acceded to the General Agreement provisionally or have been or are expected to be invited to negotiate for accession thereto (Israel, Spain, Switzerland, and Tunisia).

On May 27, 1960, the President transmitted to the Tariff Commission a list of the commodities that were to be considered for possible concessions in the proposed negotiations. The President's list involved 450 tariff paragraphs or subparagraphs, each of which included one or more commodities, and covered approximately 2,200 statistical (*Schedule A*) classifications or parts thereof. The Commission instituted the required peril-point investigations on May 27, 1960, and held public hearings in connection with the investigations during the

period July 11 to September 19, 1960. The Commission submitted its report to the President on November 25, 1960.

On November 22, 1960, the Trade Agreements Committee supplemented its notice of May 27, 1960, with respect to U.S. participation in the multilateral tariff negotiations described above. On the same day the President transmitted to the Tariff Commission a supplemental list of commodities that were to be considered for possible concessions in the proposed negotiations. The President's supplemental list involved 99 tariff paragraphs or subparagraphs, each of which included one or more commodities, and covered approximately 200 statistical (*Schedule A*) classifications or parts thereof. The Commission instituted the required peril-point investigation on November 22, 1960, and held a public hearing in the investigation on January 5, 6, 26, and 27, 1961. The Commission submitted its report to the President on April 17, 1961.

On December 22, 1960, the Trade Agreements Committee issued public notice of the intention of the U.S. Government to invoke article XXVIII of the General Agreement on Tariffs and Trade, with a view to the withdrawal or modification of the concessions granted by the United States in that agreement on bicycles and spring clothespins. On December 21, 1960, the President requested that the Tariff Commission make a peril-point investigation with respect to the articles covered by those concessions.¹¹ The Commission instituted the required peril-point investigations on December 22, 1960, and held public hearings in connection with the investigations on January 7, 1961. The Commission submitted its report to the President on January 10, 1961.

Section 7 of the Trade Agreements Extension Act of 1951

Section 7 of the Trade Agreements Extension Act of 1951, as amended, establishes a statutory escape-clause procedure. It provides that the Tariff Commission, upon the request of the President, upon resolution of either House of Congress, upon resolution of either the Senate Committee on Finance or the House Committee on Ways and Means, upon its own motion, or upon application by any interested party (including any organization or group of employees), must promptly conduct an investigation to determine whether any

¹¹ On Dec. 12, 1960, the Supreme Court denied a petition for certiorari in the case of *United States v. Schmidt Pritchard & Co.* (C.A.D. 750 (1960), cert. denied, 364 U.S. 919 (1960), affirming C.D. 2029 (1958)). This case invalidated one of the rates in Presidential Proclamation 3108, of Aug. 18, 1955, which had increased the duties on bicycles under the escape-clause procedure, and cast doubt on the validity of the other three rates in that proclamation and on the rates in Proclamation 3211 of Nov. 9, 1957, which had increased the duty on spring clothespins under the escape-clause procedure. In his letter the President stated that it was his intention to give consideration to entering into agreements with certain foreign countries in order to assure the application of the increased rates provided for bicycles and spring clothespins in Proclamations 3108 and 3211, respectively.

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on which a trade-agreement concession has been granted is, as a result, in whole or in part, of the customs treatment reflecting the concession, being imported in such increased quantities, either absolute or relative, as to cause or threaten serious injury to the domestic industry producing like or directly competitive products.

The Commission is to make a report in an escape-clause investigation within 6 months of the date it receives the application. As a part of each investigation, the Commission generally holds a public hearing at which interested parties are afforded an opportunity to be heard.

Section 7(a) of the Trade Agreements Extension Act of 1940, as amended, requires the Commission to hold such a hearing whenever it finds evidence of serious injury or threat of serious injury (using as its guide lines those criteria spelled out in the law), whenever so directed by resolution of either the Senate Committee on Finance or the House Committee on Ways and Means.

On arriving at its findings and conclusions in an escape-clause investigation, the Commission, without excluding other factors, is required by statute to take into consideration a downward trend of production, employment, prices, profits, or wages in the domestic industry concerned, or a decline in sales, an increase in imports, actual or relative to domestic production, a higher or growing import duty, or a decline in the proportion of the domestic market supplied by domestic producers, as is evidenced up to and including the termination of its investigation. Increased imports, either absolute or relative, must be considered as the cause or threat of serious injury to the domestic industry producing like or directly competitive products when the Commission finds that such increased imports have contributed substantially toward causing or threatening serious injury to such industry.

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

The Trade Agreements Extension Act of 1958 provides that the President may override the President's rejection of a Tariff Commission recommendation for escape-clause action. To do so, the Congress must act within 60 days after the President rejects the Commission's

recommendation, adopt by a two-thirds vote of each House a concurrent resolution approving the Commission's recommendation. At the close of the period covered by this report the Congress had not yet exercised this authority.

Status of investigations pending during 1961

Work on escape-clause investigations under section 7 of the Trade Agreements Extension Act of 1951, as amended, constituted a very important activity of the Tariff Commission during 1961, as it has for a number of years. On July 1, 1960, a total of 6 escape-clause investigations were pending before the Commission. During the ensuing 12 months the Commission instituted 17 additional investigations—the largest number instituted in any year since the Commission was charged in 1947 with conducting escape-clause investigations.¹² Of a total of 23 escape-clause investigations that were pending before the Commission at one time or another during the period July 1, 1960–June 30, 1961, the Commission at the close of that period had completed 16 investigations and had terminated 2 investigations without formal findings; the remaining 5 investigations were in process.¹³

With respect to the 16 investigations that the Commission completed during 1961, the Commission took the actions indicated below:

Commodity	Vote of the Commission	
	For escape action	Against escape action
Barbed wire.....	0	4
Cast-iron fittings for cast-iron soil pipe.....	0	6
Crude horseradish.....	0	6
Hatters' fur.....	0	6
Binding twines.....	2	2
Hard-fiber cords and twines.....	2	2
Iron ore.....	0	5
Ultramarine blue.....	0	6
Plastic raincoats.....	2	4
Cellulose filaments (rayon staple fiber).....	2	4
Baseball and softball gloves.....	6	0
Cantaloups.....	0	6
Watermelons.....	0	6
Ceramic mosaic tile.....	6	0
Sheet glass ¹	6	0
Rolled glass ¹	3	3

¹ For details of the Commission's vote in these investigations, see the subsequent section of this report.

¹² Between Apr. 20, 1948, when it received the first application for an escape-clause investigation, and June 30, 1961, the Commission instituted a total of 127 such investigations.

¹³ The Commission's reports on the investigations completed and dismissed—all of which have been released—are summarized in a subsequent section of this report.

The nature and status of the individual escape-clause investigations that were pending before the Commission at one time or another during the period July 1, 1960–June 30, 1961, are shown in the following compilation:¹⁴

Escape-clause investigations pending before the U.S. Tariff Commission at one time or another during the period July 1, 1960–June 30, 1961

Commodity	Status
1. Barbed wire----- (Investigation No. 86; sec. 7)	<p><i>Origin of investigation:</i> The Commission instituted the investigation on its own motion. On Nov. 28, 1958, the Commission rejected, on jurisdictional grounds, an application for an escape-clause investigation of barbed wire, filed by the Atlantic Steel Co., of Atlanta, Ga., and others. The Commission's rejection of the application was followed by litigation in the Federal courts. On Feb. 4, 1960, the U.S. Court of Appeals for the District of Columbia Circuit affirmed the lower court's order that the Tariff Commission must make an investigation of barbed wire under sec. 7. (<i>Talbot v. Atlantic Steel Co.</i>, 275 F. 2d 4.)</p> <p><i>Investigation instituted:</i> Feb. 9, 1960. <i>Hearing held:</i> May 10, 1960. <i>Investigation completed:</i> Aug. 3, 1960. <i>Recommendation of the Commission:</i> No modification of concession. <i>Vote of the Commission:</i> 4-0. <i>Reference:</i> U.S. Tariff Commission, <i>Barbed Wire: Report on Escape-Clause Investigation No. 7-86 . . .</i>, 1960 [processed].</p>
2. Cast-iron fittings for cast-iron soil pipe. (Investigation No. 87; sec. 7)	<p><i>Origin of investigation:</i> Application by the Cast Iron Soil Pipe Foundation, Los Angeles, Calif., and others.</p> <p><i>Application received:</i> Feb. 23, 1960. <i>Investigation instituted:</i> Mar. 7, 1960. <i>Hearing held:</i> May 31, 1960. <i>Investigation completed:</i> Aug. 23, 1960. <i>Recommendation of the Commission:</i> No modification of concession. <i>Vote of the Commission:</i> 6-0. <i>Reference:</i> U.S. Tariff Commission, <i>Cast-Iron Soil-Pipe Fittings: Report on Escape-Clause Investigation No. 7-87 . . .</i>, 1960 [processed].</p>

¹⁴ This compilation shows the status of only those escape-clause investigations that were pending before the Commission at one time or another during the period covered by this report. Lists of investigations instituted before the period covered by this report, and their status on various dates, are given in earlier annual reports of the Commission. For a résumé of the status of all escape-clause investigations instituted by the Commission between Apr. 20, 1948, and Apr. 1, 1961, see U.S. Tariff Commission, *Investigations Under the "Escape Clause" of Trade Agreements: Outcome or Current Status of Investigations Instituted by the United States Tariff Commission Under the "Escape Clause" of Trade Agreements, As of April 1, 1961*, 14th ed., TC Publication 11, 1961 [processed].

Escape-clause investigations pending before the U.S. Tariff Commission at one time or another during the period July 1, 1960—June 30, 1961—Continued

Commodity	Status
3. Crude horseradish----- (Investigation No. 88; sec. 7)	<p><i>Origin of investigation:</i> Application by the Vegetable Growers of St. Clair, Monroe, and Madison Counties of the State of Illinois, Granite City, Ill.</p> <p><i>Application received:</i> Mar. 21, 1960.</p> <p><i>Investigation instituted:</i> Mar. 28, 1960.</p> <p><i>Hearing held:</i> July 19, 1960.</p> <p><i>Investigation completed:</i> Sept. 15, 1960.</p> <p><i>Recommendation of the Commission:</i> No modification of concession.</p> <p><i>Vote of the Commission:</i> 6-0.</p> <p><i>Reference:</i> U.S. Tariff Commission, <i>Crude Horseradish: Report on Escape-Clause Investigation No. 7-88 . . . , 1960</i> [processed].</p>
4. Hatters' fur (2d investigation). (Investigation No. 89; sec. 7)	<p><i>Origin of investigation:</i> Application by the Hatters' Fur Cutters Association of the U.S.A., New York, N.Y.</p> <p><i>Application received:</i> June 1, 1960.</p> <p><i>Investigation instituted:</i> June 21, 1960.</p> <p><i>Hearing held:</i> No hearing held.</p> <p><i>Investigation completed:</i> Oct. 7, 1960.</p> <p><i>Recommendation of the Commission:</i> No modification of concession.</p> <p><i>Vote of the Commission:</i> 6-0.</p> <p><i>Reference:</i> U.S. Tariff Commission, <i>Hatters' Fur: Report on Escape-Clause Investigation No. 7-89 . . . , 1960</i> [processed].</p>
5. Binding twines----- (Investigation No. 90; sec. 7)	<p><i>Origin of investigation:</i> Application by the Cordage Institute, New York, N.Y.</p> <p><i>Application received:</i> June 10, 1960.</p> <p><i>Investigation instituted:</i> June 24, 1960.</p> <p><i>Hearing held:</i> Sept. 27-29, 1960.</p> <p><i>Investigation completed:</i> Dec. 9, 1960.</p> <p><i>Vote of the Commission:</i> Equally divided (2-2).</p> <p><i>Action of the President:</i> On Feb. 7, 1961, the President announced that he had accepted the findings of the two Commissioners who decided that the imposition of increased import restrictions was not warranted.</p> <p><i>Reference:</i> U.S. Tariff Commission, <i>Binding Twines (Binder and Baler Twines): Report to the President on Escape-Clause Investigation No. 7-90 . . . , 1960</i> [processed].</p>
6. Hard-fiber cords and twines. (Investigation No. 91; sec. 7)	<p><i>Origin of investigation:</i> Application by the Cordage Institute, New York, N.Y.</p> <p><i>Application received:</i> June 10, 1960.</p> <p><i>Investigation instituted:</i> June 24, 1960.</p> <p><i>Hearing held:</i> Sept. 28-29, 1960.</p> <p><i>Investigation completed:</i> Dec. 9, 1960.</p> <p><i>Vote of the Commission:</i> Equally divided (2-2).</p> <p><i>Action of the President:</i> On Feb. 7, 1961, the President announced that he had accepted the findings of the two Commissioners who decided that the imposition of increased import restrictions was not warranted.</p> <p><i>Reference:</i> U.S. Tariff Commission, <i>Hard-Fiber Cords and Twines (Except Binding Twines): Report to the President on Escape-Clause Investigation No. 7-91 . . . , 1960</i> [processed].</p>

Escape-clause investigations pending before the U.S. Tariff Commission at one time or another during the period July 1, 1960–June 30, 1961—Continued

Commodity	Status
7. Iron ore..... (Investigation No. 92; sec. 7)	<p><i>Origin of investigation:</i> Resolution of the Senate Committee on Finance, dated June 30, 1960. <i>Resolution received:</i> July 1, 1960. <i>Investigation instituted:</i> July 6, 1960. <i>Hearing held:</i> Oct. 18–19, 1960. <i>Investigation completed:</i> Dec. 30, 1960. <i>Recommendation of the Commission:</i> No modification of concession. <i>Vote of the Commission:</i> 5–0. <i>Reference:</i> U.S. Tariff Commission, <i>Iron Ore: Report on Escape-Clause Investigation No. 7–92 . . .</i>, 1960 [processed].</p>
8. Ultramarine blue..... (Investigation No. 93; sec. 7)	<p><i>Origin of investigation:</i> The Commission instituted the investigation as a result of its finding in a peril-point investigation under sec. 3 of the Trade Agreements Extension Act of 1951, as amended. <i>Investigation instituted:</i> Sept. 16, 1960. <i>Hearing held:</i> Jan. 17, 1961. <i>Investigation completed:</i> Mar. 16, 1961. <i>Recommendation of the Commission:</i> No modification of concession. <i>Vote of the Commission:</i> 6–0. <i>Reference:</i> U.S. Tariff Commission, <i>Ultramarine Blue: Report on Escape-Clause Investigation No. 7–93 . . .</i>, TC Publication 5, 1961 [processed].</p>
9. Plastic raincoats..... (Investigation No. 94; sec. 7)	<p><i>Origin of investigation:</i> The Commission instituted the investigation as a result of its finding in a peril-point investigation under sec. 3 of the Trade Agreements Extension Act of 1951, as amended. <i>Investigation instituted:</i> Sept. 29, 1960. <i>Hearing held:</i> Jan. 24, 1961. <i>Investigation completed:</i> Mar. 29, 1961. <i>Recommendation of the Commission:</i> No modification of concession. <i>Vote of the Commission:</i> 4–2. <i>Reference:</i> U.S. Tariff Commission, <i>Plastic Film Raincoats: Report on Escape-Clause Investigation No. 7–94 . . .</i>, TC Publication 6, [processed].</p>
10. Cellulose filaments (rayon staple fiber). (Investigation No. 95; sec. 7)	<p><i>Origin of investigation:</i> The Commission instituted the investigation as a result of its finding in a peril-point investigation under sec. 3 of the Trade Agreements Extension Act of 1951, as amended. <i>Investigation instituted:</i> Oct. 10, 1960. <i>Hearing held:</i> Jan. 31 and Feb. 1, 1961. <i>Investigation completed:</i> Apr. 10, 1961. <i>Recommendation of the Commission:</i> No modification of concession. <i>Vote of the Commission:</i> 4–2. <i>Reference:</i> U.S. Tariff Commission, <i>Rayon Staple Fiber (Certain Cellulose Filaments): Report on Escape-Clause Investigation No. 7–95 . . .</i>, TC Publication 12, 1961 [processed].</p>

Escape-clause investigations pending before the U.S. Tariff Commission at one time or another during the period July 1, 1960–June 30, 1961—Continued

Commodity	Status
11. Tennis rackets----- (Investigation No. 96; sec. 7)	<p><i>Origin of investigation:</i> The Commission instituted the investigation as a result of its finding in a peril-point investigation under sec. 3 of the Trade Agreements Extension Act of 1951, as amended.</p> <p><i>Investigation instituted:</i> Oct. 20, 1960.</p> <p><i>Hearing held:</i> Feb. 14–16, 1961.</p> <p><i>Investigation terminated by the Commission without formal findings:</i> Apr. 4, 1961.</p> <p><i>Vote of the Commission:</i> 4–2.</p> <p><i>Reference:</i> U.S. Tariff Commission, <i>Tennis Rackets and Frames: Report on Escape-Clause Investigation No. 7–96 . . .</i>, TC Publication 13, 1961 [processed].</p>
12. Baseball and softball gloves-- (Investigation No. 97; sec. 7)	<p><i>Origin of investigation:</i> The Commission instituted the investigation as a result of its finding in a peril-point investigation under sec. 3 of the Trade Agreements Extension Act of 1951, as amended.</p> <p><i>Investigation instituted:</i> Oct. 31, 1960.</p> <p><i>Hearing held:</i> Feb. 21 and 23, 1961.</p> <p><i>Investigation completed:</i> May 1, 1961.</p> <p><i>Recommendation of the Commission:</i> Modification of concession.</p> <p><i>Vote of the Commission:</i> 6–0. (4 Commissioners found threat of serious injury; 2 Commissioners found serious injury. Both groups recommended increased import duties—the first to 30 percent, the second to 45 percent ad valorem.)</p> <p><i>Action of the President:</i> On June 30, 1961, the President announced that he had concluded that it would be advisable to defer the final decision with respect to baseball and softball gloves pending the compilation and appraisal of additional information. He requested the Commission to prepare a supplementary report on baseball and softball gloves and to submit it to him as soon as possible.</p> <p><i>Reference:</i> U.S. Tariff Commission, <i>Baseball and Softball Gloves, Including Mitts: Report to the President on Escape-Clause Investigation No. 7–97 . . .</i>, TC Publication 15, 1961 [processed].</p>

Escape-clause investigations pending before the U.S. Tariff Commission at one time or another during the period July 1, 1960-June 30, 1961—Continued

Commodity	Status
13. Cantaloups----- (Investigation No. 98; sec. 7)	<p><i>Origin of investigation:</i> Application by the Western Growers Association, Los Angeles, Calif.</p> <p><i>Application received:</i> Sept. 30, 1960.</p> <p><i>Investigation instituted:</i> Oct. 25, 1960.</p> <p><i>Hearing scheduled:</i> Dec. 6, 1960; postponed until Feb. 7, 1961.</p> <p><i>Hearing held:</i> Feb. 7-8, 1961.</p> <p><i>Investigation completed:</i> Mar. 30, 1961.</p> <p><i>Recommendation of the Commission:</i> No modification of concession.</p> <p><i>Vote of the Commission:</i> 6-0.</p> <p><i>Reference:</i> U.S. Tariff Commission, <i>Cantaloups: Report on Escape-Clause Investigation No. 7-98 . . .</i>, TC Publication 7, 1961 [processed].</p>
14. Watermelons----- (Investigation No. 99; sec. 7)	<p><i>Origin of investigation:</i> Application by the Imperial Valley and Palo Verde Valley, Calif., and Yuma and Central Arizona Watermelon Growers Committee, El Centro, Calif.</p> <p><i>Application received:</i> Oct. 28, 1960.</p> <p><i>Investigation instituted:</i> Oct. 31, 1960.</p> <p><i>Hearing scheduled:</i> Dec. 7, 1960; postponed until Feb. 8, 1961.</p> <p><i>Hearing held:</i> Feb. 8, 1961.</p> <p><i>Investigation completed:</i> Apr. 20, 1961.</p> <p><i>Recommendation of the Commission:</i> No modification of concession.</p> <p><i>Vote of the Commission:</i> 6-0.</p> <p><i>Reference:</i> U.S. Tariff Commission, <i>Watermelons: Report on Escape-Clause Investigation No. 7-99 . . .</i>, TC Publication 14, 1961 [processed].</p>
15. Ceramic mosaic tile----- (Investigation No. 100; sec. 7)	<p><i>Origin of investigation:</i> The Commission instituted the investigation as a result of its finding in a peril-point investigation under sec. 3 of the Trade Agreements Extension Act of 1951, as amended.</p> <p><i>Investigation instituted:</i> Nov. 10, 1960.</p> <p><i>Hearing held:</i> Mar. 7-9, 1961.</p> <p><i>Investigation completed:</i> May 10, 1961.</p> <p><i>Recommendation of the Commission:</i> Modification of concessions.</p> <p><i>Vote of the Commission:</i> 6-0.</p> <p><i>Action of the President:</i> On June 30, 1961, the President announced that he had concluded that it would be advisable to defer the final decision with respect to ceramic mosaic tile pending the compilation and appraisal of additional information. He requested the Commission to prepare a supplementary report on ceramic mosaic tile and to submit it to him as soon as possible.</p> <p><i>Reference:</i> U.S. Tariff Commission, <i>Ceramic Mosaic Tile: Report to the President on Escape-Clause Investigation No. 7-100 . . .</i>, TC Publication 16, 1961 [processed].</p>

Escape-clause investigations pending before the U.S. Tariff Commission at one time or another during the period July 1, 1960—June 30, 1961—Continued

Commodity	Status
16. Sheet glass..... (Investigation No. 101; sec. 7)	<p><i>Origin of investigation:</i> The Commission instituted the investigation as a result of its finding in a peril-point investigation under sec. 3 of the Trade Agreements Extension Act of 1951, as amended.</p> <p><i>Investigation instituted:</i> Nov. 17, 1960.</p> <p><i>Hearing held:</i> Mar. 14-17, 1961.</p> <p><i>Investigation completed:</i> May 17, 1961.</p> <p><i>Recommendation of the Commission:</i> Modification of concessions.</p> <p><i>Vote of the Commission:</i> 6-0. (The finding of serious injury was unanimous, but on the finding concerning the remedy the Commissioners divided into two groups—one group of four and one group of two.)</p> <p><i>Action of the President:</i> On June 30, 1961, the President announced that he had concluded that it would be advisable to defer the final decision with respect to sheet glass pending the compilation and appraisal of additional information. He requested the Commission to prepare a supplementary report on sheet glass and to submit it to him as soon as possible.</p> <p><i>Reference:</i> U.S. Tariff Commission, <i>Cylinder, Crown, and Sheet Glass: Report to the President on Escape-Clause Investigation No. 7-101 . . .</i>, TC Publication 17, 1961 [processed].</p>
17. Rolled glass..... (Investigation No. 102; sec. 7)	<p><i>Origin of investigation:</i> The Commission instituted the investigation as a result of its finding in a peril-point investigation under sec. 3 of the Trade Agreements Extension Act of 1951, as amended.</p> <p><i>Investigation instituted:</i> Nov. 25, 1960.</p> <p><i>Hearing held:</i> Mar. 28-29, 1961.</p> <p><i>Investigation completed:</i> May 25, 1961.</p> <p><i>Recommendation of the Commission:</i> No modification of concession (see below).</p> <p><i>Vote of the Commission:</i> 3-2-1. (In these findings and recommendations the Commissioners divided into three groups. Three Commissioners found no injury; two Commissioners found serious injury; and one Commissioner found threat of serious injury. The two Commissioners who found serious injury and the Commissioner who found threat of serious injury differed in their recommendations as to remedy. Accordingly, there being no recommendation of any group of Commissioners that could be considered by the President as a recommendation of the Commission, no report was submitted to the President.)</p> <p><i>Reference:</i> U.S. Tariff Commission, <i>Rolled Glass: Report on Escape-Clause Investigation No. 7-102 . . .</i>, TC Publication 21, 1961 [processed].</p>

Escape-clause investigations pending before the U.S. Tariff Commission at one time or another during the period July 1, 1960-June 30, 1961—Continued

Commodity	Status
18. Alsike clover seed (2d investigation). (Investigation No. 103; sec. 7)	<p><i>Origin of investigation:</i> Application by Oregon Alsike Seed Growers, of Klamath Falls, Oreg., and others. <i>Application received:</i> Feb. 6, 1961. <i>Investigation instituted:</i> Feb. 13, 1961. <i>Hearing scheduled:</i> June 6, 1961; postponed until June 20, 1961. <i>Hearing held:</i> June 20, 1961. <i>Investigation in process.</i></p>
19. Certain carpets and rugs (2d investigation). (Investigation No. 104; sec. 7)	<p><i>Origin of investigation:</i> Application by American Carpet Institute, Inc., of New York, N.Y. <i>Application received:</i> Feb. 3, 1961. <i>Investigation instituted:</i> Feb. 13, 1961. <i>Hearing held:</i> May 23-26, 1961. <i>Investigation in process.</i></p>
20. Creeping red fescue seed. (Investigation No. 105; sec. 7)	<p><i>Origin of investigation:</i> The Commission instituted the investigation as a result of its finding in a peril-point investigation under sec. 3 of the Trade Agreements Extension Act of 1951, as amended. <i>Investigation instituted:</i> Mar. 3, 1961. <i>Hearing scheduled:</i> June 27, 1961; rescheduled for June 21, 1961. <i>Investigation terminated without prejudice and hearing canceled at request of the Chewings and Creeping Red Fescue Commission of the State of Oregon and the Northwest Chewings and Creeping Red Fescue Association:</i> June 1, 1961.</p>
21. Procaine and salts and compounds thereof. (Investigation No. 106; sec. 7)	<p><i>Vote of the Commission:</i> 5-0. <i>Origin of investigation:</i> Application by B. L. Lemke & Co., Inc., Lodi, N.J., and Abbott Laboratories, North Chicago, Ill. <i>Application received:</i> May 4, 1961. <i>Investigation instituted:</i> June 1, 1961. <i>Hearing scheduled:</i> Aug. 15, 1961. <i>Investigation in process.</i></p>
22. Umbrella frames (2d investigation). (Investigation No. 107; sec. 7)	<p><i>Origin of investigation:</i> Application by the Umbrella Frame Association of America, Inc., Newark, N.J. <i>Application received:</i> June 7, 1961. <i>Investigation instituted:</i> June 16, 1961. <i>Hearing scheduled:</i> Sept. 27, 1961. <i>Investigation in process.</i></p>
23. Umbrellas----- (Investigation No. 108; sec. 7)	<p><i>Origin of investigation:</i> Application by the Association of Umbrella Manufacturers and Suppliers, Inc., Newark, N.J. <i>Application received:</i> June 7, 1961. <i>Investigation instituted:</i> June 16, 1961. <i>Hearing scheduled:</i> Sept. 28, 1961. <i>Investigation in process.</i></p>

Investigations completed or dismissed during 1961¹⁵

Barbed wire.—On February 9, 1960, the Tariff Commission on its own motion instituted an escape-clause investigation of barbed wire, which is free of duty under paragraph 1800 of the Tariff Act of 1930.¹⁶ The Commission held a public hearing in the investigation on May 10, 1960.

In this investigation, the report on which was issued on August 3, 1960, the Commission unanimously found¹⁷ that escape-clause relief was not warranted with respect to barbed wire and that, accordingly, no sufficient reason existed for a recommendation to the President under the provisions of section 7 of the Trade Agreements Extension Act of 1951, as amended.

Cast-iron fittings for cast-iron soil pipe.—In response to an application by the Cast Iron Soil Pipe Foundation, of Los Angeles, Calif., and others, the Tariff Commission on March 7, 1960, instituted an escape-clause investigation of cast-iron fittings for cast-iron soil pipe, classifiable under paragraph 327 of the Tariff Act of 1930. The Commission held a public hearing in the investigation on May 31, 1960.

In this investigation, the report on which was issued August 23, 1960, the Commission unanimously found that escape-clause relief was not warranted with respect to the specified cast-iron fittings for cast-iron soil pipe and that, accordingly, no sufficient reason existed for a recommendation to the President under the provisions of section 7 of the Trade Agreements Extension Act of 1951, as amended.

Crude horseradish.—On March 28, 1960, in response to an application by the Vegetable Growers of St. Clair, Monroe, and Madison Counties of the State of Illinois, of Granite City, Ill., the Tariff Commission instituted an escape-clause investigation of crude horseradish provided for in paragraph 774 of the Tariff Act of 1930. The Commission held a public hearing in the investigation on July 19, 1960.

In this investigation, the report on which was issued September 15, 1960, the Commission unanimously found that escape-clause relief was not warranted with respect to crude horseradish and that, accordingly, no sufficient reason existed for a recommendation to the President under the provisions of section 7 of the Trade Agreements Extension Act of 1951, as amended.

¹⁵ For citations of the reports mentioned in the discussion below, see the preceding tabulation.

¹⁶ On Nov. 28, 1958, the Commission rejected, on jurisdictional grounds, an application for an escape-clause investigation of barbed wire, filed by the Atlantic Steel Co., of Atlanta, Ga., and others. The Commission's rejection of the application was followed by litigation in the Federal courts. On Feb. 4, 1960, the U.S. Court of Appeals for the District of Columbia Circuit affirmed the lower court's order that the Tariff Commission must make an investigation of barbed wire under sec. 7 of the Trade Agreements Extension Act of 1951, as amended.

¹⁷ Commissioners Schreiber and Jones did not participate in the decision in this case because of absence from Washington and of illness, respectively.

Hatters' fur (2d investigation).—On June 21, 1960, in response to an application by the Hatters' Fur Cutters Association of the U.S.A., of New York, N.Y., the Tariff Commission instituted an escape-clause investigation of hatters' fur provided for in paragraph 1520 of the Tariff Act of 1930 as "hatters' furs, or furs not on the skin, prepared for hatters' use, including fur skins carotod." Under the Tariff Act of 1930, hatters' fur was originally dutiable at 35 percent ad valorem; it is now dutiable, pursuant to a concession granted under the General Agreement on Tariffs and Trade, at 15 percent ad valorem.

In the course of its investigation the Commission did not find evidence of serious injury or the threat thereof to the domestic industry. Section 7 of the Trade Agreements Extension Act of 1951, as amended, does not require a public hearing under such circumstances, and no hearing was ordered.

In this investigation, the report on which was issued October 7, 1960, the Commission unanimously found that escape-clause relief was not warranted with respect to the specified hatters' fur and that, accordingly, no sufficient reason existed for a recommendation to the President under the provisions of section 7 of the Trade Agreements Extension Act of 1951, as amended.

Binding twines.—In response to an application by the Cordage Institute, of New York, N.Y., the Tariff Commission on June 24, 1960, instituted an escape-clause investigation of binding twine and twine chiefly used for baling hay, straw, and other fodder and bedding materials provided for in paragraph 1622 of the Tariff Act of 1930. The Commission held a public hearing in the investigation from September 27 to 29, 1960.

In this investigation, a report on which was submitted to President Eisenhower on December 9, 1960, the four members of the Tariff Commission who participated in the investigation to its conclusion divided two to two in their findings.¹⁸ Commissioners Schreiber and Sutton found that binding twines are being imported into the United States in such increased quantities, both actual and relative (to domestic production), as to cause serious injury to the domestic industry producing like or directly competitive products. They also found that, in order to remedy the serious injury, it was necessary to impose a duty of 30 percent ad valorem on such twines.¹⁹

Commissioners Talbot and Jones found that binding twines were not being imported into the United States in such increased quantities,

¹⁸ Commissioner Overton was unable to participate in the decision in this investigation because of absence on official business. Commissioner Dowling did not participate because of absence.

¹⁹ This was the first escape-clause case that involved a recommendation for escape-clause action on an article that is duty-free. An amendment to the trade agreements legislation in the Trade Agreements Extension Act of 1958 authorized the President to impose a duty of up to 50 percent ad valorem on a free-list item. Previously, only a quota could be imposed on a free-list item under the escape-clause procedure.

either actual or relative (to domestic production), as to cause or threaten serious injury to the domestic industry producing like or directly competitive products. They therefore made no recommendation to the President for the modification or withdrawal of the concession applicable to such twines.

Under the law the President, in cases of this kind, is authorized to adopt the findings and recommendations of either group of Commissioners as the findings and recommendations of the Commission.

On February 7, 1961, President Kennedy announced that he had accepted as the findings of the Tariff Commission the findings of the two Commissioners who decided that the imposition of increased restrictions on imports of binding twines was not warranted under the escape-clause provisions.

Hard-fiber cords and twines.—On June 24, 1960, in response to an application by the Cordage Institute, of New York, N.Y., the Tariff Commission instituted an escape-clause investigation of cords and twines provided for in paragraph 1005(b) of the Tariff Act of 1930. The Commission held a public hearing in the investigation on September 28 and 29, 1960.

In this investigation, a report on which was submitted to President Eisenhower on December 9, 1960, the four members of the Tariff Commission who participated in the investigation to its conclusion divided two to two in their findings.²⁰ Commissioners Schreiber and Sutton found that hard-fiber cords and twines provided for in paragraph 1005(b) were being imported into the United States in such increased quantities, both actual and relative (to domestic production), as to cause serious injury to the domestic industry producing like or directly competitive products. They also found that, in order to remedy the serious injury, it was necessary to increase the duty on such twines from 15 percent to 30 percent ad valorem.

Commissioners Talbot and Jones found that hard-fiber cords and twines were not being imported into the United States in such increased quantities, either actual or relative (to domestic production), as to cause or threaten serious injury to the domestic industry producing like or directly competitive products. They therefore made no recommendation to the President for the modification or withdrawal of the concession applicable to such twines.

Under the law the President, in cases of this kind, is authorized to adopt the findings and recommendations of either group of Commissioners as the findings and recommendations of the Commission.

On February 7, 1961, President Kennedy announced that he had accepted as the findings of the Tariff Commission the findings of the two Commissioners who decided that the imposition of increased restrictions on imports of hard-fiber cords and twines was not warranted under the escape-clause provision.

²⁰ Commissioner Overton was unable to participate in the decision in this investigation because of absence on official business. Commissioner Dowling did not participate because of absence.

Iron ore.—In response to a resolution adopted on June 30, 1960, by the Senate Committee on Finance, the Tariff Commission on July 6, 1960, instituted an escape-clause investigation of iron ore, including manganiferous iron ore, provided for in paragraph 1700 of the Tariff Act of 1930. The Commission held a public hearing in the investigation on October 18 and 19, 1960.

In this investigation, the report on which was issued December 30, 1960, the Commission unanimously found that escape-clause relief was not warranted with respect to the specified iron ore and that, accordingly, no sufficient reason existed for a recommendation to the President under the provisions of section 7 of the Trade Agreements Extension Act of 1951, as amended.

Ultramarine blue.—On September 16, 1960, the Tariff Commission instituted an escape-clause investigation of ultramarine blue and wash and all other blues containing ultramarine, provided for in paragraph 68 of the Tariff Act of 1930. The Commission instituted the investigation as a result of its finding in a peril-point investigation under section 3 of the Trade Agreements Extension Act of 1951, as amended. A public hearing in the investigation was held on January 17 and 18, 1961.

In this investigation, the report on which was issued March 16, 1961, the Commission unanimously found that escape-clause relief was not warranted with respect to the specified ultramarine blues and that, accordingly, no sufficient reason existed for a recommendation to the President under the provisions of section 7 of the Trade Agreements Extension Act of 1951, as amended.

Plastic raincoats.—On September 29, 1960, the Tariff Commission instituted an escape-clause investigation of raincoats, wholly or in chief value of unsupported plastic film. Such raincoats are dutiable under the provision in paragraph 1537(b) of the Tariff Act of 1930 for manufactures wholly or in chief value of india rubber, not specially provided for, by similitude (paragraph 1559(a) of the Tariff Act of 1930) to raincoats in chief value of india rubber, at the trade-agreement rate of 12½ percent ad valorem. The Commission instituted the investigation as a result of its finding in a peril-point investigation under section 3 of the Trade Agreements Extension Act of 1951, as amended. A public hearing in the investigation was held on January 24, 1961.

In this investigation, the report on which was issued March 29, 1961, the Commission found (Commissioners Schreiber and Sutton dissenting) that escape-clause relief was not warranted with respect to the specified plastic film raincoats and that, accordingly, no sufficient reason existed for a recommendation to the President under the provisions of section 7 of the Trade Agreements Extension Act of 1951, as amended.

Cellulose filaments (rayon staple fiber).—On October 10, 1960, the Tariff Commission instituted an escape-clause investigation of cellulosic filaments of rayon or other synthetic textile (except acetate filaments) not exceeding 30 inches in length, other than waste, whether

known as cut fiber, staple fiber, or by any other name, provided for in paragraph 1302 of the Tariff Act of 1930. The Commission instituted the investigation as a result of its finding in a peril-point investigation under section 3 of the Trade Agreements Extension Act of 1951, as amended. A public hearing in the investigation was held on January 31 and February 1, 1961.

In this investigation, the report on which was issued April 10, 1961, the Commission found (Commissioners Overton and Sutton dissenting) that escape-clause relief was not warranted with respect to the specified rayon staple fiber and that, accordingly, no sufficient reason existed for a recommendation to the President under the provisions of section 7 of the Trade Agreements Extension Act of 1951, as amended.

Tennis rackets.—On October 20, 1960, the Tariff Commission instituted an escape-clause investigation of tennis rackets and parts of tennis rackets, provided for in paragraphs 409, 412, or 1502 of the Tariff Act of 1930. The Commission instituted the investigation as a result of its finding in a peril-point investigation under section 3 of the Trade Agreements Extension Act of 1951, as amended. A public hearing in the investigation was held from February 14 to 16, 1961.

On April 19, 1961, the Commission announced that it had terminated its escape-clause investigation of tennis rackets and frames without formal findings. In a report explaining its reasons for terminating the investigation, the Commission stated that it was not practicable, pursuant to section 7(e) of the Trade Agreements Extension Act of 1951, as amended, to “distinguish or separate” the operations of the producing organizations involving tennis rackets and frames from the operations of such organizations involving other products. The Commission therefore could not treat the production of tennis rackets and frames as a separate industry for the purpose of the escape clause. Commissioners Schreiber and Sutton dissented from the Commission’s action terminating the investigation and considered the available information adequate for a finding on the merits.

Baseball and softball gloves.—On October 31, 1960, the Tariff Commission instituted an escape-clause investigation of baseball and softball gloves, including mitts, provided for in paragraph 1502 of the Tariff Act of 1930. The Commission instituted the investigation as a result of its finding in a peril-point investigation under section 3 of the Trade Agreements Extension Act of 1951, as amended. A public hearing in the investigation was held on February 21 and 23, 1961.

The Commission submitted a report on its investigation of baseball and softball gloves to the President on May 1, 1961. A majority of the Commission (Commissioners Talbot, Overton, Jones, and Dowling) found that baseball and softball gloves, including mitts, were being imported into the United States in such increased quantities, both actual and relative (to domestic production), as to threaten serious injury to the domestic industry producing the like products.

They also found that in order to prevent serious injury to the domestic industry, it was necessary to increase the duty on such gloves and mitts from 15 percent to 30 percent ad valorem. Commissioners Schreiber and Sutton found that imports of baseball and softball gloves, including mitts, were being imported in such increased quantities, both actual and relative, as to cause serious injury to the domestic industry producing the like products. They also found that in order to remedy the serious injury to the domestic industry, it was necessary to increase the duty on such gloves and mitts from 15 percent to 45 percent ad valorem.

On June 30, 1961, the President announced that he had concluded that it would be advisable to defer the final decision with respect to baseball and softball gloves pending the compilation and appraisal of additional information. He requested the Commission to make a further investigation and report on baseball and softball gloves—setting forth as the basis a list of questions pertinent to the industry's operations and practices—and to submit it to him as soon as possible.

The following is the text of the President's letter of June 29, 1961, to the members of the Tariff Commission, with respect to baseball and softball gloves: ²¹

Dear Sirs:

I have carefully reviewed the reports of the Tariff Commission relating to the escape clause investigations concerning imports of baseball and softball gloves, including mitts, ceramic mosaic tile, and cylinder, crown and sheet glass. In all three cases, I have concluded that it would be advisable to defer final decision pending the compilation and appraisal of additional up-to-date information and data. In reaching this conclusion, I have been assisted and advised by the Trade Policy Committee.

I appreciate the complexities of the Commission's task, and the difficulties encountered in its efforts to assemble needed information within very limited periods of time. In these three instances, however, it seems to me that it would be inadvisable to attempt to resolve the issue presented in the absence of more complete data and analysis. I am, therefore, returning the three reports and request that further information be obtained and analyzed and that supplementary reports be submitted to me as soon as possible.

In making its re-examination, I would appreciate it if the Tariff Commission would investigate and report, in particular, its findings with regard to the following matters:

1. In all three reports, it would be useful to have a more complete analysis of the impact of pricing practices by domestic and foreign producers upon the share of the market captured by imports. I would also like information on the profit relationship to investment in productive facilities.

2. With regard to baseball gloves and ceramic mosaic tiles, please appraise the effect of voluntary export quotas by Japan upon domestic production and sales.

3. With regard to ceramic mosaic tiles and sheet glass, please obtain and report upon the effect of domestic technological innovations and automation.

²¹ The President's letter also refers to the Commission's escape-clause reports on ceramic mosaic tile and sheet glass, which are discussed later in this report.

4. With regard to baseball gloves and sheet glass, it would be helpful to have average unit price data for domestic production, in terms of major points of shipment. The report provides such data for imported products only.

5. In the case of sheet glass, I would appreciate an elaboration upon the suggestion that there have been restrictive sales practices by domestic producers, in order that I may determine what effect, if any, these practices have had upon imports. It would also be useful to study the relationship of domestic shipments to general economic trends, particularly with respect to those in the construction and automobile industries. In addition, I should like any information available on the pricing practices employed by those selling the sheet glass that is imported.

6. With regard to baseball gloves, it would be helpful to have (a) more complete data on sales of baseball gloves as a proportion of total sales of the firms manufacturing the gloves, and (b) more complete data on employment, wages and earnings. Moreover, is there, or is there a threat of, competition between imported gloves and domestic gloves in the higher price brackets?

7. Finally, with regard to ceramic mosaic tiles, I would appreciate information as to (a) any increase in productive capacity during the past five years; (b) the effect of that increase, if any, upon current profits; and (c) a judgment on the ability of domestic manufacturers to satisfy a market demand for less expensive tile.

The escape clause proceedings are designed to provide relief whenever there is a serious injury, or threat of serious injury, to any domestic industry, resulting from a tariff concession. When fairly and objectively implemented, this provision permits domestic producers to compete on an equitable basis with those supplying similar products from abroad. However, we must be certain that the use of this provision is constructive without being excessive, that it prevents serious injury to domestic producers without unduly restricting fair competition, and that it permits domestic manufacturers to obtain redress without jeopardizing the national interest. Any data which the Commission deems relevant to this determination should be included in the report.

In compliance with the provision of Section 7(c) (1) of the Trade Agreements Extension Act of 1951, I have today advised the Chairman of the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives that I am returning these three cases to the Commission for further information and study.

Sincerely yours,

(S) JOHN F. KENNEDY

HONORABLE JOSEPH E. TALBOT
 HONORABLE J. ALLEN OVERTON, JR.
 HONORABLE WALTER R. SCHRIEBER
 HONORABLE GLENN W. SUTTON
 HONORABLE WILLIAM E. DOWLING

United States Tariff Commission, Washington, D.C.

Cantaloups.—In response to an application by the Western Growers Association, of Los Angeles, Calif., the Tariff Commission on October 25, 1960, instituted an escape-clause investigation of cantaloups in their natural state, provided for in paragraph 752 of the Tariff Act of 1930. A public hearing in the investigation was originally scheduled for December 6, 1960, but was postponed until February 7, 1961. The hearing was held on February 7 and 8, 1961.

In this investigation, the report on which was issued March 30, 1961, the Commission unanimously found that escape-clause relief was not

warranted with respect to cantaloups in their natural state and that, accordingly, no sufficient reason existed for a recommendation to the President under the provisions of section 7 of the Trade Agreements Extension Act of 1951, as amended.

Watermelons.—In response to an application by the Imperial Valley and Palo Verde Valley, Calif., and Yuma and Central Arizona Watermelon Growers Committee, of El Centro, Calif., the Tariff Commission on October 31, 1960, instituted an escape-clause investigation of watermelons in their natural state, provided for in paragraph 752 of the Tariff Act of 1930. A public hearing in the investigation was originally scheduled for December 7, 1960, but was postponed until February 8, 1961. The hearing was held on February 8, 1961.

In this investigation, the report on which was issued April 20, 1961, the Commission unanimously found that escape-clause relief was not warranted with respect to watermelons and that, accordingly, no sufficient reason existed for a recommendation to the President under the provisions of section 7 of the Trade Agreements Extension Act of 1951, as amended.

Ceramic mosaic tile.—On November 10, 1960, the Tariff Commission instituted an escape-clause investigation of ceramic tiles of less than 6 square inches in facial area, provided for in paragraph 202(a) of the Tariff Act of 1930. The Commission instituted the investigation as a result of its finding in a peril-point investigation under section 3 of the Trade Agreements Extension Act of 1951, as amended. A public hearing in the investigation was held from March 7 to 9, 1961.

The Commission submitted a report on its investigation of ceramic mosaic tile to the President on May 10, 1961. In its report the Commission unanimously found that ceramic mosaic tiles (except certain specialties and high-priced tiles) were being imported into the United States in such increased quantities, both actual and relative (to domestic production), as to cause serious injury to the domestic industry producing like products. The Commission also found that, in order to remedy the serious injury, it was necessary that the duties on such tiles be increased to 12½ cents per square foot but not less than 60 percent ad valorem nor more than 90 percent ad valorem, on tiles valued at not more than 40 cents per square foot, and to 25½ percent ad valorem but not less than 24 cents per square foot on tiles valued at more than 40 cents per square foot.

On June 30, 1961, the President announced that he had concluded that it would be advisable to defer the final decision with respect to ceramic mosaic tile pending the compilation and appraisal of additional information. He requested the Commission to make a further investigation and report on ceramic mosaic tile—setting forth as the basis a list of questions pertinent to the industry's operations and practices—and to submit it to him as soon as possible.²²

²²For the questions that relate to the Commission's escape-clause report on ceramic mosaic tile, see the text of the President's letter of June 29, 1961, on p. 18 of this report.

Sheet glass.—On November 17, 1960, the Tariff Commission instituted an escape-clause investigation of cylinder, crown, and sheet glass, dutiable under paragraph 219 or paragraphs 219 and 224 of the Tariff Act of 1930. The Commission instituted the investigation as a result of its finding in a peril-point investigation under section 3 of the Trade Agreements Extension Act of 1951, as amended. A public hearing in the investigation was held from March 14 to 17, 1961.

The Commission submitted a report on its investigation of sheet glass to the President on May 17, 1961. In its report the Commission unanimously found that cylinder, crown, and sheet glass, except such glass weighing not over 4 ounces per square foot, was being imported into the United States in such increased quantities, both actual and relative (to domestic production), as to cause serious injury to the domestic industry producing like products. A majority of the Commission (Commissioners Talbot, Overton, Jones, and Dowling) also found that, in order to remedy the serious injury, it was necessary that the specific duties on glass weighing over 4 ounces per square foot applicable under paragraph 219 be increased to the following rates:

On glass measuring in square inches:	
Not over 384.....	1.3¢ per lb.
Over 384 and not over 864.....	1.6¢ per lb.
Over 864 and not over 2400.....	1.9¢ per lb.
Over 2400:	
Weighing not over 28 ounces per square foot.....	2.4¢ per lb.
Weighing over 28 ounces per square foot.....	3.5¢ per lb.

Commissioners Schreiber and Sutton found that, in order to remedy the serious injury, it was necessary to increase the duty on glass weighing over 4 ounces per square foot applicable under paragraph 224 to 5 percent ad valorem and to increase the duties on such glass applicable under paragraph 219 to the following rates:

On glass measuring in square inches:	
Not over 150.....	17/8¢ per lb.
Over 150 but not over 384.....	21/16¢ per lb.
Over 384 but not over 720.....	27/16¢ per lb.
Over 720 but not over 864.....	25/8¢ per lb.
Over 864 but not over 1200.....	3¢ per lb.
Over 1200 but not over 2400.....	33/8¢ per lb.
Over 2400.....	33/4¢ per lb.
<i>Provided</i> , That none of the foregoing weighing under 16 but not under 12 ounces per square foot shall be subject to a less rate of duty than.....	
	50% ad valorem

On June 30, 1961, the President announced that he had concluded that it would be advisable to defer the final decision with respect to sheet glass pending the compilation and appraisal of additional information. He requested the Commission to make a further investigation and report on sheet glass—setting forth as the basis a list of questions pertinent to the industry's operations and practices—and to submit it to him as soon as possible.²³

Rolled glass.—On November 25, 1960, the Tariff Commission instituted an escape-clause investigation of rolled glass (not sheet glass) fluted, figured, ribbed, or rough, or the same containing a wire netting within itself, provided for in paragraph 221 or in paragraphs 221 and 224 of the Tariff Act of 1930. The Commission instituted the investigation as a result of its finding in a peril-point investigation under section 3 of the Trade Agreements Extension Act of 1951, as amended. A public hearing in the investigation was held on March 28 and 29, 1961.

The Commission issued a report on its investigation of rolled glass on May 25, 1961. In their findings and recommendations in this investigation the Commissioners divided into three groups; three Commissioners found no injury, two Commissioners found serious injury, and one Commissioner found threat of serious injury.

Commissioners Talbot, Jones, and Dowling found that rolled glass was not being imported into the United States in such increased quantities, either actual or relative (to domestic production), as to cause or threaten serious injury to the domestic industry producing rolled glass. They therefore made no recommendation for modification or withdrawal of the concessions applicable to rolled glass.

Commissioners Schreiber and Sutton found that rolled glass was being imported in such increased quantities as to cause serious injury to the domestic industry producing like products and that, in order to remedy such injury, the rates of duty on rolled glass should be increased to those originally provided in the Tariff Act of 1930—that is, 1½ cents per pound (par. 221) and 5 percent ad valorem (par. 224).

Commissioner Overton found that rolled glass was being imported in such increased quantities as to threaten serious injury to the domestic industry and that, in order to prevent such injury, the rate of duty under paragraph 221 should be increased to 2 cents per pound.

There being no recommendation of any group of Commissioners for "escape" action with respect to rolled glass that might be considered by the President as a recommendation of the Commission, no report was submitted to the President.

Creeping red fescue seed.—On March 3, 1961, the Tariff Commission instituted an escape-clause investigation of creeping red fescue seed, provided for in paragraph 763 of the Tariff Act of 1930. The Commission instituted the investigation as a result of its finding in

²³ For the questions that relate to the Commission's escape-clause report on sheet glass, see the text of the President's letter of June 29, 1961, on p. 18 of this report.

a peril-point investigation under section 3 of the Trade Agreements Extension Act of 1951, as amended. A public hearing in the investigation, originally scheduled for June 27, 1961, was subsequently re-scheduled for June 21, 1961.

At the request of the Chewings and Creeping Red Fescue Commission of the State of Oregon and the Northwest Chewings and Creeping Red Fescue Association, the Commission on June 1, 1961, terminated its investigation of creeping red fescue seed and canceled the scheduled hearing. Termination of the investigation was without prejudice to the institution of another escape-clause investigation of creeping red fescue seed upon proper application of an interested party.

Presidential action on report submitted during 1960

On August 23, 1960, the President announced that he had accepted the unanimous recommendation of the Tariff Commission—in its report of June 30, 1960—that the appropriate tariff concessions granted in the General Agreement on Tariffs and Trade be modified to permit the application to broadwoven cotton typewriter-ribbon cloth of the rates of duty originally established in subparagraphs (a), (b), and (c) of paragraph 904 of the Tariff Act of 1930. Accordingly, by Presidential Proclamation 3365 of August 23, 1960,²⁴ he modified the existing tariff concessions on cotton typewriter-ribbon cloth, with the resultant restoration of the higher statutory rates of duty. The modification of the concessions became effective after the close of business on September 22, 1960.

The Tariff Commission instituted its escape-clause investigation of cotton typewriter-ribbon cloth on January 11, 1960, in response to an application by certain domestic producers.²⁵ A public hearing in the investigation was held on April 20 and 21, 1960.

The Commission submitted a report on its investigation of cotton typewriter-ribbon cloth to the President on June 30, 1960.²⁶

Reports made under Executive Order 10401 during 1961

The standard escape clause in trade agreements and section 7(a) of the Trade Agreements Extension Act of 1951, as amended, provide

²⁴ 3 CFR, 1960 Supp., p. 35.

²⁵ For the purposes of the investigation "cotton typewriter-ribbon cloth" referred to "cotton cloth suitable for making typewriter ribbon, classifiable under subparagraph (a), (b), or (c) of paragraph 904 of the Tariff Act of 1930, containing yarns the average number of which exceeds No. 50 but not No. 140, the total thread count of which per square inch (counting warp and filling) is not less than 240 and not more than 340, and in which the thread count of either the warp or filling does not exceed 60 percent of the total thread count of the warp and filling."

²⁶ Commissioners Schreiber and Jones did not participate in the decision in this investigation because of absence from Washington and of illness, respectively.

that any escape-clause action that the President takes with respect to a particular commodity is to remain in effect only "for the time necessary to prevent or remedy" the injury.

By Executive Order 10401 of October 14, 1952,²⁷ the President established a formal procedure for reviewing escape-clause actions. Paragraph 1 of that Executive order directs the Tariff Commission to keep under review developments with respect to products on which trade-agreement concessions have been modified or withdrawn under the escape-clause procedure, and to make periodic reports to the President concerning such developments. The Commission is required to make the first such report in each case not more than 2 years after the original escape-clause action, and thereafter at intervals of 1 year as long as the concession remains withdrawn, suspended, or modified in whole or in part.

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

During 1961 the Commission reported to the President, under the provisions of Executive Order 10401, on developments with respect to linen toweling, watch movements, bicycles, dried figs, lead and zinc, spring clothespins, safety pins, and clinical thermometers. The reports on these commodities are discussed further below.

Linen toweling.—In 1956, after an escape-clause investigation and report by the Tariff Commission, the President withdrew the concession that the United States granted in the General Agreement on Tariffs and Trade on the linen toweling (i.e., fabrics used chiefly for making towels) provided for in paragraph 1010 of the Tariff Act of 1930, and increased the rate of duty on such toweling from 10 percent to 40 percent ad valorem.²⁸ The withdrawal of the concession became effective after the close of business on July 25, 1956.

As required by paragraph 1 of Executive Order 10401, the Commission on July 25, 1960, submitted to the President its third periodic report on developments with respect to the linen toweling involved in the escape-clause action.²⁹ The Commission unanimously con-

²⁷ 3 CFR, 1949-1953 Comp., p. 901.

²⁸ The increase in duty did not apply to other types of fabrics provided for in paragraph 1010; such fabrics comprise the great bulk of entries under that paragraph.

²⁹ U.S. Tariff Commission, *Toweling of Flax, Hemp, or Ramie: Report to the President (1960) Under Executive Order 10401*, 1960 [processed].

cluded that the conditions of competition between imported and domestic toweling had not so changed as to warrant the institution of a formal investigation under the provisions of paragraph 2 of Executive Order 10401. On August 23, 1960, the President concurred with the Commission's conclusion.

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

As required by paragraph 1 of Executive Order 10401, the Commission on July 25, 1960, submitted to the President its fifth periodic report with respect to the watch movements involved in the escape-clause action.³⁰ The Commission unanimously concluded that the conditions of competition with respect to the trade in imported and domestic watch movements had not so changed as to warrant the institution of a formal investigation under the provisions of paragraph 2 of Executive Order 10401. On August 23, 1960, the President concurred with the Commission's conclusion.

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

As required by paragraph 1 of Executive Order 10401, the Commission on August 18, 1960, submitted to the President its fourth periodic report on developments with respect to the bicycles involved in the escape action.³¹ The Commission unanimously concluded that developments in the trade in bicycles did not indicate such a change in the competitive situation as to warrant institution of a formal investigation under the provisions of paragraph 2 of Executive Order 10401. On October 10, 1960, the President concurred with the Commission's conclusion.

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

As required by paragraph 1 of Executive Order 10401, the Commission on August 30, 1960, submitted to the President its seventh periodic

³⁰ U.S. Tariff Commission, *Watch Movements: Report to the President (1960) Under Executive Order 10401*, 1960 [processed].

³¹ U.S. Tariff Commission, *Bicycles: Report to the President (1960) Under Executive Order 10401*, 1960 [processed].

report on dried figs.³² The Commission unanimously concluded that developments in the trade in dried figs did not indicate such a change in the competitive situation as to warrant institution at that time of a formal investigation under the provisions of paragraph 2 of Executive Order 10401. On October 10, 1960, the President concurred with the Commission's conclusion.

Lead and zinc.—In 1958, after an escape-clause investigation and report by the Tariff Commission, the President modified the concessions that the United States granted on unmanufactured lead and zinc in the General Agreement on Tariffs and Trade, and limited imports of such lead and zinc to 80 percent of the average annual commercial imports during the 5-year period 1953–57. The quota is allocated among exporting countries and is subdivided by calendar quarters and by tariff schedule classifications. The modification of the concessions became effective on October 1, 1958.

As required by paragraph 1 of Executive Order 10401, the Commission on September 30, 1960, submitted to the President its first periodic report on unmanufactured lead and zinc.³³ The Commission unanimously concluded that developments in the trade in lead and zinc did not indicate such a change in the competitive situation as to warrant institution at that time of a formal investigation under the provisions of paragraph 2 of Executive Order 10401. On November 25, 1960, the President concurred with the Commission's conclusion.

Spring clothespins.—In 1957, after an escape-clause investigation and report by the Tariff Commission, the President withdrew the concession that the United States granted in the General Agreement on Tariffs and Trade on spring clothespins, provided for in paragraph 412 of the Tariff Act of 1930, which resulted in an increase in the rate of duty on them from 10 cents per gross to 20 cents per gross. The withdrawal of the concession became effective after the close of business on December 9, 1957.

As required by paragraph 1 of Executive Order 10401, the Commission on December 9, 1960, submitted to the President its second periodic report on developments with respect to the spring clothespins involved in the escape-clause action.³⁴ The Commission unanimously concluded that the conditions of competition between imported and domestic spring clothespins had not so changed as to warrant the institution of a formal investigation under the provisions of paragraph 2 of Executive Order 10401. On February 5, 1961, the President concurred with the Commission's conclusion.

Safety pins.—In 1957, after an escape-clause investigation and report by the Tariff Commission, the President modified the concession

³² U.S. Tariff Commission, *Figs, Dried: Report to the President (1960) Under Executive Order 10401*, 1960 [processed].

³³ U.S. Tariff Commission, *Lead and Zinc: Report to the President (1960) Under Executive Order 10401*, 1960 [processed].

³⁴ U.S. Tariff Commission, *Spring Clothespins: Report to the President (1960) Under Executive Order 10401*, 1960 [processed].

that the United States granted in the General Agreement on Tariffs and Trade on safety pins, provided for in paragraph 350 of the Tariff Act of 1930, and increased the rate of duty on them from 22½ percent ad valorem to 35 percent ad valorem. The modification of the concession became effective after the close of business on December 30, 1957.

As required by paragraph 1 of Executive Order 10401, the Commission on December 31, 1960, submitted to the President its second periodic report on developments with respect to the safety pins involved in the escape-clause action.³⁵ The Commission unanimously concluded that the conditions of competition between imported and domestic safety pins had not so changed as to warrant the institution of a formal investigation under the provisions of paragraph 2 of Executive Order 10401. On February 5, 1961, the President concurred with the Commission's conclusion.

Clinical thermometers.—In 1958, after an escape-clause investigation and report by the Tariff Commission, the President withdrew the concession that the United States granted in the General Agreement on Tariffs and Trade on finished or unfinished clinical thermometers, classifiable under paragraph 218(a) of the Tariff Act of 1930, resulting in an increase in the rate of duty on such thermometers from 42½ to 85 percent ad valorem. The withdrawal of the concession became effective after the close of business on May 21, 1958.

As required by paragraph 1 of Executive Order 10401, the Commission on May 22, 1961, submitted to the President its second periodic report on developments with respect to the clinical thermometers involved in the escape-clause action.³⁶ The Commission unanimously concluded that the conditions of competition between imported and domestic clinical thermometers had not so changed as to warrant the institution of a formal investigation under the provisions of paragraph 2 of Executive Order 10401. By June 30, 1961, the close of the period covered by this report, the President had not acted on the Commission's report on clinical thermometers.

Section 22 of the Agricultural Adjustment Act

Section 22 of the Agricultural Adjustment Act, as amended,³⁷ 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

³⁵ U.S. Tariff Commission, *Safety Pins: Report to the President (1960) Under Executive Order 10401*, 1960 [processed].

³⁶ U.S. Tariff Commission, *Clinical Thermometers, Finished or Unfinished: Report to the President (1961) Under Executive Order 10401*, TC Publication 20, 1961 [processed].

³⁷ 7 U.S.C. 624.

to agricultural commodities or products thereof. Section 22 requires the Tariff Commission, when so directed by the President, to conduct an investigation of the specified commodity, including a public hearing, and to make a report and appropriate recommendations to him. Under subsection (f) of section 22, as amended by section 8(b) of the Trade Agreements Extension Act of 1951, no trade agreement or other international agreement entered into at any time by the United States may be applied in a manner inconsistent with the requirements of section 22.

Section 8(a) of the Trade Agreements Extension Act of 1951, as amended,⁸⁸ sets up special procedures for invoking section 22 in emergency conditions due to the perishability of any agricultural commodity. When the Secretary of Agriculture reports to the President and to the Tariff Commission that such emergency conditions exist, the Commission must make an immediate investigation under section 22 and make appropriate recommendations to the President. The Commission's report to the President and the President's decision must be made not more than 25 calendar days after the case is submitted to the Commission. Should the President deem it necessary, however, he may take action without awaiting the Commission's recommendations.

An amendment to section 22 of the Agricultural Adjustment Act by section 104 of the Trade Agreements Extension Act of 1953⁸⁹ provides that the President may take immediate action under section 22 without awaiting the Tariff Commission's recommendations whenever the Secretary of Agriculture determines and reports to him, with regard to any article or articles, that a condition exists requiring emergency treatment. Such action by the President may continue in effect pending his receipt of, and his action on, the report and recommendations of the Commission after an investigation under section 22. Under section 8(a) of the Trade Agreements Extension Act of 1951, as amended, the President's authority to act before he had received a report from the Commission was limited to perishable agricultural products. During 1961 no action was taken under either subsection (f) or section 22 of section 8(a) of the Trade Agreements Extension Act of 1951, as amended.

At one time or another during the period covered by this report, the Commission had pending before it five investigations under the provisions of section 22 of the Agricultural Adjustment Act, as amended—an investigation of tung oil and tung nuts; a supplemental investigation of peanut oil, flaxseed, and linseed oil; an investigation of certain cotton products produced in any stage preceding the spinning into yarn; a supplemental investigation of blue-mold and Cheddar cheeses; and an investigation of rye, rye flour, and rye meal.

⁸⁸ 65 Stat. 75.

⁸⁹ 67 Stat. 472.

Cotton and cotton waste (continuing investigation)

Since 1939, under the provisions of section 22 and in accordance with recommendations of the Tariff Commission, the United States has restricted imports of most types of cotton and some types of cotton waste. During the period 1939-60, the Commission conducted a number of supplemental investigations to determine whether further restrictions were required (as on short harsh or rough cotton), whether supplemental import quotas were necessary for certain types of long-staple cotton, or whether certain minor changes were advisable to facilitate administration of the quotas. During fiscal 1961 the Commission conducted no such investigations.

Wheat and wheat flour (continuing investigation)

Since 1941, under the provisions of section 22 and in accordance with recommendations of the Tariff Commission, the United States has restricted imports of wheat and wheat flour, semolina, crushed or cracked wheat, and similar wheat products, in order to prevent interference with Department of Agriculture programs to control the production or marketing of domestic wheat. Imports in any quota year are limited to 800,000 bushels of wheat and to 4 million pounds of wheat flour, semolina, and similar wheat products. The quotas are allocated by country; in general, they are allocated in proportion to imports from the several countries in the 5-year period 1929-33. Since their adoption in 1941, the basic quotas have not been changed, but exceptions have been made for distress shipments, seed wheat, wheat for experimental purposes, and wheat imported during World War II by the War Food Administrator (virtually all of which was used for animal feed). Since 1943 the Commission has completed no investigations relating to wheat, wheat flour, and other wheat products, but it has continued to watch developments with respect to those products.

Tung oil and tung nuts

On August 31, 1960, at the request of the President, the Tariff Commission instituted an investigation of tung oil and tung nuts, under the provisions of section 22. The Commission held a public hearing in the investigation on September 21, 1960.

The Commission reported the results of its investigation to the President on October 19, 1960.⁴⁰ On the basis of its investigation the Commission found that tung oil and tung nuts were practically certain to be imported under such conditions and in such quantities as to materially interfere with the price-support program for tung nuts undertaken by the Department of Agriculture pursuant to section 201 of the Agricultural Act of 1949, as amended. To prevent such interference, the Commission recommended to the President

⁴⁰ U.S. Tariff Commission, *Tung Oil and Tung Nuts: Report to the President on Investigation No. 22-23 Under Section 22 . . .*, 1960 [processed].

that, for the 12-month period beginning November 1, 1960, a quota of 14,000,000 pounds be imposed on imports of tung oil and tung nuts (in terms of their oil equivalent). The Commission also recommended that the imports for the first quarter of the period be limited to 3,500,000 pounds.

The President did not accept the Commission's recommendation for a quota on imports of tung oil and tung nuts of 1 year's duration with a quantity limitation of 14,000,000 pounds. Instead, by Proclamation 3378 of October 27, 1960,⁴¹ he extended for 3 years the existing quota on imports of tung oil and tung nuts. Under the proclamation, the annual import quota for tung oil and tung nuts continued to be 26,000,000 pounds, of which not more than 22,100,000 pounds might be the product of Argentina, not more than 2,964,000 pounds the product of Paraguay, and not more than 936,000 pounds the product of other foreign countries. The proclamation also specified that not more than 6,500,000 pounds of tung oil and tung nuts (in terms of their oil equivalent) might be entered or withdrawn during the first quarter of each quota year, and specified the quantities that might be the product of Argentina, Paraguay, and other foreign countries.

Peanut oil, flaxseed, and linseed oil (supplemental investigation)

On November 10, 1960, the Tariff Commission instituted a supplemental investigation, under the provisions of section 22(d), to determine whether the import fees proclaimed by the President on imports of peanut oil, flaxseed, and linseed oil and combinations and mixtures in chief value of such oils should be terminated or modified. Import fees were imposed on the above-mentioned products by Presidential Proclamation 3019 of June 8, 1953, following an investigation by the Tariff Commission under section 22 of the Agricultural Adjustment Act, as amended, the President having found such fees to be necessary in order to prevent imports of these products from rendering or tending to render ineffective, or materially interfering with, certain programs of the Department of Agriculture. The imposed fee on imports of peanut oil was 25 percent ad valorem on imports in excess of 80,000,000 pounds entered in any 12-month period beginning July 1 in any year. A fee of 50 percent ad valorem was imposed on flaxseed, and on linseed oil and combinations and mixtures in chief value thereof. The Commission held a public hearing in the supplemental investigation on December 13, 1960.

The Commission reported the results of its investigation to the President on January 26, 1961.⁴² On the basis of its investigation the Commission unanimously found (Commissioners Schreiber and Sutton not participating because of absence) that changed circumstances required the modification of Presidential Proclamation 3019 of June 8, 1953, as amended, so as to remove the fee on peanut oil (25 percent

⁴¹ 3 CFR, 1960 Supp., p. 44.

⁴² U.S. Tariff Commission, *Flaxseed, Linseed Oil and Peanut Oil: Report to the President on Investigation No. 22-6 (Supplemental) Under Section 22 . . .*, (Washington, D. C., 1961), p. 10.

ad valorem on imports in excess of 80 million pounds annually) and to reduce from 50 percent ad valorem to 15 percent ad valorem the fee on flaxseed, and on linseed oil and combinations and mixtures in chief value of such oil.

By Proclamation 3402 of April 5, 1961,⁴³ effective May 5, 1961, the President eliminated the special fee on imports of peanut oil, as well as that on flaxseed and linseed oil.

Certain cotton products produced in any stage preceding the spinning into yarn

On January 23, 1961, at the request of the President, the Tariff Commission instituted an investigation, under the provisions of section 22, of certain cotton products produced in any stage preceding the spinning into yarn.⁴⁴ The Commission originally scheduled a public hearing in the investigation for April 25, 1961, but on April 18, 1961, it announced that the hearing had been postponed until further notice.⁴⁵ On June 30, 1961, the close of the period covered by this report, the investigation of certain cotton products was in process.

Blue-mold and Cheddar cheeses (supplemental investigation)

On May 31, 1961, at the request of the President, the Tariff Commission instituted a supplemental investigation, under the provisions of section 22(d), of (1) blue-mold (except Stilton) cheese, and cheese and substitutes for cheese containing, or processed from, blue-mold cheese; and (2) Cheddar cheese, and cheese and substitutes for cheese containing, or processed from, Cheddar cheese.

After investigation by the Tariff Commission under section 22 of the Agricultural Adjustment Act, as amended, the President on June 8, 1953, issued Proclamation 3019 imposing absolute annual quotas on imports of the above-named cheeses. On blue-mold (except Stilton) cheese, and cheese and substitutes for cheese containing, or processed from, blue-mold cheese, the aggregate annual quota was fixed at 4,167,000 pounds; and on Cheddar cheese, and cheese and substitutes for cheese containing, or processed from, Cheddar cheese, the aggregate annual quota was fixed at 2,780,100 pounds. The supplemental investigation was for the purpose of determining whether these quotas, or either of them, should be enlarged or eliminated. A public hearing in the supplemental investigation was scheduled for July 18, 1961.

On June 30, 1961, the close of the period covered by this report, the supplemental investigation of blue-mold and Cheddar cheeses was in process.

Rye, rye flour, and rye meal

On June 14, 1961, at the request of the President, the Tariff Commission instituted an investigation, under the provisions of section 22,

⁴³ 26 F.R. 2959.

⁴⁴ Imports of cotton wastes are not within the scope of this investigation.

⁴⁵ On July 18, 1961, after the close of the period covered by this report, the Commission announced that the hearing in this investigation would be held beginning Aug. 8, 1961.

of rye, rye flour, and rye meal. The Commission scheduled a public hearing in the investigation for July 11, 1961. On June 30, 1961, the close of the period covered by this report, the investigation was in process.

Presidential action on report submitted during 1960

On August 23, 1960, the President announced that he had accepted the Tariff Commission's report of June 27, 1960, on its section 22 investigation of articles containing cotton.

On November 16, 1959, at the request of the President, the Tariff Commission instituted an investigation of articles containing cotton, under the provisions of section 22. The purpose of the investigation was to determine whether articles containing cotton were being, or were practically certain to be, imported into the United States under such conditions and in such quantities as to render or tend to render ineffective, or materially interfere with, the export subsidy program of the U.S. Department of Agriculture for cotton and cotton products in operation pursuant to section 203 of the Agricultural Act of 1956.⁴⁶ The Commission held a public hearing in the investigation March 1-4 and 8-9, 1960.

On June 27, 1960, the Commission reported to the President the results of its investigation of articles containing cotton.⁴⁷ On the basis of its investigation, the Commission found (Commissioners Schreiber and Sutton dissenting) that imports of articles containing cotton were not rendering or tending to render ineffective or materially interfering with the Department of Agriculture's cotton export subsidy program. The Commission, therefore, made no recommendation to the President for the imposition of a fee or other import restriction on the imports of such articles.

Section 332 of the Tariff Act of 1930

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

At one time or another during 1961, two investigations under the provisions of section 332 of the Tariff Act of 1930 were pending before the Commission.

Fresh fruits and vegetables

In response to a resolution of the House Committee on Ways and Means, received July 5, 1960, the Tariff Commission on July 7, 1960,

⁴⁶ 7 U.S.C. 1853.

⁴⁷ U.S. Tariff Commission, *Articles Containing Cotton: Report to the President on Investigation No. 22-22 Under Section 22 . . .*, 1960 [processed].

instituted an investigation—under the provisions of section 332—of the conditions of competition in the market areas served by the producers in the Imperial, Palo Verde, and Coachella Valleys and adjoining areas of southern California between fresh fruits and vegetables produced in such areas and those produced in foreign countries. The resolution directed the Commission to submit a report of the results of its investigation to the House of Representatives at the earliest practicable date.

The resolution of the Committee on Ways and Means directed the Commission to include in its report a statement of U.S. customs treatment since 1930, with special reference to seasonal rates of duty, and a summary of the facts obtained in the investigation with regard to domestic production, imports, domestic consumption, U.S. exports, comparability of the domestic and imported products, and the degree of competition between them with respect to the particular products and geographic areas referred to in the resolution.

On June 30, 1961, the close of the period covered by this report, the investigation of fresh fruits and vegetables was in process.

Shrimp

On September 12, 1960, in response to a resolution of the Senate Committee on Finance, received September 6, 1960, the Tariff Commission instituted an investigation—under the provisions of section 332—of the domestic shrimp industry (including fishing, processing, and other related operations) and of imports of shrimp and shrimp products provided for in paragraph 1761 of the Tariff Act of 1930. The Commission held a public hearing in the investigation from January 9 to 13, 1961.

The resolution of the Committee on Finance directed the Commission to set forth in its report the facts relative to U.S. and world production and trade; imports; domestic supplies and consumption; the possibilities of world overproduction; the interests of consumers, processors, and producers; foreign and domestic wage rates; costs of transportation to principal consuming centers; supplies of shrimp available to domestic and foreign fishermen; and other pertinent factors. The resolution further directed the Commission to include in its report an analysis of the possible results of an imposition of a duty of 35 percent on all imports of shrimp and shrimp products as provided for in paragraph 1761 of the Tariff Act of 1930, as well as an analysis of the possible results of a tariff quota under which all imports not in excess of the imports in the calendar year 1960 shall enter free of duty and all imports in excess of those in 1960 shall be dutiable at 50 percent ad valorem. The resolution directed the Commission to report the results of its investigation to the Senate Committee on Finance not later than March 1, 1961; the committee subsequently extended the time for submission of the report until April 1, 1961.

On March 30, 1961, the Commission submitted to the Senate Committee on Finance a report of the results of its investigation of

shrimp.⁴⁵ The Commission's report described the domestic shrimp fishery and the processing of shrimp in the United States; discussed domestic production, exports, imports, and consumption of raw shrimp and shrimp products; gave data on prices, cold storage holdings, and wage rates in the United States; provided data on the shrimp fisheries of foreign countries and on the world trade in shrimp; considered the interests of domestic producers, processors, and consumers of shrimp; and discussed the probable results of the imposition of the import restrictions set forth in the resolution.

Section 336 of the Tariff Act of 1930

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

During fiscal 1961 one investigation under the provisions of section 336 was pending before the Commission.

On June 30, 1960, the National Broom Manufacturers and Allied Industries Association filed an application with the Tariff Commission for an investigation of brooms, whisk brooms, and toy brooms made of broomcorn, under the provisions of section 336. The applicant alleged that the present rate of duty on the specified brooms—25 percent ad valorem—does not equalize the costs of production of the comparable products made in the United States and foreign countries, and requested that the rate of duty on the imported products be fixed on the basis of the American selling price. On July 6, 1960, the Commission ordered a preliminary inquiry to determine whether a formal investigation was warranted for the purposes of section 336. On January 16, 1961, having completed the preliminary inquiry, the Commission instituted a formal investigation. A public hearing was held on April 18, 1961. On June 30, 1961, the close of the period covered by this report, the investigation of brooms was in process.

⁴⁵ U.S. Tariff Commission, *Shrimp: Report on Investigation No. 332-40 Under Section 332 of the Tariff Act of 1930 Pursuant to a Resolution of the Committee on Finance of the United States Senate Adopted in August 1960*, TC Publication 8, 1961 [processed].

Section 337 of the Tariff Act of 1930

Section 337 of the Tariff Act of 1930 authorizes the Tariff Commission to investigate alleged unfair methods of competition and unfair acts in the importation of articles or in the sale of imported articles in the United States. When the effect or tendency of such methods or acts is to destroy or substantially injure a domestic industry, efficiently and economically operated, or to prevent the establishment of such an industry, or to restrain or monopolize trade and commerce in the United States, the articles involved may, pursuant to order of the President, be excluded from entry into the United States.

At one time or another during fiscal 1961, three complaints under section 337 were pending before the Commission.

Household automatic zigzag sewing machines and parts thereof

On January 15, 1959, the Singer Manufacturing Co., of New York, N.Y., filed a complaint with the Tariff Commission alleging unfair methods of competition and unfair acts in the importation and sale in the United States of certain household automatic zigzag sewing machines and parts thereof.

On January 21, 1959, the Commission ordered a preliminary inquiry into the allegations, to determine whether institution of a formal investigation under section 337 was warranted and whether the issuance of a temporary order of exclusion from entry under section 337(f) was warranted. On March 16, 1959, having completed the preliminary inquiry, the Commission instituted a formal investigation with respect to the matters alleged in the complaint. The Commission held a public hearing in the investigation May 5-8 and 11-15, 1959.

On January 12, 1960, the Commission announced that it had decided to hold in abeyance its decision on the merits in its section 337 investigation with respect to certain household zigzag sewing machines and parts thereof, pending the outcome of an antitrust action filed by the Department of Justice against the Singer Manufacturing Co. on December 22, 1959, in the U.S. District Court for the Southern District of New York.

In the Commission's investigation under section 337, Singer predicated its charge of unfair methods of competition and unfair acts on the importation and domestic sale of certain automatic zigzag sewing machines, principally from Japan, that were alleged to have been made in accordance with the invention disclosed in the Singer-owned "Gegauf" patent, a U.S. patent which had been assigned to Singer by Gegauf, a Swiss citizen. In its antitrust action against Singer, the Department of Justice charged, among other things, that Singer entered into arrangements with Gegauf and an Italian sewing-machine manufacturer whereby Gegauf would assign his patent rights to Singer for the purpose of enabling Singer to prevent imports from Japan; that Singer would use the Gegauf patent rights along with its own to exclude imports, and the parties would determine

which European manufacturer would be permitted to export household automatic zigzag sewing machines to the United States; and that Singer, in carrying out the attempt to monopolize, obtained and used patent rights for these exclusionary purposes.

Self-closing containers

On June 2, 1960, the Quikey Manufacturing Co., Inc., of Akron, Ohio, filed a complaint with the Tariff Commission alleging unfair methods of competition and unfair acts in the importation and domestic sale of certain foreign-manufactured self-closing containers (squeeze-type coin purses). On June 15, 1960, the Commission received a motion to amend the complaint. On June 21, 1960, the Commission granted the complainant's motion to amend the complaint, and initiated a preliminary inquiry into the allegations of the complaint as amended, to determine whether institution of a formal investigation under section 337 was warranted.

On June 14, 1961, having completed the preliminary inquiry, the Commission instituted an investigation with respect to imported self-closing containers which are made in accordance with or embody, employ, or contain the invention disclosed in the complainant's patent and scheduled a public hearing for September 12, 1961.⁴⁹ On June 30, 1961, the close of the period covered by this report, the investigation was in process.

Certain transfer valves

On October 31, 1960, the Modern Faucet Manufacturing Co., of Los Angeles, Calif., filed a complaint with the Tariff Commission alleging unfair methods of competition and unfair acts in the importation and sale of certain transfer valves. The Commission initiated a preliminary inquiry into the allegations of the complaint, to determine whether institution of a full investigation under section 337 was warranted and whether the issuance of a temporary order of exclusion from entry under section 337(f) was warranted. On May 16, 1961, at the conclusion of the preliminary inquiry, the Commission granted the request of the complainant to withdraw the complaint without prejudice.

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

Section 301 of the Customs Simplification Act of 1954⁵⁰ amended the Antidumping Act, 1921, and transferred to the Tariff Commission the function—formerly exercised by the Treasury Department—of making injury determinations for the purposes of the Antidumping Act. The transfer became effective October 1, 1954.

Section 201 of the Antidumping Act, 1921, as amended,⁵¹ provides that whenever the Secretary of the Treasury advises the Tariff

⁴⁹ The hearing was subsequently postponed until Oct. 3, 1961.

⁵⁰ 68 Stat. 1138.

⁵¹ 19 U.S.C. 160 et seq.

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 within 3 months thereafter determine whether an industry in the United States is being, or is likely to be, injured, or is prevented from being established, by reason of the importation of such merchandise. If the Commission makes an affirmative determination, it so notifies the Secretary of the Treasury, who thereupon issues a "finding" of dumping; the dumping duties are thenceforth collected.

Public Law 85-630⁵² which was approved by the President on August 14, 1958, amended certain provisions of the Antidumping Act, 1921. Besides redefining—for the purposes of the Antidumping Act—"foreign market value", the "constructed value of imported merchandise", and certain other terms, Public Law 85-630 made certain procedural changes in the administration of the Antidumping Act. As amended, the act requires that when the Secretary of the Treasury determines whether foreign merchandise is being, or is likely to be, sold in the United States at less than its fair value, and that when the Tariff Commission makes an injury determination under the Antidumping Act, each shall publish such determination in the *Federal Register*, with a statement of the reasons therefor, whether such determination is affirmative or negative. The new act further provides that, in determinations by the Tariff Commission under the Antidumping Act, an evenly divided vote of the Commission shall be deemed to constitute a finding of injury.

At one time or another during fiscal 1961 nine investigations under the provisions of section 201(a) of the Antidumping Act, 1921, as amended, were pending before the Commission. Seven of these investigations were completed during fiscal 1961, and two were in process at the close of the period covered by this report. The number of antidumping investigations completed during fiscal 1961 exceeded the total number completed during the 4 fiscal years 1957-60.

Nepheline syenite from Canada (first investigation)

On May 31, 1960, in response to advice it had received from the Acting Secretary of the Treasury on May 27, 1960, the Tariff Commission instituted an investigation of imports of nepheline syenite from Canada, under the provisions of section 201(a). The Commission held a public hearing in the investigation on July 25, 1960.

On August 26, 1960, the Commission announced that, on the basis of its investigation, 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 nepheline syenite from Canada at less than fair value within the meaning of the Antidumping Act, 1921, as amended.

⁵² 72 Stat. 583.

The Commission published a statement of the reasons for its determination in the *Federal Register* on September 1, 1960.⁵³ The statement was as follows:

Nepheline syenite is not produced in the United States, but it competes in certain regions with domestically produced feldspar, principally in the manufacture of glass.

The pertinent Treasury file discloses that the Acting Secretary's determination of sales at less than fair value was based solely on the pricing policies of the two Canadian exporters in which they quoted their nepheline syenite in dollars and accepted in payment Canadian dollars from the Canadian purchasers and United States dollars from the United States purchasers without regard to the prevailing exchange rates of the two currencies.

There is no evidence of predatory or systematic dumping involved in the above-described pricing policies. On the contrary, the Treasury file disclosed, and testimony presented at the hearing corroborated, the fact that the acceptance of payment from buyers in Canada in Canadian currency only and from buyers in the United States in United States dollars only was an historic pricing policy of the two companies that has been in existence through wide variation in the U.S.-Canadian dollar exchange rates.

The evidence also disclosed that as soon as the two companies were apprised of a possible charge of dumping based on their pricing policy they immediately proceeded to change that policy and to revise their prices to take cognizance of the exchange rates. These changes were made by one company on November 12, 1959, and by the other on November 16, 1959. In his determination of sales at less than fair value, as published in the *Federal Register*, the Acting Secretary of the Treasury stated:

The purchase price of nepheline syenite imported from Canada after the effective date of the price revisions was found not to be lower than the home market price.

If the domestic feldspar industry suffered any injury by virtue of sales of nepheline syenite at less than fair value because of the exchange rate that existed at any time between the Canadian and the United States dollar, any such injury was inconsequential and no injury arising from the exchange rate is likely to occur under the new pricing policies adopted by the two Canadian exporters.

In addition to the statement of reasons for its determination, mentioned above, the Commission made certain observations with respect to particular aspects of its investigation. These observations were as follows:

Notice of the institution of the investigation was published in 25 F.R. 4967. No hearing was then announced, but the notice referred interested parties to the provision of the Commission's Rules of Practice and Procedure specifying that any interested party may request a hearing within fifteen days after publication of the notice of investigation in the *Federal Register*.

The pertinent Treasury determination of sales of nepheline syenite at less than fair value, which was published in 25 F.R. 4875, included a statement that "This determination and the statement of reasons therefor are published pursuant to section 201(c) of the Antidumping Act, 1921, as amended". The de-

⁵³ 25 F.R. 8394.

termination and statement did not refer to freight allowances. The related Treasury file, which was promptly made available to the Commission in accordance with the established procedure in such cases, showed that the above mentioned determination of sales below fair value was based exclusively on long established pricing policies of the Canadian exporters concerned that did not take into account the exchange rates between the United States and Canadian currencies.

No hearing within the 15-day period referred to above was requested by any interested party, but on June 7, 1960, counsel for three domestic feldspar producers, who had filed the original request with the Treasury for a dumping investigation, requested an extension of the time within which to ask for a hearing. In his letter requesting an extension of time counsel stated that after the Treasury referred the case to the Tariff Commission he learned that "the Treasury's action was based primarily on exchange dumping and that no evidence was found of freight allowances"; that he had given the Treasury information indicating that freight allowances had been made; that his clients faced a difficult question of whether to request a hearing, "since we understand you are limited on the margin of dumping to the information supplied by the Treasury"; and that he was asking the Treasury "that the present case be recalled from the Tariff Commission pending investigation of the freight matter".

The Treasury did not recall the case, but on July 1, 1960, after more than a month of the three-month period allowed by the statute for an injury investigation had elapsed, the Commission received a letter from a Treasury employee stating that the Treasury had "very recently" received information that—

because of refunds of which we had not heretofore been aware, the prices paid by American importers during the period that there were sales at less than fair value were substantially lower than the prices heretofore reported to us. The refunds are reported to have been discontinued in March, 1960, so that the present pricing schedule shows no indication of sales at less than fair value.

The Treasury employee stated that the letter was written "in view of the possibility that this new information may be considered of significance to you in your injury determination—whether it should be so considered is, of course, a matter solely within your discretion," and offered the Treasury's file "relating to the above described information for the Commission's use." Following the receipt by the Commission on July 1 of the Treasury letter advising of Treasury's receipt of the "very recently received information," counsel for the three domestic feldspar producers advised the Commission on July 5 that he had received a copy of the said Treasury letter and requested that a hearing be held. The Commission granted the request, issued notice of hearing (25 F.R. 6455), and the hearing was held on July 25, 1960, at which interested parties were afforded opportunity to appear and to be heard.

No new determination and statement of reasons was published by the Treasury on the basis of the new information regarding freight allowances. At the hearing and in their briefs attorneys for importers strongly contended that this created a procedural defect under the statute and that the Commission should not consider the freight allowance aspect in making its injury determination on the basis of the official advice of sales below fair value communicated to the Commission on May 27, 1960.

The Commission believes that the question raised by importers' counsel is substantial and merits the consideration of the Treasury Department. Moreover, the Commission is of the opinion that Congress intends that once an injury

investigation has been instituted on the basis of a Treasury determination of sales at less than fair value the Commission's determination should not be based on any margin of difference other than that which led to the Treasury determination. During the consideration of the proposal to transfer the injury-finding function under the Antidumping Act from Treasury to the Tariff Commission, the Tariff Commission's spokesman at the hearing before the Committee on Ways and Means of the House of Representatives alluded to the short period of three months proposed for injury investigations and stated that this "would require substantial telescoping" of such investigations. (Hearings on H.R. 9476, 83rd Cong., 2d Sess., June 22, 24, 25, and 28, 1954, p. 35.)

The ability of the Commission to complete injury investigations could be seriously hampered, if not made impossible, if it were permissible for the Treasury to introduce new information pertinent to an injury determination during the course of an investigation instituted after official notification by the Treasury of sales below fair value and the supplying of its pertinent file to the Commission. For example, if a hearing had been held by the Commission on the basis of the original submission, a new hearing might be required after the new information was brought into the case, and this would hardly be practicable within the statutory three-month period.

For the foregoing reasons, the Commission did not consider freight allowances in making its injury determination. This avoids any prejudice because of possible procedural defects to a determination of injury based on such allowances.

Bicycles from Czechoslovakia

On July 11, 1960, in response to advice it received the same day from the Acting Secretary of the Treasury, the Tariff Commission instituted an investigation of imports of bicycles from Czechoslovakia, under the provisions of section 201 (a).

The Commission ordered the investigation without ordering a public hearing but, in accordance with its Rules of Practice and Procedure relating to investigations under the Antidumping Act, gave interested parties an opportunity to request a hearing within 15 days after the date that the Commission's notice of the investigation was published in the *Federal Register*.⁵⁴ The Commission also invited interested parties to submit written statements of information pertinent to the investigation. No request for a hearing was made by any interested party, but written statements were received from the U.S. importer and the Bicycle Manufacturers Association. These statements were given due consideration by the Commission in arriving at its determination.

On October 7, 1960, the Commission announced that on the basis of the investigation, it had determined that an industry in the United States was being injured, and was likely to continue to be injured, by reason of the importation of bicycles from Czechoslovakia at less than fair value within the meaning of the Antidumping Act, 1921, as amended.

The Commission published a statement of the reasons for its determination in the *Federal Register* on October 12, 1960.⁵⁵ The statement was as follows:

⁵⁴ 25 F.R. 6321.

⁵⁵ 25 F.R. 9782.

As the result of the sale of bicycles by the Czechoslovakian exporting organization at less than fair value, the importer has sold, and continues to sell, bicycles in the United States at prices below the prices at which domestic producers are able to sell comparable models.

The sale of the Czechoslovakian bicycles have been, and are likely to continue to be, in sufficient volume to displace a significant part of the United States market for low-price bicycles.

The importation of Czechoslovakian bicycles purchased at prices below fair value is continuing and there is indication of an intent on the part of the exporting organization to continue its practice of selling the bicycles at less than fair value.

Nepheline syenite from Canada (second investigation)

On November 1, 1960, in response to advice it had received from the Acting Secretary of the Treasury on October 26, 1960, the Tariff Commission instituted an investigation of imports of nepheline syenite from Canada, under the provisions of section 201(a). A previous Treasury determination of sales below fair value involving nepheline syenite from Canada resulted, after investigation, in a negative injury determination by the Tariff Commission on August 26, 1960.⁵⁶

The Commission ordered the investigation without ordering a public hearing but, in accordance with its Rules of Practice and Procedure relating to investigations under the Antidumping Act, gave interested parties an opportunity to request a public hearing within 15 days after the date that the Commission published its notice of the investigation in the *Federal Register*. The Commission also invited interested parties to submit written statements of information pertinent to the investigation. No request for a hearing was made by any interested party, but written statements were received from three domestic feldspar producers and from the attorneys for the Canadian exporters. These statements were given due consideration by the Commission in arriving at its determination.

On January 26, 1961, the Commission announced that it had unanimously determined (Commissioners Schreiber and Sutton not participating because of absence) 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 nepheline syenite from Canada sold at less than fair value within the meaning of the Antidumping Act, 1921, as amended.

The Commission published a statement of the reasons for its determination in the *Federal Register* on January 31, 1961.⁵⁷ The statement was as follows:

The Acting Secretary of the Treasury determined that the proper fair value comparison was between the purchase price and the home market value. The margin of difference found to exist between these values resulted for all practical purposes from two aspects of the pricing policies of the Canadian export-

⁵⁶ 25 F.R. 8394.

⁵⁷ 26 F.R. 956.

ers, namely, a policy to disregard the rate of exchange between the U.S. and Canadian dollar, and a policy to absorb part of the freight charges.

The practice of quoting the price of nepheline syenite in Canadian dollars to purchasers in Canada and the same number of U.S. dollars to purchasers in the United States, was an historic pricing policy of the two Canadian exporters. This pricing policy was established when the two currencies were virtually at par and continued during a period of some 13 years when the U.S. dollar was at a substantial premium. When the value of the Canadian dollar became higher than the value of the U.S. dollar, the sale price of nepheline syenite for export to the United States in U.S. dollars became lower than its home market price in Canada when expressed in U.S. dollars. However, as soon as the two companies were apprised of the significance of the practice under the Anti-dumping Act, they immediately proceeded to change that policy and to take cognizance of the prevailing exchange rates. These changes were made by one company on November 12, 1959, and by the other on November 16, 1959. Since those dates there have been no sales to U.S. purchasers at less than fair value attributable to differentials in the currency exchange rates.

The freight absorption aspect of this case emerged when domestic feldspar producers gained a more favorable competitive position as a result of certain freight reductions that were made applicable to their product in the United States. Following these changes in freight rates, the Canadian exporters began, in January 1959, to absorb a sufficient part of the freight charges to equal the most recent freight advantages obtained by the domestic feldspar producers. The freight absorptions caused the price of some nepheline syenite to U.S. importers to be lower than its price to purchasers in Canada for home consumption. The evidence shows that the exporters were endeavoring to retain, rather than to expand, their market in the United States; that they in fact did not take a single customer away from the feldspar industry by reason of this practice; and that the domestic feldspar industry was able to expand during the period when part of the freight charges were absorbed.

The freight absorption practice was discontinued by both exporters in March 1960, several months before customs officials had actual knowledge of it. Moreover, one exporter adjusted its home market price in such a fashion in November 1959 that no actual sales at less than fair value resulted from freight absorption after November 1959.

The Canadian exporters demonstrated full cooperation with U.S. customs officials in seeking a way to remove any basis for a charge of "dumping." To accomplish this they reduced their home market price to the extent necessary to obviate any need for absorption of freight charges and now sell to all purchasers, including those in Canada, at prices in terms of U.S. dollars.

The evidence does not show that the domestic feldspar industry has suffered injury attributable to the past pricing policies of the Canadian exporters. The new pricing policies adopted by the Canadian exporters obviate the need for any absorption of freight charges; due regard is now given by the exporters to the prevailing rates of exchange; and the former pricing policies that resulted in the sales at less than fair value were without predatory purpose and have been abandoned. Accordingly, the resumption of the former pricing policies is not likely and, therefore, a domestic industry is not likely to be injured by reason of the importation from Canada of nepheline syenite that is sold below its fair value.

Portland cement from Sweden

On January 9, 1961, in response to advice it had received from the Acting Secretary of the Treasury on January 4, 1961, the Tariff

Commission instituted an investigation of portland cement, other than white, nonstaining portland cement, from Sweden, under the provisions of section 201(a). The Commission held a public hearing in the investigation on February 28 and March 1, 1961.

On April 4, 1961, the Commission announced that it had unanimously determined that an industry in the United States was being injured by reason of the importation of portland cement, other than white nonstaining portland cement, from Sweden at less than fair value within the meaning of the Antidumping Act, 1921, as amended.

The Commission published a statement of the reasons for its determination in the *Federal Register* on April 7, 1961.⁵⁸ The statement was as follows:

Portland cement is a standardized or fungible product the sale of which in a given market is generally contingent upon its price not being higher than the price of like competitive cement. It is a heavy, low-valued product which, by reason of transportation costs, can be sold economically only to users located within a relatively short distance from the cement plants (or port of entry in the case of imported cement). The imports of Swedish portland cement which are injuring the domestic industry concerned are entering at the ports of Fall River, Massachusetts, and Providence, Rhode Island, and are being sold in a limited geographical area that is supplied with domestic portland cement by plants adjacent to the same area. This area, consisting of Rhode Island, eastern Massachusetts, and eastern Connecticut, is referred to herein as the "competitive market area." The domestic portland cement plants that have historically supplied such cement in that area and that have in recent years sold substantial quantities of such cement there, are considered to constitute "an industry" for the purposes of the Antidumping Act.

As a result of the sale of portland cement (other than white nonstaining portland cement) by Swedish exporters at less than fair value, substantial quantities of such cement have been sold and continue to be sold in the "competitive market area" at prices which forced the domestic producers to lower their prices of like domestic cement below those that prevailed prior to the sales of Swedish cement at less than fair value.

The industry concerned has lost a substantial volume of sales of such cement in such areas, which loss is directly attributable to the price of the imported cement made possible by reason of its sale at less than fair value by the exporters. As a result of the sales at less than fair value, annual imports of such Swedish cement into the "competitive market area" in 1959 and 1960 were about twice as large as in each of the years 1957 and 1958.

Rayon staple fiber from France

On February 27, 1961, in response to advice it had received from the Acting Secretary of the Treasury on February 21, 1961, the Tariff Commission instituted an investigation of rayon staple fiber from France, under the provisions of section 201(a). The Commission held a public hearing in the investigation on May 2, 1961.

On May 19, 1961, 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

⁵⁸ 26 F.R. 3002.

established, by reason of the importation of rayon staple fiber from France sold at less than fair value within the meaning of the Anti-dumping Act, 1921, as amended.

The Commission published a statement of the reasons for its determination in the *Federal Register* on May 24, 1961.⁵⁹ The statement was as follows:

Imports of rayon staple fiber from France, which were determined by the Acting Secretary of the Treasury to have been sold at less than "fair value," were made as early as April 1960 and ceased as of November 15, 1960.

The Commission could find no evidence that during this period the importer had a competitive price advantage over the domestic producers by reason of his purchases of the rayon staple fiber at prices less than "fair value." In fact, during this period the domestic producers, as a result of aggressive pricing practices of that industry, had lowered their prices to such levels that the importer did not generally meet the lower average domestic prices and, as a consequence thereof, his sales in the United States of the imported fiber declined sharply compared to sales of the like domestic fiber. The importer gained no new customers during this period and there is no evidence that he sold at a price lower than that charged by the domestic producers for the same type fiber. Therefore, the Commission determines that there has been no injury in this case.

The importer and exporter made diligent efforts to ensure that the purchase price would equal or exceed the home market value. The "margin of difference" between these values arose from the allowance of a quantity discount based upon a purchase order for a 6-month supply of such fiber. Imports pursuant to this order were subsequently curtailed because of market conditions in the United States; consequently, the importer's purchase price had to be compared with a higher home market value applicable to smaller quantity purchases. Had the importer accepted the full order for rayon staple fiber and brought such larger quantity into the United States market for sale, there would have been no "sales at less than fair value." Such sales are characterized by the Commission as "technical sales at less than fair value" (i.e., sales which were made at less than fair value under circumstances which are inculpable). To avoid possible recurrences of "sales at less than fair value," the importer and exporter have arranged their price agreements for future deliveries to ensure that no quantity discount will be allowed in the purchase price until after the discount has been earned by actual completed transactions. The importer has no significant inventory of the fiber purchased "at less than fair value." Under these circumstances there is no "likelihood" of injury from the importation of the rayon staple fiber that was purchased "at less than fair value."

Rayon staple fiber from Belgium

On February 27, 1961, in response to advice it had received from the Acting Secretary of the Treasury on February 21, 1961, the Tariff Commission instituted an investigation of rayon staple fiber from

⁵⁹ 26 F.R. 4478.

Belgium, under the provisions of section 201(a). The Commission held a public hearing in the investigation on May 3, 1961.

On May 19, 1961, 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 rayon staple fiber from Belgium sold at less than fair value within the meaning of the Anti-dumping Act, 1921, as amended.

The Commission published a statement of the reasons for its determination in the *Federal Register* on May 24, 1961.⁶⁰ The statement was as follows:

Imports of rayon staple fiber from Belgium, which were determined by the Acting Secretary of the Treasury to have been sold at less than "fair value," were made as early as January 1960 and ceased as of the middle of October 1960.

The Commission could find no evidence that during this period the importer had a competitive price advantage over the domestic producers by reason of his purchases of the rayon staple fiber at prices less than "fair value." In fact, during this period domestic producers, as a result of aggressive pricing practices of that industry, had lowered their prices to such levels that the importer did not generally meet the lower average domestic prices and, as a consequence thereof, his sales in the United States of the imported fiber declined sharply compared to sales of the like domestic fiber. The importer gained no new customers during this period and there is no evidence that he sold at a price lower than that charged by the domestic producers for the same type fiber. Therefore, the Commission determines that there has been no injury in this case.

The importer and exporter made diligent efforts to ensure that the purchase price would equal or exceed the home market value. The "margin of difference" between these values arose from the allowance of a quantity discount based upon a purchase order for a year's supply of such fiber. Imports pursuant to this order were subsequently curtailed because of market conditions in the United States; consequently, the importer's purchase price had to be compared with a higher home market value applicable to smaller quantity purchases. Had the importer accepted the full order for rayon staple fiber and brought such larger quantity into the United States market for sale, there would have been no "sales at less than fair value." Such sales are characterized by the Commission as "technical sales at less than fair value" (i.e., sales which were made at less than fair value under circumstances which are inculpable). To avoid possible recurrences of "sales at less than fair value," the importer and exporter have arranged their price agreements for future deliveries to ensure that no quantity discount will be allowed in the purchase price until after the discount has been earned by actual completed transactions. The importer has no significant inventory of the fiber purchased "at less than fair value." Under these circumstances there is no "likelihood" of injury from the importation of the rayon staple fiber that was purchased "at less than fair value."

Certain portland cement from Belgium

On March 3, 1961, in response to advice it received the same day from the Acting Secretary of the Treasury, the Tariff Commission

⁶⁰ 26 F.R. 4477.

instituted—under the provisions of section 201(a)—an investigation of portland cement, other than white, nonstaining portland cement, from Belgium, except as to importations from the firm of Cimenteries et Briqueteries Reunies. The Commission held a public hearing in the investigation on April 28, 1961.

On June 2, 1961, the Commission announced that it had unanimously⁶¹ determined that an industry in the United States was being injured by reason of the importation of portland cement, other than white nonstaining portland cement, from Belgium at less than fair value within the meaning of the Antidumping Act, 1921, as amended.

The Commission published a statement of the reasons for its determination in the *Federal Register* on June 7, 1961.⁶² The statement was as follows:

Portland cement is a standardized or fungible product the sale of which in a given market is generally contingent upon its price not being higher than the price of like competitive cement. It is a heavy, low-valued product which, by reason of transportation costs, can be sold economically only to users located within a relatively short distance from the cement plants (or port of entry in the case of imported cement). The imports of Belgian portland cement which are injuring the domestic industry concerned are entering at the ports of Port Everglades, West Palm Beach, Fort Pierce, Port Canaveral, and Jacksonville, Florida, and are being sold in a limited geographical area that is supplied with domestic portland cement by plants in or adjacent to the same area. This area, consisting of the east coast of Florida, is referred to herein as the "competitive market area." The domestic portland cement plants that have supplied such cement in that area and that have in recent years sold substantial quantities of such cement there, are considered to constitute "an industry" for the purposes of the Antidumping Act.

As a result of the sale of the particular portland cement by Belgian exporters at less than fair value, substantial quantities of such cement have been sold and are likely to be sold in the "competitive market area" at prices which compelled the domestic producers who historically supplied the pertinent market area to lower their established prices of like domestic cement below those that prevailed prior to the sales of such Belgian cement at less than fair value.

The industry concerned has lost a substantial volume of sales of such cement in such areas, which loss is directly attributable to the price of the imported cement made possible by reason of its sale at less than fair value by the exporters.

Rayon staple fiber from Cuba

On April 20, 1961, in response to advice it had received from the Acting Secretary of the Treasury on April 17, 1961, the Tariff Commission instituted—under the provisions of section 201(a)—an investigation of rayon staple fiber from Cuba. A public hearing in the investigation was held on June 13, 1961. On June 30, 1961, the close of the period covered by this report, the investigation was in process.

⁶¹ Commissioner Jones did not participate in this determination.

⁶² 26 F.R. 5102.

Certain rayon staple fiber from West Germany

On April 20, 1961, in response to advice it had received from the Acting Secretary of the Treasury on April 17, 1961, the Tariff Commission instituted—under the provisions of section 201(a)—an investigation of rayon staple fiber from West Germany, except as to importations of “Cuprama” rayon staple fiber manufactured by Farbfabriken Bayer. A public hearing in the investigation was held on June 13, 1961. On June 30, 1961, the close of the period covered by this report, the investigation was in process.

PART II. SPECIAL REPORTS AND ACTIVITIES

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

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

The Tariff Commission is one of the agencies from which the President seeks information before he concludes trade agreements with foreign countries. Executive Order 10082 of October 5, 1949,¹ requires the Commission to supply to the interdepartmental trade agreements organization factual data on all articles on which the United States proposes to consider granting concessions in trade agreements. Since 1947 various Executive orders have directed the Commission to keep informed concerning the operation and effect of provisions relating to duties and other import restrictions of the United States contained in trade agreements, and to submit a factual report to the President and to the Congress, at least once each year, on the operation of the trade agreements program. Under section 350(e)(2) of the Tariff Act of 1930, as amended by the Trade Agreements Extension Act of 1955, this function is made mandatory by statute.

¹ 3 CFR, 1949-1953 Comp., p. 281.

Summaries of Tariff Information

Under its general powers, the Tariff Commission's most extensive work is the preparation of its summaries of tariff information, which are designed to provide the Congress and the executive agencies with complete and up-to-date information on the commodities listed in the tariff act. These summaries include the recent tariff history of the commodities in each classification specified in the tariff act; a discussion of the nature and uses of each commodity; an analysis of the trends in U.S. production, imports, and exports; data on output and the conditions of production in foreign countries; and an analysis of the factors that affect the competition of imports with the domestic product. Continuous revision of these summaries, which were first published in 1920, is an important activity of the Commission.

The Commission issued its most recent complete edition of *Summaries of Tariff Information* in 1948-50. This edition, which consists of some 2,300 separate summaries and comprises a total of 46 volumes and parts, has been widely used by the Congress and other Government agencies, and by industrial, agricultural, commercial, labor, and other organizations.

Because of the pressure of high-priority work, especially peril-point and escape-clause investigations, the Commission in recent years has been unable to maintain a regular schedule for publishing revisions of its *Summaries of Tariff Information*. During 1961, as in previous years, the statistical and other information in several hundred of the summaries was brought up to date and made available to defense and other Government agencies. Besides this regular work of keeping the summaries current, the Commission during fiscal 1961 initiated a project for publishing a substantial number of completely revised summaries, and considerable work has already been done on the project.

Information on U.S. Import Duties

Since the early 1930's, the Tariff Commission has periodically issued documents, for the use of the customs service, the public, and the Congress, that show the changes made in the duties on imported articles since the passage of the Tariff Act of 1930. These compilations, which the Commission prepares in cooperation with the Bureau of Customs, are furnished to appropriate congressional committees and to reference libraries throughout the United States, and are distributed by the Bureau of Customs to all its field offices.

The latest compilation, *United States Import Duties (1958)*, includes a list of the rates of duty applicable to imported commodities as of July 1, 1958, a list of the items that are free of duty, a list of the items that are subject to import taxes under the Internal Revenue Code, and references to various statutes that provide for special and additional import duties or for special exemptions from duty under certain circumstances. *Supplement I to United States Import Duties*

(1958), which was published in April 1960, reflects all changes that were known as of January 1, 1960; *Supplement II to United States Import Duties (1958)*, which was published in February 1961, reflects all changes that were known as of December 1, 1960.

The new compilation replaces section I of *United States Import Duties (1952)* and the four supplements thereto. The new publication does not contain the special and administrative provisions of the Tariff Act of 1930, as amended, which were set forth in section II of *United States Import Duties (1952)*. In March 1961 these provisions were issued in a separate volume entitled *Special and Administrative Provisions (Titles III and IV) of the Tariff Act of 1930, as Amended, as in effect on December 1, 1960*. Supplements will be issued as required to keep the special and administrative provisions of the tariff act up to date.

Reports on Synthetic Organic Chemicals

In accordance with its usual procedure, the Tariff Commission in 1961 released preliminary and final reports on U.S. production and sales of synthetic organic chemicals. These reports continue the annual series that the Commission has published since 1918.

Preliminary report on production and sales, 1959

The Tariff Commission's preliminary report on production and sales of synthetic organic chemicals in 1959 consisted of 14 separate sections, each of which dealt with a segment of the industry. To make the information available to industry and to Government agencies at the earliest possible date, each section was released as soon as the statistics for it were substantially complete. The first section, covering elastomers (synthetic rubbers) was released in May 1960, and all sections had been released by the middle of August 1960. The preliminary report covered production and sales of tars and tar crudes; crude products from petroleum and natural gas; cyclic intermediates; coal-tar dyes; toners and lakes; bulk medicinal chemicals; flavor and perfume materials; plastics and resin materials; rubber-processing chemicals; elastomers (synthetic rubbers); plasticizers; surface-active agents; pesticides and other agricultural chemicals; and miscellaneous chemicals.

Final report on production and sales, 1959

In November 1960 the Tariff Commission issued its final report on U.S. production and sales of synthetic organic chemicals in 1959.² Statistics included in the final report were compiled from data supplied by 653 primary manufacturers. The report covers more than 6,000 individual chemicals and chemical products, and gives separate production and sales statistics for many of them. Also included in the report is a list of manufacturers of each item for which production

² U.S. Tariff Commission, *Synthetic Organic Chemicals, United States Production and Sales, 1959*, Rept. No. 206, 2d ser., 1960.

and sales were reported, and statistics on U.S. general imports in 1959 of products entered under paragraphs 27 and 28 of the Tariff Act of 1930, which cover coal-tar intermediates, dyes, medicinals, and other finished coal-tar products. The report also presents statistics on the number of technical workers engaged in research in the synthetic organic chemical industry, their average salaries, and the amounts expended for such research by the reporting companies.

According to the report, production in 1959 of synthetic organic chemicals and their raw materials was 89,874 million pounds, or 12.3 percent more than the 80,007 million pounds (revised figure) produced in 1958. Sales of synthetic organic chemicals and their raw materials in 1959 amounted to 52,973 million pounds, valued at \$7,267 million, compared with 43,309 million pounds, valued at \$5,953 million (revised figures) in 1958. As these totals include data for chemical raw materials, as well as semifinished and finished products, they necessarily involve considerable duplication.

The report comprises three major sections—the first two on chemical raw materials and on cyclic intermediates and finished synthetic organic chemical products, and the third giving an alphabetical list of individual products and listing the names of manufacturers. The first section includes statistics on tars, tar crudes, and crude chemicals derived from petroleum and natural gas. Total production of coal tar, water-gas tar, and oil-gas tar in 1959 amounted to 669 million gallons—4.1 percent less than the 698 million gallons reported for 1958. Production in 1959 of all tar crudes amounted to 3,447 million pounds, compared with 8,879 million pounds (revised figure) in 1958. The most important individual products in this group are benzene, toluene, xylene, naphthalene, and creosote oil. The output of crude products from petroleum and natural gas in 1959 was 24,422 million pounds, compared with 20,903 million pounds in 1958. Included in this group are benzene, toluene, xylene, and other cyclic products, and aliphatic hydrocarbons such as ethylene, propane, and 1,3-butadiene, the latter being one of the basic raw materials for the manufacture of S-type synthetic rubbers.

Production of cyclic intermediates, which is covered in the second section of the report, amounted to 8,459 million pounds in 1959, or 27.3 percent more than the 6,643 million pounds reported for 1958. As in earlier years, about 60 percent of the output of cyclic intermediates in 1959 was used by the original manufacturers to produce more advanced products. The remainder was sold to other companies for further processing.

The rest of the second section of the report deals with finished synthetic organic chemicals and chemical products. The total output of such products amounted to 41,856 million pounds in 1959, compared with 36,603 million pounds in 1958. Of this total, cyclic finished products accounted for 7,913 million pounds, and acyclic products, for 33,943 million pounds. All the 11 groups of finished synthetic organic products were produced in greater quantities in 1959 than in 1958.

The groups for which the greatest increases were shown were plastics and resin materials (29.8 percent), plasticizers (28.9 percent), elastomers (28.3 percent), rubber-processing chemicals (24.4 percent), dyes (21.1 percent), and toners and lakes (20.6 percent).

Specified synthetic organic chemicals: Monthly releases on production

During 1961 the Tariff Commission continued to conduct a monthly survey of U.S. production of a selected list of synthetic organic chemicals. The statistics, which are collected from about 160 companies, cover approximately 80 different chemical items. Upon request, the Commission furnishes the Business and Defense Services Administration with reported data that are necessary to its operations. The releases on production of selected synthetic organic chemicals, designated as Facts for Industry Series 6-2 and published jointly with those on production and sales of plastics and resins described below are obtainable from the Superintendent of Documents, U.S. Government Printing Office, on a subscription basis.

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

During 1961 the Tariff Commission also continued to issue monthly reports on U.S. production and sales of synthetic plastics and resin materials. This monthly report, Facts for Industry Series 6-10, which is issued in conjunction with the above-mentioned report on production of specified synthetic organic chemicals, covers production and sales of synthetic plastics and resins grouped according to chemical composition and broad end uses. The chemical classes for which statistics are given include cellulose plastics, phenolic and other tar-acid resins, styrene resins, urea and melamine resins, alkyd resins, vinyl resins, polyester resins, polyethylene resins, and miscellaneous plastics and resins. Some of the end uses covered in the monthly report are molding, extruding, casting, textile treating, and paper treating. Synthetic plastics and resins are also used for sheeting and film, adhesives, and protective coatings.

Imports of coal-tar products, 1959

In July 1960 the Tariff Commission released its annual report on U.S. imports of coal-tar intermediates entered under paragraph 27 of the Tariff Act of 1930, and on coal-tar dyes, medicinals, pharmaceuticals, flavor and perfume materials, and other coal-tar products entered under paragraph 28.³ The data in the report, which covers imports through all U.S. customs districts, were obtained from invoice analyses, the larger part of which were made by the Commission's New York office.

The report shows that general imports of coal-tar chemicals entered under paragraph 27 in 1959 totaled 28.8 million pounds, with a foreign invoice value of \$14.0 million, compared with imports of 14.4 million pounds, valued at \$10.7 million, in 1958. Most of the

³ U.S. Tariff Commission, *Imports of Coal-Tar Products, 1959, 1960* [processed].

coal-tar chemicals imported in 1959 were declared to be competitive (duty based on "American selling price"). Almost half of the total imports of these products in 1959 came from West Germany; imports from that country amounted to 10.8 million pounds, compared with 6.9 million pounds in 1958. Imports from Italy in 1959 amounted to 5.1 million pounds, compared with 1.7 million pounds in 1958. Imports from France totaled 2.7 million pounds in 1959, compared with 567,000 pounds in 1958, and imports from the United Kingdom amounted to 2.4 million pounds in 1959, compared with 1.2 million pounds in 1958. In 1959 sizable quantities of products that are dutiable under paragraph 27 also were imported from Canada (1,377,000 pounds), the Netherlands (1,375,000 pounds), Belgium (1,350,000 pounds), Switzerland (1,227,000 pounds), Japan (782,000 pounds), Denmark (764,000 pounds), Spain (364,000 pounds), Sweden (199,000 pounds), the Union of South Africa (165,000 pounds), and Norway (123,000 pounds). Smaller quantities came from Austria (66,000 pounds) and Australia (14,000 pounds).

Imports in 1959 of all finished coal-tar products that are dutiable under paragraph 28 comprised 1,968 items, with a total weight of 11.3 million pounds and a foreign invoice value of \$21.9 million. In 1958, imports consisted of 1,636 items, with a total weight of 7.1 million pounds and a foreign invoice value of \$15.8 million. In 1959, as in 1957 and 1958, medicinals and pharmaceuticals were the most important group of finished coal-tar products imported. Imports of medicinals and pharmaceuticals amounted to \$10.7 million (foreign invoice value), or 49 percent of the total value of all imports under paragraph 28. In 1958, imports of medicinals and pharmaceuticals amounted to \$7.2 million (foreign invoice value), or 46 percent of the total value of all imports under paragraph 28.

Imports of coal-tar dyes, the next most important group of products entered under paragraph 28 in 1959, were 22 percent larger in that year than in 1958 and 47 percent larger than in 1957. In 1959, imports of dyes (excluding synthetic organic pigments) were valued at \$7.9 million (foreign invoice value), or 36 percent of total imports under paragraph 28. In 1958, imports of dyes (excluding synthetic organic pigments) were valued at \$6.5 million, or 41 percent of total imports under paragraph 28. In 1959, imports of synthetic organic pigments (toners and lakes) were valued at \$401,000, compared with \$286,000 in 1958. Imports of perfume and flavor materials in 1959 (\$865,000) were 42 percent greater than in 1958. In 1959, imports of other coal-tar products entered under paragraph 28 (chiefly synthetic resins) were valued at \$2.1 million, or 69 percent greater than in 1958.

Report on Reapplication of Reduced Rates of Duty to Imports From Poland

In February 1961 the Tariff Commission published a summary of tariff and trade data relating to the reapplication of trade-agreement reduced rates of duty to imports from Poland, which became effective

December 16, 1960.⁴ The compilation was prepared under the provisions of section 332 of the Tariff Act of 1930, which—among other things—directs the Commission to report on tariff relations between the United States and foreign countries.

Between January 5, 1952, and December 16, 1960, imports from Poland and areas under the provisional administration of Poland of commodities on which the United States had granted reductions in duty pursuant to trade agreements were dutiable at the full U.S. tariff rates as a result of Presidential action under section 5 of the Trade Agreements Extension Act of 1951. Certain commodities imported from Poland (such as canned ham, the most important commodity imported from that country) have not been the subject of trade-agreement concessions.

The report, which lists the principal U.S. imports from Poland in 1959, indicates those commodities to which the reduced rates of duty apply, the value of imports of such commodities, and the applicable rates of duty. It also includes a table showing total imports and imports of ham and other pork from Poland during the period 1950–59, as well as other tables showing, for 1959, Poland's exports to all countries, by principal commodities and commodity groups, and U.S. exports to Poland, by principal commodities.

Study of Changes in the Prices of Copper

Public Law 38 (82d Cong.),⁵ as amended by Public Law 91 (84th Cong.),⁶ suspended certain import taxes on copper until June 30, 1958. It provided, however, that the President must revoke the suspension of such taxes at an earlier date if the Tariff Commission determined that the average market price of electrolytic copper in standard shapes and sizes (delivered Connecticut Valley) had been below 24 cents per pound for any one calendar month during the period. When the market condition occurred the Commission was required to advise the President within 15 days after the conclusion of such calendar month, and the President was required to reimpose the taxes not later than 20 days after the Commission had so advised him. In 1951, upon the enactment of Public Law 38, the Commission established the necessary procedure for carrying out its responsibilities under the law.

Public Law 38 expired on June 30, 1958. Effective July 1, 1958, therefore, copper again became subject to import taxes. However, in granting a further reduction in the import taxes on copper at the 1956 Geneva negotiations, it was provided that the reductions were to be effective only when the average price of electrolytic copper is 24 cents per pound or more, under a formula similar to that contained in Public Law 38. Under the provisions of a note to item 4541 of the 1956 U.S. schedule of concessions under the General Agreement

⁴ U.S. Tariff Commission, *Reapplication of Trade-Agreement Reductions in Import-Duty Rates to Imports From Poland, 1961* [processed].

⁵ 65 Stat. 44.

⁶ 69 Stat. 170.

on Tariffs and Trade, the Tariff Commission is required to advise the Secretary of the Treasury of changes in the prices of copper in the same manner that it advised the President under Public Law 38. During 1961, as in previous years, the Commission kept informed on current copper prices and competitive conditions. Inasmuch as the price of copper did not fall below 24 cents per pound during the year, the Commission had no occasion to make a report to the Secretary of the Treasury.

Compilations of Information on Status of Investigations

During 1961 the Commission continued to issue a series of compilations showing the outcome or current status of the various investigations that the Commission is directed by law to conduct. These compilations, which are brought up to date from time to time, are as follows:

- (1) Investigations Under the "Escape Clause" of Trade Agreements;
- (2) Investigations Under the "Peril Point" Provisions;
- (3) Investigations Under Section 22 of the Agricultural Adjustment Act, As Amended;
- (4) Investigations Under Section 332 of the Tariff Act of 1930;
- (5) Investigations Under Section 336 of the Tariff Act of 1930;
- (6) Investigations Under Section 337 of the Tariff Act of 1930;
and
- (7) Injury Determinations Under the Antidumping Act.

Trade-Agreement Activities

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

It is a matter of Commission policy that the Tariff Commission member of the Interdepartmental Committee on Trade Agreements shall not participate by voting in the making of any decisions of that Committee, and that members of the Commission's staff assigned to

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

During 1961, Commissioners and members of the Tariff Commission's staff assisted the Interdepartmental Committee on Trade Agreements as consultants and technical advisers in dealing with a variety of problems. Principal among these was the assistance the Commission gave to the Trade Agreements Committee and its "country" committees in connection with U.S. preparations for participation in the fifth round of tariff negotiations conducted by the Contracting Parties to the General Agreement on Tariffs and Trade during 1960-61. The negotiations, which began in September 1960, will embrace four distinct types of negotiations: (1) Renegotiations with the member states of the European Economic Community pursuant to article XXIV:6; (2) renegotiations of concessions in existing schedules pursuant to article XXVIII:1; (3) negotiations by contracting parties for new or additional concessions; and (4) negotiations with countries that desire to accede to the General Agreement.

In accordance with Executive Order 10082, and at the request of the Trade Agreements Committee, the Tariff Commission during the fiscal year 1960 prepared preliminary data for all dutiable articles imported into the United States. These data were for use by the Trade Agreements Committee and its "country" committees in preparing schedules of concessions that the United States might offer in the round of negotiations mentioned above. In all, the Commission prepared data for more than 4,500 statistical classes of imports.

During fiscal 1961, after the Trade Agreements Committee on May 27, 1960, issued the list of products to be considered for possible concessions by the United States during the 1960-61 tariff negotiations, the Tariff Commission prepared and transmitted to the Trade Agreements Committee final data on the approximately 2,200 statistical (*Schedule A*) classifications covered by the list. After November 22, 1960, when the Trade Agreements Committee published a supplemental list of products to be considered for possible concessions in the 1960-61 tariff negotiations, the Commission prepared and transmitted to the Trade Agreements Committee data for the approximately 200 statistical classifications covered by the supplemental list.

The first phase of the 1960-61 tariff Conference sponsored by the Contracting Parties to the General Agreement—that related to renegotiations with the member states of the European Economic Community and to renegotiations by contracting parties of concessions in existing schedules under the provisions of article XXVIII—began at Geneva on September 1, 1960, and was still in progress at the close of the period covered by this report. The second phase of the 1960-61 tariff Conference—that related to negotiations by con-

tracting parties for new or additional tariff concessions and to negotiations with countries that desire to accede to the General Agreement—began in Geneva on May 29, 1961, and was still in progress at the close of the period covered by this report. Between September 1, 1960, and June 30, 1961, a total of 10 Tariff Commission staff members served at one time or another as members of the U.S. delegation to the 1960-61 tariff negotiations sponsored by the Contracting Parties to the General Agreement: 1 of the staff members served as Tariff Commission alternate on the Trade Agreements Committee; 6 as technical advisers to the individual U.S. negotiating teams; 1 as rate officer for the Trade Agreements Committee; and 2 as members of the delegation's secretariat.

During fiscal 1961 the Tariff Commission also assisted the Trade Agreements Committee in its preparations for U.S. participation in the 17th and 18th Sessions of the Contracting Parties to the General Agreement and in the meetings of the Intersessional Committee; in its preparations for trade-agreement negotiations between the United States and a number of other contracting parties under article XXVIII of the General Agreement; in its preparations for renegotiations between the United States and a number of other contracting parties in connection with requests by those countries for compensatory concessions; and in its preparations for renegotiations for the modification of U.S. tariff concessions on certain wool fabrics. The Vice Chairman of the Tariff Commission served as special adviser to the U.S. delegation to the 17th Session of the Contracting Parties to the General Agreement, which was held in Geneva from October 31 to November 19, 1960.

Report on Operation of the Trade Agreements Program

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

Before the passage of the Trade Agreements Extension Act of 1955, various Executive orders had directed the Commission to prepare similar reports annually and to submit them to the President and to the Congress. The latest of such orders—Executive Order 10082, of October 5, 1949—is still in effect. The 12 reports that the Commission has issued in compliance with these directives provide a detailed history of the trade agreements program since its inception in 1934. The Commission's first 11 reports on the operation of the trade agreements program cover developments from June 1934 through June 1959.

The 12th report covers the period from July 1958 through June

1959.⁷ During all or part of this period the United States had trade-agreement obligations in force with 43 countries. Of these, 35 countries were contracting parties to the General Agreement on Tariffs and Trade and 8 were countries with which the United States had bilateral trade agreements.

During the period covered by the 12th report, the Contracting Parties to the General Agreement did not sponsor any multilateral tariff negotiations of the Geneva-Annecy-Torquay type. Shortly before the close of the period covered by the report, however, they decided to hold a general tariff conference, beginning in September 1960, for the purpose of negotiating with the member states of the European Economic Community, with contracting parties that desire to renegotiate concessions in their existing schedules, with contracting parties that desire to negotiate new or additional concessions, and with countries that desire to accede to the General Agreement.

During the period covered by the 12th report, the United States concluded limited trade-agreement negotiations under article XXV of the General Agreement with Brazil and, under article XXVIII or the 1955 Declaration on Continued Application of Schedules, with Australia, Austria, Finland, the Netherlands, and New Zealand. The report describes these negotiations and analyzes the changes that they made in the schedules of concessions of the respective countries.

The 12th report also covered other important developments during 1958-59 with respect to the trade agreements program. These include the major developments relating to the general provisions and administration of the General Agreement; the actions of the United States relating to its trade agreements program; and the major commercial policy developments in countries with which the United States has trade agreements.

Trade Agreements Manual

To assist other Government agencies, as well as private organizations and individuals, that are interested in data on the trade agreements that the United States has entered into under the authority of the Trade Agreements Act of 1934, as amended and extended, the Commission periodically issues a trade agreements manual. The *Trade Agreements Manual* is designed to provide the answers to certain common questions about U.S. trade agreements. Part I of the *Manual* considers U.S. trade-agreement obligations, present and past. Part II is devoted to information about the General Agreement on Tariffs and Trade. To assist the reader, brief explanatory comments precede each tabulation, and various technical points are explained in the footnotes.⁸

⁷ First released in processed form, the report was subsequently printed as *Operation of the Trade Agreements Program: 12th Report, July 1958-June 1959*, TC Publication 9, 1961.

⁸ The latest edition of this compilation is U.S. Tariff Commission, *Trade Agreements Manual: A Summary of Selected Data Relating to Trade Agreements Negotiated by the United States Since 1934*, 3d ed., misc. ser., 1959.

PART III. FURNISHING TECHNICAL INFORMATION AND ASSISTANCE

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

Work for the Congress

During 1961, as in previous years, the Commission's work in response to directives or requests from the Congress, congressional committees, and individual Members of Congress constituted an important part of its activities. This section of the report deals only with direct requests from congressional committees and from Members of Congress for information or comments on proposed legislation, and for assistance at congressional hearings. Other phases of the Commission's work, even though based directly or indirectly on congressional directives or requests, are discussed in other sections of this report.

Reports on proposed legislation to committees of the Congress

The Congress regularly requests the Tariff Commission to analyze proposed legislation relating to tariff and trade matters. Most of the requests come from the Senate Committee on Finance and the House Committee on Ways and Means. Preparation of analyses of, or comments on, bills and resolutions usually involves considerable work by the Commission, and often requires extensive reports. The number of requests for analyses of bills and resolutions has increased sharply in recent years. In 1960, for example, the Commission analyzed or commented on 294 bills or resolutions—more than three times the number in 1958 and nearly six times the number in 1956.

During the period covered by this report, congressional committees requested the Commission to prepare analyses of, or comments on, 232 bills and resolutions. These bills and resolutions related to a wide variety of subjects, as indicated by the following list of representative titles:

To provide for the temporary suspension of the duty on cork-board insulation;

- To suspend for a temporary period the import duty on heptanoic acid;
- To provide for adjusting conditions of competition between certain domestic industries and foreign industries with respect to the level of wages and working conditions in the production of articles imported into the United States;
- To amend the Tariff Act of 1930 with respect to the time of production of artistic antiquities and other objects in order to entitle them to free entry;
- To limit the term "waterproof" when applied to cotton cloth or fabric;
- To assist business enterprises, communities, and individuals to make necessary adjustments required by changed economic conditions resulting from the trade policies of the United States;
- Declaring the sense of the Congress that no further reductions in tariffs be made during the life of the present Reciprocal Trade Agreements Act;
- To amend the Tariff Act of 1930 to impose a duty upon the importation of bread;
- To establish quota limitations on imports of foreign residual fuel oil;
- To amend the Tariff Act of 1930 to impose an import quota on iron ore;
- To amend the Tariff Act of 1930 by transferring wood charcoal from the free list to the dutiable list;
- To amend section 498(a)(1) of the Tariff Act of 1930 so as to increase from \$250 to \$1,000 the valuation figure with respect to informal entries of imported merchandise;
- To provide that certain caps shall be dutiable under paragraph 1504 of the Tariff Act of 1930;
- To establish in the Bureau of Customs the United States Customs Enforcement Division in order to improve the enforcement of the antismuggling laws;
- To amend the Tariff Act of 1930 with respect to the marking of imported articles and containers;
- To amend section 304 of the Tariff Act of 1930 to require that all cast-iron soil pipe and fittings imported into the United States be marked with the name of the country of its origin;
- To stabilize the mining of lead and zinc in the United States;
- To establish procedures to relieve domestic industries and workers injured by increased imports from low-wage areas;
- To regulate the foreign commerce of the United States by establishing quantitative restrictions on the importation of hardwood plywood;
- To continue until the close of June 30, 1962, the suspension of duties on metal scrap;
- To amend the Internal Revenue Code of 1954 to impose import taxes on lead and zinc;
- To amend section 304 of the Tariff Act of 1930 to require that all textiles imported into the United States be marked with the name of the country of origin;

- To provide for a commission to study and report on the influence of foreign trade upon business and industrial expansion in the United States;
- To impose additional duties on excess imports of certain live animals, meats, and meat products;
- To provide for tariff import quotas on sheep, lambs, mutton, and lamb;
- To reduce to \$100 the exemption provided for returning residents by paragraph 1798 (c) (2) of the Tariff Act of 1930;
- To amend paragraph 1102 of the Tariff Act of 1930 with respect to the duties on hair of the Cashmere goat;
- To amend the Internal Revenue Code of 1954 to impose an import tax on natural gas;
- To amend and extend the Sugar Act of 1948, as amended;
- To amend the Tariff Act of 1930 to provide for the free importation of wire which is to be used in automatic baling machines for baling hay and other farm products;
- To amend the Tariff Act of 1930 to permit contract carriers by motor vehicle to transport bonded merchandise;
- To amend the Internal Revenue Code of 1954 with respect to the exportation of imported distilled spirits, wines, and beer;
- To amend paragraph 1726 of the Tariff Act of 1930 to place on the free list magnetic tape and other sound recordings for radio music broadcasts;
- To amend the Internal Revenue Code of 1954 to repeal the 3-cent-per-pound processing tax on coconut oil;
- To amend the Tariff Act of 1930 to increase the rate of the duty imposed on the importation of plywood;
- To amend the Tariff Act of 1930 to impose a duty on shrimps and provide for duty-free entry of unprocessed shrimps annually in an amount equal to imports of shrimps in 1960;
- To provide for the temporary suspension of duties on certain types of limestone;
- To provide for the exemption of fowling nets from duty;
- To provide for the temporary suspension of the duty on cork stoppers;
- To provide for the free importation under certain conditions of exposed or developed picture film;
- To amend the Tariff Act of 1930 to place horsemeat on the free list;
- To amend section 7(e) of the Trade Agreements Extension Act of 1951 so as to include the livestock industry as a domestic industry producing products directly competitive with imported meat and meat products;
- To regulate the foreign commerce of the United States by providing for fair competition between domestic industries operating under the Fair Labor Standards Act and foreign industries that supply articles imported into the United States;
- To provide a more definitive tariff classification description for lightweight bicycles; and
- To amend the Tariff Act of 1930 to require certain new packages of imported articles to be marked to indicate the country of origin.

Special services to committees of the Congress

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

During 1961, at the request of the House Committee on Ways and Means, members of the Commission's staff appeared before the committee to supply technical assistance during consideration of proposed legislation on a number of subjects mentioned in the immediately preceding section of this report.

Services to individual Senators and Representatives

Each year the Commission receives many requests from individual Senators and Representatives for various types of information.¹ Some of these requests can be answered from data that are readily available in the Commission's files; others require research and often the preparation of extensive statistical compilations and trade analyses. Many of the requests relate to investigations that are pending before the Commission.

During 1961 the Commission continued to furnish to several Members of Congress, at their request, tabulations prepared by its Ceramics Division on a quarterly basis showing U.S. imports (for consumption) of glassware and pottery, by kinds and by principal sources. During the year the Commission also continued to furnish to Members of Congress, at their request, monthly and cumulative monthly statistics, prepared by its Textiles and Statistical Divisions, on imports of wool tops, yarns of wool, and woolen and worsted fabrics.

The Commission also regularly furnishes information to the interdepartmental Committee for Reciprocity Information (CRI) to help that Committee in responding to inquiries by Members of Congress.²

Cooperation With Other Government Agencies

Over the years, cooperation with other Government agencies has accounted for a considerable part of the Commission's activity.

¹ During the period covered by this report, the Commission received 1,260 congressional letters requesting information on various matters. In addition, the Commission received a large number of congressional telephone requests for information. Many of these requests, like those contained in congressional letters, involved considerable work by the Commission and its staff.

² The primary functions of the Committee for Reciprocity Information, which was created by Executive Order 6750 in 1934, are (1) to hold hearings to provide an opportunity for all interested parties to present their views on proposed trade agreements, and (2) to see that those views are brought to the attention of the Interdepartmental Committee on Trade Agreements. The latest Executive order prescribing the duties and functions of the CRI is Executive Order 10082 of Oct. 5, 1949.

Among the more important instances of such cooperative work is the Commission's continuing collaboration with the Bureau of the Census, the Bureau of Customs, and the Department of State.

During 1961 the Commission carried on various kinds of work in cooperation with a score of other Government agencies. Including the various trade-agreement committees, Commissioners and staff members serve on about 25 interdepartmental committees. The assistance that the Commission gives to other Government agencies ranges from handling simple requests for factual information to undertaking projects that require considerable research and sometimes as much as several hundred man-hours of staff work. At times, cooperation with other Government agencies involves detailing members of the Commission's staff to those agencies for short periods.

Selected aspects of the work that the Commission conducted in cooperation with other Government agencies during 1961 are reviewed below.

Work for defense and emergency agencies

During 1961 the U.S. Government agencies concerned with the problems of defense continued to call upon the Tariff Commission for needed information on strategic and critical materials. All the technical divisions of the Commission supplied such information.

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

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

Work for other Government agencies

Besides assisting the Department of State in trade-agreement matters, the Commission during 1961 furnished that Department with a wide range of data on U.S. tariffs and trade. A member of the Sundries Division served on the Rubber Panel, which is under the chairmanship of the Department of State.

During the year the Commission supplied the Department of Agriculture with considerable information on agricultural, chemical, and forest products, and exchanged information in connection with investigations that the Commission conducted under section 22 of the Agricultural Adjustment Act, as amended. The Commission also assisted the interdepartmental sugar committee, which studies the operation of the Sugar Act of 1948, as amended, U.S. participation in the International Sugar Agreement, and other matters relating to sugar. During the year members of the Commission's staff served as members of the interdepartmental sugar committee. At the request of the Department of Agriculture the Commission during fiscal 1961 agreed to complete its statistical analysis of the data on micron grading of wool that had been collected during 1958 and 1959 in connection with its section 332 investigation of carpet wool and wool for paper-makers' felts. Only a small part of the data that the Commission ultimately obtained on this subject was available in time to be included in the Commission's report on its investigation. Work on this project, which began in May 1961, probably will be completed by January 1, 1962.

The Commission furnished assistance during 1961 to the following bureaus of the Department of Commerce: The National Bureau of Standards, the Bureau of the Census, and the Bureau of Foreign Commerce (besides the Business and Defense Services Administration, mentioned in the preceding paragraph of this report). The Commission's commodity divisions assisted the Bureau of the Census in the analysis of "basket" classifications of import statistics and in matters concerning the proper coding and classification of imported articles for statistical purposes. The Agricultural, Ceramics, and Chemicals Divisions supplied the Bureau of Foreign Commerce with market and consumption data on certain articles of commerce for which they had unique information.

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

Procedures for collecting import statistics

In carrying out the various functions assigned to it by law the Tariff Commission depends heavily on the detailed import statistics that are compiled by the Bureau of the Census. These data are absolutely essential to the Commission in conducting escape-clause and peril-point investigations, investigations under section 22 of the Agricultural Adjustment Act, and investigations under sections 332 and 336 of the Tariff Act of 1930. The data also are required to respond to requests for information by congressional committees and individual Senators and Representatives, and to respond to requests for trade statistics by the interdepartmental trade agreements organization.

For the past few years the Tariff Commission, like the Bureau of the Census, has been concerned about the increasing number of errors in the detailed import statistics as they are reported by the Bureau of the Census. These errors have come to the Commission's attention in the course of its investigations and its general research activities, and they have been confirmed by sample surveys made by the Bureau of the Census in cooperation with the Bureau of Customs.

Pursuant to section 484(e) of the Tariff Act of 1930, the Commission in June 1961 addressed letters to the Secretary of the Treasury and the Secretary of Commerce, proposing that the present procedures for collecting import statistics be changed so as to permit customs examiners at the various ports of entry to verify the data before they are submitted to the Bureau of the Census for tabulation. The Commission recommended that the change in procedure, which would greatly increase the accuracy of U.S. import statistics, be made effective not later than January 1, 1962. Both the Secretary of the Treasury and the Secretary of Commerce endorsed the Tariff Commission's proposal and agreed to cooperate in an effort to make the new procedure effective at the earliest possible time.

The Tariff Commission's proposal was based on the results of earlier surveys, including an intensive study of imports entered at the port of Philadelphia beginning in January 1961. This study, which was conducted and financed jointly by the Tariff Commission, the Bureau of Customs, and the Bureau of the Census, indicated that the great bulk of the errors in the import statistics result from changes—made by customs officers in processing import documents—which are not subsequently reflected in the data compiled by the Bureau of the Census. The study also demonstrated that these errors can be eliminated by having the statistical classification verified and corrected by the customs officer at the time he verifies and corrects the documents for purposes of collecting the duty.

Work on statistical classification of imports and exports

Section 484(e) of the Tariff Act of 1930 provides for a statistical classification of imports, and authorizes the Secretary of the Treasury, the Secretary of Commerce, and the Chairman of the Tariff Commission to direct its preparation. Under this provision the represent-

atives of those officials on the interdepartmental Advisory Committee on Foreign Trade Statistics prepare, for statistical purposes, an enumeration of articles for reporting merchandise imported into the United States. A member of the Commission's Statistical Division serves on the interdepartmental Advisory Committee.

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

During 1961, the Commission continued to assist in the revision of the January 1, 1960, edition of *Schedule A*, and in the revision of the publication entitled *United States Import Duties Annotated for Statistical Reporting* (U.S.I.D. Annotated). In the latter publication, which supplements the 1960 edition of *Schedule A* and which was prepared by the Department of Commerce with the cooperation of the Department of the Treasury and the Tariff Commission, the statistical classifications of commodities in *Schedule A* have been merged into the tariff classifications in *United States Import Duties (1958)* for use by importers in preparing their entry papers. The data reported for import entries in terms of the *U.S.I.D. Annotated* are converted and published later as official import statistics in terms of the commodity-group arrangement and code classification of *Schedule A*.

During fiscal 1961, members of the Commission's staff also reviewed, in terms of *Schedule A*, the proposals for changes in tariff classifications under the Customs Simplification Act of 1954, as amended. This review was made to evaluate the effect that the proposed changes would have on the enumeration of commodity classes in the current edition of *Schedule A*. During the year, the Commission also continued to cooperate with the Department of Commerce in revising *Schedule B—Statistical Classification of Domestic and Foreign Commodities Exported from the United States*.

During 1961 the Chief of the Commission's Statistical Division, who serves on the interdepartmental Advisory Committee, assisted in coordinating all revisions in statistical classifications, and acted as liaison between the Commission and the Advisory Committee. To maintain convertibility of the import and export statistical schedules to other coding manuals, such as the *Standard International Trade Classification* issued by the Statistical Office of the United Nations, the Commission's representative on the Advisory Committee periodically reviews any changes in the statistical commodity code. A limited revision of the *Standard International Trade Classification* was made during 1960, in an effort to align that code more closely with the Brussels Nomenclature.

Assistance to Nongovernmental Research Agencies

During 1961 the Commission also assisted certain quasi-official organizations by providing information on trade and tariff matters. For example, a member of the Ceramics Division served during the year on a committee of the American Society for Testing Materials, a national technical society composed of representatives of industry, the Federal Government, and engineering schools. The assistance given this society related chiefly to nomenclature and classification of ceramic products.

Assistance to Business Concerns and the Public

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

To assist individuals and organizations interested in studying recent developments in U.S. commercial policy, the Commission periodically issues a list of selected publications relating to U.S. tariff and commercial policy and to the General Agreement on Tariffs and Trade. The compilation lists certain pertinent publications of the Tariff Commission, the Department of State, the Department of Commerce, the Congress, special governmental boards and commissions, and the Contracting Parties to the General Agreement on Tariffs and Trade, and indicates where those publications may be obtained.³

³The latest edition of this compilation is U.S. Tariff Commission, *List of Selected Publications Relating to United States Tariff and Commercial Policy and to the General Agreement on Tariffs and Trade*, 6th ed., 1960 [processed].

PART IV. OTHER ACTIVITIES

General Research and Assembling of Basic Data

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

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

The Tariff Commission Library, which includes a unique and comprehensive collection of material on the U.S. tariff, U.S. commercial policy, and international trade, contains approximately 63,000 volumes. The library also maintains a large collection of related material on economic and business conditions in the United States and foreign countries, as well as an excellent collection of information on the technical and economic aspects of industry, including material on the production of raw materials and the manufacture of various individual commodities. Original source material includes extensive files of official foreign trade statistics. The library currently receives more than 1,200 periodicals, including economic and technical trade

journals. Although the library was established primarily for the use of the Commission and its staff of experts, the resources of the library are also available to private organizations, individual research students, and other Government agencies. The Legal Division's legislative reference service closely follows congressional legislation that is of interest to the Commission and its staff, and maintains a complete file of pertinent legislative documents.

Fieldwork

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

In 1961, as in the past several years, the Commission found it necessary to devote an exceptionally large amount of time to fieldwork. During 1961 the Commission's experts made field trips in connection with the investigations that the Commission conducted under the escape-clause provision, under sections 332 and 337 of the Tariff Act of 1930, under section 201(a) of the Antidumping Act, 1921, as amended, and under section 22 of the Agricultural Adjustment Act, as amended. To keep abreast of technical and trade developments, the Commission's experts visited representative manufacturing and importing firms in their fields of specialization. Representatives of the Commission also attended several conferences of trade and technical associations in order to follow developments affecting competition in domestic markets.

Work of the Invoice Analysis Section and the New York Office

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

The office that the Commission maintains in the customhouse at the port of New York performs several related functions. Through

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

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

During 1961 the New York office and the Invoice Analysis Section analyzed the data on about 550 commodity classifications of imports. In addition, the New York office and the Invoice Analysis Section made special analyses for use in the Commission's investigations under section 7 of the Trade Agreements Extension Act of 1951, as amended, under sections 332, 336, and 337 of the Tariff Act of 1930, under section 22 of the Agricultural Adjustment Act, as amended, and under Executive Order 10401. It also made, for the defense agencies, several analyses of imports of certain critical and strategic materials, as well as special analyses for the use of other Government agencies.

PART V. ADMINISTRATION AND FINANCES

Membership of the Commission

The U.S. Tariff Commission consists of six members appointed by the President and confirmed by the Senate for terms 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.

Members of the Commission on June 30, 1961

On June 30, 1961, 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-----Joseph E. Talbot, Republican from Connecticut (June 16, 1965).
Commissioner-----Walter R. Schreiber, Republican from Maryland (June 16, 1964).
Commissioner-----Glenn W. Sutton, Democrat from Georgia (June 16, 1966).
Commissioner-----William E. Dowling, Democrat from Michigan (June 16, 1963).
Commissioner-----J. Allen Overton, Jr., Republican from West Virginia (June 16, 1962).
Commissioner----- (Vacancy).

Appointments and changes during 1961

The term of office of J. Weldon Jones, Democrat from Texas, expired on June 16, 1961. By June 30, 1961, the close of the period covered by this report, the vacancy thus created had not been filled.¹

The terms of office of Joseph E. Talbot and J. Allen Overton, Jr., as Chairman and Vice Chairman of the Commission, respectively, expired on June 16, 1961. By June 30, 1961, the close of the period covered by this report, the President had not yet designated the Chairman and Vice Chairman of the Commission for the period ending June 16, 1962.²

¹ On Oct. 27, 1961, after the close of the period covered by this report, the President announced the recess appointment of Ben Dorfman, Democrat from the District of Columbia, as a member of the Commission for the term expiring June 16, 1967. Mr. Dorfman entered on duty on Nov. 2, 1961.

² On Oct. 30, 1961, after the close of the period covered by this report, the President designated Ben Dorfman as Chairman of the Commission for the period ending June 16, 1962. Mr. Dorfman entered on duty as Chairman on Nov. 2, 1961.

Staff of the Commission

On June 30, 1961, the personnel of the Tariff Commission consisted of 5 Commissioners and 277 staff members. The total of 282 persons consisted of 164 men and 118 women.

The following tabulation shows the average size of the Commission's staff during successive 5-year periods from 1931 to 1960 and the number of persons on its staff on June 30 of the years 1956 through 1961.

<i>Period or year</i>	<i>Number on staff</i>
5-year average:	
1931-35.....	315
1936-40.....	306
1941-45.....	306
1946-50.....	233
1951-55.....	199
1956-60.....	229
Annual:	
1956.....	208
1957.....	217
1958.....	219
1959.....	234
1960.....	271
1961.....	282

Finances and Appropriations, Fiscal Year 1961

The appropriated funds available to the U.S. Tariff Commission during the fiscal year 1961 amounted to \$2,611,000. Reimbursements received amounted to \$11,444, making a grand total available of \$2,622,444. The unobligated balance as of June 30, 1961, was \$6,354.

Expenditures for the fiscal year 1961 were as follows:

Salaries:	
Commissioners	\$124, 712
Employees:	
Departmental	2, 038, 903
Field	42, 519
Overtime	7, 026
Federal Insurance Contributions Act tax.....	505
Federal Employers' Group Life Insurance Act contributions.....	7, 439
Federal employers' retirement contributions.....	141, 104
Federal employers' health benefits contributions.....	13, 747
Travel expense and transportation of persons.....	48, 665
Transportation of things.....	3, 080
Books of reference and other publications.....	6, 319
Communications service.....	12, 713
Penalty mail.....	12, 821
Contractual services.....	27, 923
Office supplies and equipment.....	114, 663
Printing and reproduction.....	13, 951
Total.....	2, 616, 090