

Thirty-eighth
Annual Report
of the
United States Tariff Commission
1954



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UNITED STATES TARIFF COMMISSION

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Washington 25, D. C.

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LETTER OF TRANSMITTAL

UNITED STATES TARIFF COMMISSION,
Washington, January 6, 1955.

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

Respectfully,

EDGAR B. BROSSARD,
Chairman.

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

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PART I. INTRODUCTION AND SUMMARY

Beginning with this—the Thirty-eighth Annual Report—the annual reports of the United States Tariff Commission will cover the 12-month period ending September 30 of each year. Heretofore the annual reports have covered the 12-month period ending November 30.

In order that the Thirty-eighth Annual Report may be for a complete year, it covers the period October 1, 1953, through September 30, 1954, even though the first 2 months of this period were dealt with in the Thirty-seventh Annual Report. When the year 1954 is mentioned in this report, it should be taken to mean the period October 1, 1953, through September 30, 1954.

For the purposes of this report, the current work of the Tariff Commission—described in part II—has been classified under the following headings: Public investigations; special reports and activities; furnishing technical information and assistance; and other activities. Part III of the report deals with the membership of the Commission, the staff of the Commission, and finances and appropriations. As required by law, a summary of each of the reports that the Commission issued in 1954 appears in part IV of this report.

Work of the Commission in 1954

Public investigations

Sections 3 and 7 of the Trade Agreements Extension Act of 1951, Executive Orders 10082 and 10401, sections 332, 336, and 337 of the Tariff Act of 1930, section 22 of the Agricultural Adjustment Act, as amended, the Antidumping Act, 1921, as amended, section 504 of the Philippine Trade Act of 1946, and Public Law 38 (82d Cong.), as amended, direct the Tariff Commission to conduct various investigations and to make certain special studies or reports. During 1954, the Commission conducted investigations and studies under each of these statutes and Executive orders, except section 3 of the Trade Agreements Extension Act of 1951, the Antidumping Act, 1921, as amended, and section 504 of the Philippine Trade Act. Activities relating to public investigations continued in 1954, as in the last several years, to account for a major part of the work of the Commission.

Section 7 of the Trade Agreements Extension Act of 1951.—Section 7 of the Trade Agreements Extension Act of 1951, as amended, which established a statutory escape-clause procedure, directs the Tariff Commission, under specified conditions, to conduct investigations to determine whether any product on which a trade-agreement concession has been granted is being imported into the United States in such increased quantities as to cause or threaten serious injury to the domestic industry producing like or directly competitive products, and

to report the results thereof to the President, in the case of affirmative findings, or to publish a report of findings and conclusions when the findings are negative.

Work on escape-clause investigations under section 7 of the Trade Agreements Extension Act of 1951 constituted the Commission's most important single activity during 1954, as it did during 1953. At times during the year nearly half the professional staff of the Commission, as well as a large part of its clerical and statistical staff, was engaged in this work.

Of a total of 20 escape-clause investigations that were pending before the Commission at one time or another during the period October 1, 1953, through September 30, 1954, the Commission, as of the close of that period, had completed 7 investigations and had transmitted to the President its supplemental reports on 3 investigations completed in 1953; 3 investigations had been discontinued and dismissed, and 7 investigations were in process. The completed investigations were those on mustard seeds (whole); manicure and pedicure nippers, and parts thereof, and scissors and shears, and blades therefor; alsike clover seed; fresh or frozen groundfish fillets; lead and zinc; watches, movements, and parts; and ground chicory. During the year the Commission also made periodic reports to the President under paragraph 1 of Executive Order 10401, reviewing the escape-clause actions previously taken with respect to women's fur felt hats and hat bodies, latters' fur, and dried figs.

The nature and status of the individual escape-clause investigations that were pending before the Commission at one time or another during 1954, as well as the review investigations that the Commission conducted, are discussed briefly in part II of this report. The reports that the Commission released on investigations completed during the year are summarized in part IV.

Section 22 of the Agricultural Adjustment Act.—Section 22 of the Agricultural Adjustment Act, as amended, authorizes the President to restrict the importation of commodities, either by the imposition of import fees or by quota limitations, if such importation tends to render ineffective or materially interfere with programs of the United States Department of Agriculture relating to agricultural commodities. Section 22 requires the Tariff Commission, at the direction of the President, to conduct investigations, including public hearings, and to make reports and recommendations to the President.

Under the provisions of section 22, and in accordance with the recommendations of the Tariff Commission, quota restrictions have been imposed since 1939 on imports of most types of cotton and since 1941 on imports of wheat, wheat flour, and certain other wheat products. Although in recent years the Commission has conducted a number of investigations to determine whether supplemental import quotas for certain types of long-staple cotton were necessary, it made no such investigations during 1954. The basic quotas on wheat, wheat flour, and similar wheat products have not been changed since their estab-

ishment in 1941, but the Commission is continuing to watch closely the developments with respect to these products.

During 1954 the Commission had pending before it a continuing investigation of edible tree nuts under the provisions of section 22 of the Agricultural Adjustment Act, as amended. Before 1954 the Commission had held 4 public hearings and had made 4 reports to the President in this investigation; the first of these was made in 1950, the second in 1951, the third in 1952, and the fourth in 1953. On June 24, 1954, the Commission ordered a fifth public hearing in the investigation, to determine whether imports of almonds, filberts, walnuts, brazil nuts, or cashews were interfering with the programs of the United States Department of Agriculture for the crop year 1954/55 with respect to almonds, filberts, walnuts, or pecans. A public hearing was held on August 24 and 25, 1954. On September 24, 1954, the Commission completed the investigation and submitted its report to the President.

On June 10, 1953, by direction of the President, the Commission instituted an investigation under section 22 of hulled or unhulled oats and unhulled ground oats. A public hearing was held on July 7 and 8, 1953. In its report to the President on October 9, 1953, the Commission recommended that imports of oats be limited to an annual quota of 23 million bushels. On December 26, 1953, the President issued a proclamation limiting imports of oats other than Canadian oats to 2,500,000 bushels during the period December 23, 1953, to September 30, 1954. The President accepted Canadian oats from restriction because of Canada's voluntary undertaking to limit exports of oats to the United States to 23 million bushels during the period December 11, 1953, to September 30, 1954, inclusive.

On August 23, 1954, by direction of the President, the Commission instituted a second investigation of oats, under the provisions of section 22. A public hearing was held on September 8, 1954. On September 27, 1954, the Commission completed the investigation and submitted its report to the President.

At the direction of the President, the Commission on July 10, 1953, instituted an investigation of wool, wool tops, and carbonized wool, under the provisions of section 22. A public hearing was held from August 31 to September 2, 1953. In its report to the President on February 19, 1954, the Commission recommended (Commissioners Ryder and Edminster dissenting) that certain fees be imposed on imports of wool, in addition to the prevailing import duties. On March 4, 1954, the President announced that he had determined, on the basis of a study prepared by the Secretary of Agriculture, that domestic wool growers required continued price or income assistance in a more effective form than was then provided. He had, therefore, submitted the recommendations of the Secretary of Agriculture to the Congress. Most of these recommendations were included in the National Wool Act of 1954, which was subsequently passed by the Congress and approved

by the President on August 28, 1954. The President had stated in his announcement of March 4, 1954, that, in view of the fact that enactment of the proposed program by the Congress would eliminate the necessity for an increase in import fees or other limitations on imports of wool, he was taking no action on the Commission's report.

On December 11, 1953, at the direction of the President, the Commission instituted an investigation of rye, rye flour, and rye meal, under the provisions of section 22. A public hearing was held on January 12, 1954. On March 8, 1954, the Commission recommended to the President that certain quotas be imposed on all the products involved in the investigation. The President's proclamation of March 31, 1954, provided for an import quota of 31 million pounds of rye, rye flour, and rye meal, from all sources, from March 31, 1954, through June 30, 1954 (both dates inclusive), and for a quota of 186 million pounds during the 12-month period beginning July 1, 1954. In one respect—the quota period—the President modified the recommendation of the Commission. Instead of a continuing restriction on imports of rye, the President provided for the termination of the quota on June 30, 1955.

At the direction of the President, the Commission on May 19, 1954, instituted an investigation of tung oil and tung nuts, under the provisions of section 22. A public hearing was held on August 10, 1954. On September 30, 1954, the Commission completed the investigation and submitted its report to the President.

On August 23, 1954, at the direction of the President, the Commission instituted an investigation of barley under the provisions of section 22. A public hearing was held on September 9 and 10, 1954. On September 30, 1954, the Commission completed the investigation and submitted its report to the President.

Section 332 of the Tariff Act of 1930.—Pursuant to resolutions of the Senate Committee on Finance and the House Committee on Ways and Means, the Commission on July 29, 1953, instituted a general investigation of the domestic lead and zinc industries, under the provisions of section 332 of the Tariff Act of 1930, as amended. A public hearing was held from November 3 to 6, 1953. On April 19, 1954, the Commission reported the results of its investigation to the Senate Committee on Finance and the House Committee on Ways and Means. The Commission's report presented information on many aspects of the domestic lead and zinc industries in relation to United States imports and the tariff status of imported lead and zinc.

Pursuant to a resolution of the Senate Committee on Finance, the Commission on March 15, 1954, instituted an investigation, under the provisions of section 332 of the Tariff Act of 1930, as amended, of all articles that are being imported into the United States which, in the calendar year 1953, had an average equivalent rate of duty of 50 per cent ad valorem or higher. The resolution directed the Commission to report the results of its study not later than December 1, 1954. A public hearing was held from July 13 to 28, 1954. Although this

investigation is similar to the investigations that the Commission is directed to conduct under section 3 of the Trade Agreements Extension Act of 1951, the findings will not be "peril point" findings for the purposes of that act.

Pursuant to a resolution of the Senate Committee on Finance, the Commission on August 11, 1954, instituted a general investigation of the domestic hardboard industry and of the import classification of hardboard, under the provisions of section 332 of the Tariff Act of 1930, as amended. A public hearing in the investigation is scheduled to be held beginning December 7, 1954.

Pursuant to a resolution of the Senate Committee on Finance, the Commission on August 18, 1954, instituted an investigation of the domestic fluorspar industry, under the provisions of section 332 of the Tariff Act of 1930, as amended. A public hearing in the investigation is scheduled to be held beginning October 19, 1954.

Section 336 of the Tariff Act of 1930.—In accordance with Senate Resolution 253 (82d Cong.), the Commission on May 15, 1952, instituted an investigation, under section 336 of the Tariff Act of 1930, of the differences in the costs of production in the United States and foreign countries of specified household china tableware, kitchenware, and table and kitchen utensils. A public hearing was held from December 15 to 17, 1953. In its report to the President on June 24, 1954, the Commission found (Commissioners Brossard and Talbot dissenting) that there was no basis for recommending adjustment of the rates of duty presently applicable to the imports covered by the investigation. On July 2, 1954, the President approved the report and authorized the Commission to release it.

On May 7, 1954, the American Knit Handwear Association, Inc., of Gloversville, N. Y., filed an application with the Commission for an investigation, under the provisions of section 336 of the Tariff Act of 1930, of the differences in the costs of production in the United States and in foreign countries of knit or crocheted cotton gloves and mittens covered by paragraph 917 of the Tariff Act of 1930. On September 30, 1954, this case was pending.

On August 2, 1954, the Cork Institute of America, of New York, N. Y., representing 4 domestic manufacturers, filed an application with the Commission for an investigation, under the provisions of section 336 of the Tariff Act of 1930, of the differences in the costs of production of cork insulation in the United States and in foreign countries. On September 30, 1954, this case was pending.

Section 337 of the Tariff Act of 1930.—At one time or another during 1954, three complaints under section 337 of the Tariff Act of 1930, alleging unfair methods and unfair acts of competition in the importation of certain articles, were pending before the Tariff Commission. All three complaints involved allegations of infringement of United States patents. Two were filed in 1953, and the third in 1954. With respect to one of the complaints filed in 1953—relating to synthetic star sapphires and synthetic star rubies—the Commission in Septem-

ber 1954 held (Commissioners Ryder and Edminster dissenting) that unfair methods of competition and unfair acts existed in the importation of these products, and that the effect or tendency of these unfair methods and acts was to substantially injure an efficiently and economically operated United States industry.

With respect to the other complaint filed in 1953—which related to combination spray and spout plumbing fixtures—the Commission in January 1954 dismissed the complaint after preliminary inquiry. The third complaint, filed in 1954, related to a pocket combination tool; in September 1954 the Commission dismissed this complaint after preliminary inquiry.

Public Law 38, as amended.—Public Law 38 (82d Cong.), as amended, which suspends the import-excite taxes on copper until June 30, 1955, provides for revocation of the suspension whenever the Tariff Commission determines that the average market price of standard electrolytic copper shapes and sizes (delivered Connecticut Valley) has been below 24 cents per pound for any 1 calendar month during the period. The Commission has established the procedures necessary for carrying out this function, and is keeping currently informed on copper prices and on competitive conditions.

Special reports and activities

Aside from the public investigations that it conducts and the services that it renders to the Congress, to the President, and to other Government agencies, the 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 Commission, directs the Commission to investigate and report on a wide range of subjects related to tariffs, commercial policy, and international trade. Under the provisions of section 332, the Commission has issued various editions of its Summaries of Tariff Information; various editions of its compilation of information on United States import duties; periodic reports on synthetic organic chemicals; reports on the commercial policies of certain foreign countries; and other special reports, including those on specific commodities and industries.

During the 3 years 1948–50 the Commission revised and published 44 volumes of its Summaries of Tariff Information, covering about 2,300 separate commodities and groups of commodities. Since 1949 many hundreds of these summaries have been brought up to date. Although it has been possible to publish but a few of the revised summaries, many of them have nevertheless been made available to other Government agencies. In May 1954 the Commission published a revision of seven Summaries of Tariff Information on cheese (par. 710).

In November 1953 the Commission made available for distribution the first supplement to its publication entitled *United States Import Duties (1952)*. This publication, which reports the latest changes in

United States import duties, is widely used by business and industrial organizations and by Government agencies.

During 1954 the Commission issued its customary preliminary and final reports on domestic production and sales of synthetic organic chemicals, as well as monthly statistics both on selected chemicals in this group and on synthetic plastics and resin materials. These reports, long recognized for their value to the Congress and to the domestic chemical industry, have been of special value to the defense agencies, their coverage having been expanded at the request of those agencies.

Progressive reduction of the Commission's staff and the pressure of higher priority work have prevented the Commission from analyzing any changes in the tariffs and commercial policies of foreign countries since 1951.

The tariff Commission is one of the agencies from which the President seeks information and advice in negotiating trade agreements with foreign countries. Executive Order 10082, of October 5, 1949, requires the Commission to supply the interdepartmental trade agreements organization with factual data concerning the production and consumption of, and the 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 to the Interdepartmental Committee on Trade Agreements, and to its "country" committees, statistical and other data with respect to commodities on which the United States is proposing to grant concessions. 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 serves as his alternate on the Trade Agreements Committee.

During 1954 the United States conducted no trade-agreement negotiations. The Tariff Commission and its staff, however, assisted the Trade Agreements Committee with a variety of problems. Foremost among these were United States preparations for possible trade-agreement negotiations with Japan, and for participation in the Ninth Session of the Contracting Parties to the General Agreement on Tariffs and Trade, which is to be held at Geneva, Switzerland, beginning October 14, 1954. During the year the Commission and its staff also assisted in the work of the Philippine Trade Agreement Committee. In July 1954 a member of the Commission's staff was designated as a member of the United States Delegation for negotiating with the Republic of the Philippines concerning possible revision of the Philippine Trade Act of 1946.

Since 1947 various Executive orders have directed the Commission to make a factual report to the President and to the Congress, at least once each year, on the operation of the trade agreements program. The Commission's first five reports covered developments from June 1934 through June 1952. The Commission's sixth report, which covers the period July 1952 through June 1953, was issued in June 1954.

Title I of the Customs Simplification Act of 1954, which was approved September 1, 1954, directs the Tariff Commission to make a comprehensive study of the laws of the United States prescribing the tariff status of imported articles and to submit to the President and to the chairmen of the House Committee on Ways and Means and the Senate Committee on Finance, within 2 years, a revision and consolidation of these laws which, in the judgment of the Commission, will accomplish to the extent practicable certain specified purposes. The Tariff Commission has initiated this study, and has invited importers, domestic producers, customs brokers, and other interested parties to submit any suggestions which, in their opinion, will accomplish the purposes specified. When the Commission has completed its review of the tariff classification laws, and has prepared a draft of revised tariff schedules, it will schedule hearings to afford interested parties opportunity to be heard with regard to the proposed revised tariff schedules.

Furnishing technical information and assistance

A considerable part of the work of the Tariff Commission is related to the furnishing of technical information and assistance to other agencies of the United States Government, as required by law, and to the furnishing of information to industrial and commercial concerns and the general public.

During 1954, as in previous years, an important part of the Tariff Commission's activities consisted of work undertaken at the request of the Congress, congressional committees, and individual Members of Congress. During the year the Commission analyzed and reported on various bills and congressional resolutions, supplied technical assistance to congressional committees during the hearings on proposed legislation, replied to numerous letters from individual Members of Congress requesting information on trade and tariff matters, and, in general, fulfilled that part of its statutory obligations that makes it a service agency for the Congress.

The Tariff Commission has always made its resources and experience available to other agencies of the Government. During 1954 the Commission gave assistance to a score of agencies, and to about 25 interdepartmental committees, including the Interdepartmental Committee on Trade Agreements and its various "country" committees. In addition, the Commission during 1954 prepared a number of statistical tabulations for the use of the Commission on Foreign Economic Policy.

The Tariff Commission receives numerous requests from outside the Federal Government for information with respect to matters within its field of specialization. In 1954 the Commission responded to numerous requests from agriculture, industry, commerce, labor, and the general public for information on matters relating to tariffs and international trade.

Other activities

Prerequisite to the Tariff Commission's varied activities is the task of assembling, maintaining, coordinating, and analyzing basic economic, statistical, and technical information. Over the years the Commission's staff has devoted a great deal of its time to keeping this essential information up to date.

The Commission's library, which contains an outstanding collection of materials on the tariff, commercial policy, and international trade, primarily serves the Commission and its staff. These materials, however, are also available to other Government agencies and to private organizations and individuals for specialized research in these fields.

A substantial part of the data that the Commission uses is obtained by visits of staff members to manufacturers, importers, and other groups. During 1954, as in 1952 and 1953, the Commission found it necessary—particularly because of work on escape-clause investigations—to carry on even more extensive field work than in previous years.

Important to the work of the Commission are the invoice analyses and other special tabulations that are prepared for use in the Commission's investigations and other activities. The Invoice Analysis Section of the Commission, which serves as liaison between the Commission's Washington office and its New York office, coordinates all requests for invoice analyses and special tabulations for other Government agencies from material received from the New York office. The office that the Commission maintains in the customhouse in New York not only provides the Commission—through its invoice analyses—with more detailed information on imports than is available from the regular import statistics, but also assists with the Commission's investigations in the New York area, in their field aspects.

Administration and Finances

On June 30, 1954, the personnel of the Tariff Commission consisted of 5 Commissioners and 187 staff members, or a total of 192 persons. Between June 30, 1945, and June 30, 1954, the number of persons on the roll of the Commission dropped from 301 to 192, a decline of 109 persons, or more than one-third.

The appropriated funds available to the Commission during the fiscal year 1954 amounted to \$1,291,375. Reimbursements and working funds received amounted to \$20,289. The total funds available to the Commission amounted to \$1,311,664, and expenditures amounted to \$1,302,892. At the end of the fiscal year there was an unobligated balance of \$8,772.

PART II. CURRENT WORK

Public Investigations

Specific provisions of law and certain Executive orders direct the Tariff Commission to conduct various investigations and to make certain studies and reports. These directives are contained in sections 3 and 7 of the Trade Agreements Extension Act of 1951, Executive Orders 10082 and 10401, sections 332, 336, and 337 of the Tariff Act of 1930, section 22 of the Agricultural Adjustment Act, as amended, the Antidumping Act, 1921, as amended, section 504 of the Philippine Trade Act of 1946, and Public Law 38 (82d Cong.), as amended.

During 1954 the Commission undertook or continued investigations under all these statutes and Executive orders except section 3 of the Trade Agreements Extension Act of 1951, the Antidumping Act, 1921, as amended, and section 504 of the Philippine Trade Act of 1946.

Section 7 of the Trade Agreements Extension Act of 1951

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

Should the Commission find, as a result of its investigation, the existence or threat of serious injury as a result of increased imports, either actual or relative, due, in whole or in part, to the customs treatment reflecting the concession, it must recommend to the President,

to the extent and for the time necessary to prevent or remedy such injury, the withdrawal or modification of the concession, or the suspension of the concession in whole or in part, or the establishment of an import quota. Within 60 days, or sooner if the President has given effect to its recommendations, the Commission must transmit to the Senate Committee on Finance and the House Committee on Ways and Means an exact copy of its report and recommendations to the President. When, in the Commission's judgment, there is no sufficient reason to recommend to the President that a trade-agreement concession be modified or withdrawn, the Commission must nevertheless make and publish a report stating its findings and conclusions.

Although escape-clause investigations under section 7 of the Trade Agreements Extension Act of 1951 differ from one another in many respects, the Commission's work on them follows a general pattern. The Commission's procedures in conducting escape-clause investigations and the work of its staff on such investigations were described in the Annual Report for 1952.

On October 1, 1953, there were 8 escape-clause investigations pending before the Tariff Commission. During the ensuing 12 months the Commission received 12 applications, and instituted investigations on each of them. Of a total of 20 escape-clause investigations that were pending before the Commission at one time or another during the period October 1, 1953–September 30, 1954, the Commission, as of the close of that period, had completed 7 investigations and had transmitted to the President its supplemental reports on 3 investigations completed in 1953; 3 investigations had been discontinued and dismissed; and 7 investigations were in process.

With respect to the 7 completed investigations—those on mustard seeds (whole); manicure and pedicure nippers, and parts thereof, and scissors and shears, and blades therefor; alsike clover seed; fresh or frozen groundfish fillets; lead and zinc; watches, movements, and parts; and ground chicory—the Commission took the actions indicated below:

<i>Commodity</i>	<i>Recommendation of Commission</i>	<i>Vote of Commission</i>
Mustard seeds (whole)-----	Against escape action.	Unanimous.
Manicure and pedicure nippers, and parts thereof, and scissors and shears, and blades therefor.	For escape action---	4-2; Commissioners Ryder and Edminster dissented.
Alsike clover seed-----	---do-----	Unanimous.
Fresh or frozen groundfish fillets (2d investigation).	---do-----	3-2; Commissioners Ryder and Edminster dissented.
Lead and zinc-----	---do-----	Unanimous.
Watches, movements, and parts (2d investigation).	---do-----	4-2; Commissioners Ryder and McGill dissented.
Ground chicory-----	Against escape action.	Unanimous.

The President accepted the Commission's recommendations with respect to alsike clover seed ¹ and with respect to watches, movements, and parts, and modified by Presidential proclamation the concessions involved; he rejected, however, the recommendation of the Commission with respect to manicure and pedicure nippers, and parts thereof, and scissors and shears, and blades therefor; fresh or frozen groundfish fillets; and lead and zinc.

The Commission's reports on the completed investigations—all of which have been released—are summarized in part IV of this report.

With respect to two of the investigations that the Commission completed in 1953—those on tobacco pipes and tobacco-pipe bowls of wood or root and on screen-printed silk scarves—the Commission had recommended that the President modify the concessions involved. In both instances, however, the President asked the Tariff Commission for additional information so as to be in a better position to determine what action he should take. The Commission submitted its supplemental report on tobacco pipes to the President on August 19, 1953; on November 10, 1953, the President rejected the Commission's recommendation. The Commission submitted its supplemental report on screen-printed silk scarves to the President on August 6, 1954.

With respect to the other investigation completed in 1953—that on handmade blown glassware—the vote of the Commissioners was evenly divided on the question of whether imports were causing or threatening serious injury to the domestic industry concerned. Under section 330 of the Tariff Act of 1930, as amended, the President, in such a case, may adopt the recommendations of either group of Commissioners. In this instance also, the President asked the Commission for additional information so as to be in a better position to determine what action he should take. The Commission submitted its supplemental report to the President on May 18, 1954; on September 9, 1954, the President announced that he had decided not to increase the duties on handmade blown glassware.

The nature and status of the individual escape-clause investigations that were pending before the Commission at one time or another during the period October 1, 1953, to September 30, 1954, are shown in the accompanying list.

¹ The President's action on alsike clover seed did not fully conform with the Commission's recommendation. The Commission recommended action that would have resulted in an increase in the duty—for an indefinite period—from 2 cents to 4 cents per pound on the first 1,500,000 pounds entered in any year, and to 6 cents per pound on entries in any year in excess of that quantity. The President, however, proclaimed an increase in the duty to 6 cents per pound on entries in the year ending June 30, 1955, after 1,500,000 pounds had been entered at 2 cents per pound.

Escape-clause investigations pending before the Tariff Commission during the period Oct. 1, 1953, to Sept. 30, 1954

Commodity	Applicant	Status
1. Tobacco pipes and tobacco-pipe bowls of wood or root.	American Smoking Pipe Manufacturers Association, New York, N. Y.	Application received Dec. 29, 1951. Investigation instituted Jan. 10, 1952. Hearing held Mar. 24 and 25, 1952. Investigation completed Dec. 22, 1952. Modification in concession recommended to the President. President requested further study by Commission Feb. 18, 1953. Supplemental report submitted to the President Aug. 19, 1953.
2. Screen-printed silk scarves.	Association of Textile Screen Makers, Printers and Processors, Inc., New York, N. Y.	Recommendation rejected by the President Nov. 10, 1953. Application received Apr. 14, 1952. Investigation instituted Aug. 25, 1952. Hearing held Feb. 24-27, 1953. Investigation completed Apr. 13, 1953. Modification in concession recommended to the President. President requested further study by Commission June 10, 1953. Supplemental report submitted to the President Aug. 6, 1954.
3. Handmade blown glassware.	Hand Division, American Glassware Association, New York, N. Y.	Application received Sept. 25, 1952. Investigation instituted Sept. 26, 1952. Application withdrawn Feb. 25, 1953, but investigation continued by the Commission. Hearing held Mar. 2, 1953. Investigation completed Sept. 22, 1953. Vote of Commissioners equally divided. President requested further study by the Commission Nov. 19, 1953. Supplemental report submitted to the President May 18, 1954. President decided not to increase duties on handmade blown glassware Sept. 9, 1954.

Escape-clause investigations pending before the Tariff Commission during the period Oct. 1, 1953, to Sept. 30, 1954—Continued

Commodity	Applicant	Status
4. Mustard seeds (whole).	Montana State Farm Bureau, Bozeman, Mont.	Application received Feb. 9, 1953. Investigation instituted Feb. 12, 1953. Hearing held June 22, 1953. Investigation completed Dec. 10, 1953. No modification in concession recommended.
5. Manicure and pedicure nippers, and parts thereof. Scissors and shears, and blades therefor.	Shears, Scissors and Manicure Instruments Manufacturers Association, Newark, N. J.	Application received Mar. 19, 1953. Investigation instituted Mar. 26, 1953. Hearing held June 29, 1953. Investigation completed Mar. 12, 1954. Modification in concession recommended to the President. Recommendation rejected by the President May 11, 1954.
6. Fresh or frozen groundfish filets (second investigation).	Massachusetts Fisheries Association, Inc., Boston, Mass.; and others.	Application received May 27, 1953. Investigation instituted June 16, 1953. Hearing held Oct. 20-26, 1953. Investigation completed May 7, 1954. Modification in concession recommended to the President. Recommendation rejected by the President July 2, 1954.
7. Watches, movements, and parts (second investigation).	Elgin National Watch Co., Elgin, Ill. Hamilton Watch Co., Lancaster, Pa. Waltham Watch Co., Waltham, Mass.	Application received Sept. 1, 1953. Investigation instituted Sept. 9, 1953. Hearing held Feb. 9-12, 1954. Investigation completed May 28, 1954. Modification in concession recommended to the President. Concession modified by Presidential proclamation of July 27, 1954.
8. Lead and zinc.	National Lead and Zinc Committee, Salt Lake City, Utah.	Application received Sept. 14, 1953. Investigation instituted Sept. 16, 1953. Hearing held Nov. 3-6, 1953. Investigation completed May 21, 1954. Modification in concession recommended to the President. President deferred action on Commission's recommendation July 19, 1954. Recommendation rejected by the President Aug. 20, 1954.

Escape-clause investigations pending before the Tariff Commission during the period Oct. 1, 1953, to Sept. 30, 1954—Continued

Commodity	Applicant	Status
9. Straight (dress-makers' or common) pins.	Vail Manufacturing Co., Chicago, Ill.; and others.	Application received Sept. 23, 1953. Investigation instituted Sept. 24, 1953. Hearing held Mar. 23-26, 1954. Investigation terminated by the Commission without formal finding June 22, 1954.
10. Safety pins-----	DeLong Hook and Eye Co., Philadelphia, Pa.; and others.	Application received Sept. 28, 1953. Investigation instituted Oct. 29, 1953. Hearing held Mar. 23-26, 1954. Investigation terminated by the Commission without formal finding June 22, 1954.
11. Fluorspar, acid grade.	Ozark-Mahoning Co., Tulsa, Okla.; and others.	Application received Oct. 20, 1953. Investigation instituted Oct. 29, 1953. Investigation discontinued and dismissed by the Commission at applicant's request Nov. 23, 1953.
12. Alsike clover seed.	W. W. Thompson, Klamath Falls, Oreg.; and others.	Application received Nov. 23, 1953. Investigation instituted Dec. 2, 1953. Hearing held Feb. 16, 1954. Investigation completed May 21, 1954. Modification in concession recommended to the President. Recommendation of the Commission accepted in part by the President. Concession modified by Presidential proclamation of June 30, 1954. President on July 14, 1954, requested Commission to continue investigation and to submit supplementary report to him by May 2, 1955.
13. Spring clothespins (third investigation).	Clothespin Manufacturers of America, Washington, D. C.	Application received Jan. 7, 1954. Investigation instituted Jan. 25, 1954. Hearing held Apr. 20 and 21, 1954.
14. Ground chtheory---	E. B. Muller & Co., Port Huron, Mich.; and others.	Application received Jan. 19, 1954. Investigation instituted Jan. 25, 1954. Hearing held Apr. 27, 1954. Investigation completed Sept. 7, 1954. No modification in concession recommended.

Escape-clause investigations pending before the Tariff Commission during the period Oct. 1, 1953, to Sept. 30, 1954—Continued

Commodity	Applicant	Status
15. Screws, commonly called wood screws, of iron or steel (third investigation).	United States Wood Screw Service Bureau, New York, N. Y.	Application received Jan. 29, 1954. Investigation instituted Feb. 25, 1954. Hearing held May 26-27, 1954.
16. Wool gloves and mittens and wool glove linings.	American Knit Handwear Association, Inc., Gloversville, N. Y.	Application received Mar. 29, 1954. Investigation instituted Apr. 12, 1954. Hearing held Sept. 14 and 15, 1954.
17. Glue of animal origin, n. s. p. f., and gelatin, n. s. p. f., valued under 40 cents per pound.	National Association of Glue Manufacturers, Inc., New York, N. Y.	Application received Apr. 9, 1954. Investigation instituted May 5, 1954. Hearing held Oct. 4-5, 1954.
18. Bicycles (second investigation).	Bicycle Manufacturers Association of America, New York, N. Y.	Application received June 14, 1954. Investigation instituted June 22, 1954. Hearing held Sept. 21-27, 1954.
19. Coconuts-----	Coconut Growers Association of Rio Grande and Loiza, P. R.	Application received Aug. 27, 1954. Investigation instituted Sept. 1, 1954.
20. Hardwood plywood (except Spanish cedar plywood).	Hardwood Plywood Institute, Chicago, Ill.	Application received Sept. 3, 1954. Investigation instituted Sept. 16, 1954.

Executive Order 10401

Under the provisions of section 7 (a) of the Trade Agreements Extension Act of 1951, any escape-clause action taken by the President with respect to a particular commodity is to remain in effect only "for the time necessary to prevent or remedy" the injury. In order to establish a formal procedure for review of such escape-clause actions, the President, on October 14, 1952, issued Executive Order 10401.² Paragraph 1 of this order directs the Tariff Commission to keep under review developments with regard 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 first such report is to be made in each case not more than 2 years after the original action, and succeeding reports, at intervals of 1 year as long as the concession remains modified or withdrawn 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

² Published in Federal Register, Oct. 15, 1952 (17 F. R. 9125).

Commission's judgment, changed conditions warrant it, or upon the request of the President, to determine whether, and if so to what extent, the escape-clause action needs to be continued in order to prevent or remedy serious injury or the threat thereof to the domestic industry concerned. Upon completion of such investigation, including a public hearing, the Commission is to report its findings to the President.

During 1954, the Commission made periodic reports to the President, under the provisions of Executive Order 10401, on developments with respect to women's fur felt hats and hat bodies, hatters' fur, and dried figs.

Women's fur felt hats and hat bodies.—On November 24, 1953, the Commission submitted to the President its second periodic report on women's fur felt hats and hat bodies under paragraph 1. The reduced rates of duty that were in effect on imports of these products before December 1, 1950, were made effective January 1, 1948, in pursuance of a concession granted by the United States in the General Agreement on Tariffs and Trade. As a result of action taken under an escape-clause proceeding this concession was withdrawn, effective December 1, 1950, with respect to imports of women's fur felt hats and hat bodies valued at more than \$9 and not more than \$24 per dozen. Since that time the rates originally provided for in the Tariff Act of 1930 have been applicable to such imports. In transmitting its report, the Commission stated its view that conditions in the United States industry producing women's fur felt hats and hat bodies had not so changed as to warrant the institution of a formal investigation under the provisions of paragraph 2 of Executive Order 10401. On December 22, 1953, the President notified the Tariff Commission that he had approved the Commission's report, and authorized the Commission to release it.

Hatters' fur.—On February 5, 1954, the Commission submitted to the President its first periodic report on hatters' fur under paragraph 1. A concession was granted by the United States on hatters' fur in the General Agreement on Tariffs and Trade; reduced rates of duty in pursuance thereof became effective January 1, 1948. As a result of action taken under an escape-clause proceeding, this concession was modified, and increased rates of duty were made effective February 9, 1952. In transmitting its report the Commission stated its view that conditions in the United States industry producing hatters' fur had not so changed as to warrant the institution of a formal investigation under the provisions of paragraph 2 of Executive Order 10401. On March 22, 1954, the President notified the Tariff Commission that he had approved the Commission's report, and authorized the Commission to release it.

Dried figs.—On August 24, 1954, the Commission submitted to the President its first periodic report on dried figs under paragraph 1. The reduced rate of duty on imports of dried figs was made effective on October 17, 1951, in pursuance of a concession granted by the United States in the General Agreement on Tariffs and Trade. As

a result of action taken under an escape-clause proceeding, this concession was modified, and increased rates of duty were made effective at the close of business August 29, 1952. In transmitting its report, the Commission stated its view that conditions in the United States industry producing dried figs had not so changed as to warrant the institution of a formal investigation under the provisions of paragraph 2 of Executive Order 10401. On September 10, 1954, the President notified the Tariff Commission that he had approved the Commission's report, and authorized the Commission to release it.

The Commission's reports under Executive Order 10401 on women's fur felt hats and hat bodies, hatters' fur, and dried figs are summarized in part IV of this report.

Section 22 of the Agricultural Adjustment Act

Section 22 of the Agricultural Adjustment Act authorizes the President to restrict the importation of commodities, by the imposition either of fees or of quotas, if such importation tends to render ineffective or materially interfere with programs of the United States Department of Agriculture relating to agricultural commodities. Section 22 requires the Tariff Commission, on direction of the President, to conduct an immediate investigation, including a public hearing, and to make a report and recommendation to the President. The scope of permissible action under section 22 was expanded by the Trade Agreements Extension Act of 1951. Under section 8 (b) of that act, 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. Previously, section 22 had provided that no action taken under it should be in contravention of any international obligation of the United States.

The Trade Agreements Extension Act of 1951, as amended (sec. 8 (a)), sets up, under the provisions of section 22, special procedures to be used in emergency conditions due to the perishability of any agricultural commodity. Upon a report to the President and the Tariff Commission by the Secretary of Agriculture that such emergency conditions exist with respect to any agricultural commodity, the Tariff Commission must make an immediate investigation, either under section 22 of the Agricultural Adjustment Act, as amended, or under section 7 of the Trade Agreements Extension Act of 1951, 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 Tariff Commission. Should the President deem it necessary, however, he may take action without awaiting the recommendations of the Commission.

An amendment to section 22 of the Agricultural Adjustment Act by section 104 of the Trade Agreements Extension Act of 1953 provides that the President may take immediate action without awaiting the recommendation of the Tariff Commission 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 the report and recommendations of the Commission after an investigation under section 22, and his action thereon. Under section 8 (a) of the extension act of 1951, the President's authority to take action before he had received a report from the Tariff Commission was limited to perishable agricultural products. No action under either of the foregoing emergency provisions was taken during the year.

Cotton.—Under the provisions of section 22 of the Agricultural Adjustment Act, as amended, quota restrictions have been imposed since 1939 on imports of most types of cotton in accordance with the recommendations of the Tariff Commission. In recent years, the Commission has conducted a number of investigations to determine whether supplemental import quotas for certain types of long-staple cotton were necessary. During 1954 the Commission made no investigations relating to either short-staple or long-staple cotton, but it continued to watch closely the developments with respect to those products.

Wheat and wheat flour.—Since May 1941, under the provisions of section 22 of the Agricultural Adjustment Act, and in accordance with recommendations of the Tariff Commission, the United States has restricted imports of wheat and wheat flour, semolina, crushed or cracked wheat, and similar wheat products, in order to prevent interference with programs of the Department of Agriculture to control the production or marketing of domestic wheat. Imports in any quota year are limited to 800,000 bushels of wheat and to 4 million pounds of wheat flour, semolina, and similar wheat products. The quotas are allocated by country; in general, they are in proportion to imports from the several countries in the 5-year period 1929-33. Since their adoption in 1941, the basic quotas have not been changed, but exceptions have been granted on distress shipments, on seed wheat, on wheat for experimental purposes, and on wheat imported during the war by the War Food Administrator (virtually all of which was used for animal feed). The Commission is continuing to watch closely the developments with respect to wheat, wheat flour, and other wheat products.

Edible tree nuts.—During 1954 the Commission had pending before it a continuing investigation of edible tree nuts, under the provisions of section 22. By direction of the President, the Tariff Commission instituted this investigation on April 13, 1950. The purpose of the investigation was to determine whether almonds, filberts, walnuts, brazil nuts, or cashews are being imported, or are practically certain to be imported, into the United States under such conditions and in such quantities as to render ineffective or tend to render ineffective or materially interfere with any of the programs undertaken by the Department of Agriculture with respect to almonds, filberts, walnuts, or pecans, or to reduce substantially the amount of any product

processed in the United States from such walnuts, filberts, almonds, or pecans.

The Commission submitted reports to the President in this investigation in November 1950, in November 1951, in September 1952, and in September 1953. The recommendations that the Commission made in these reports, and the President's actions on those recommendations, are discussed in the Commission's Thirty-sixth Annual Report (1952) and Thirty-seventh Annual Report (1953).

In its report of September 21, 1953, as in its previous reports, the Commission advised the President that it was continuing the investigation, and that it would report again if further action was found to be necessary to carry out the purpose of section 22 of the Agricultural Adjustment Act, as amended.

On June 24, 1954, the Commission ordered a fifth public hearing in the investigation of edible tree nuts. The hearing was held on August 24 and 25, 1954. On September 24, 1954, the Commission completed the investigation and submitted its report to the President.

Oats, hulled or unhulled, and unhulled ground oats.—On June 10, 1953, at the direction of the President, the Tariff Commission instituted an investigation of hulled or unhulled oats, and unhulled ground oats, under the provisions of section 22 of the Agricultural Adjustment Act, as amended. A public hearing was held on July 7 and 8, 1953.

The Commission reported the results of its investigation to the President on October 9, 1953. In its report, the Commission recommended that imports of oats be limited, in accordance with the procedure authorized under section 22 of the Agricultural Adjustment Act to 23 million bushels in any 12-month period beginning October 1 in 1953 and subsequent years.

On December 14, 1953, the President released a letter from the Acting Secretary of State to the Canadian Secretary of State for External Affairs, with respect to the shipment of Canadian oats to the United States, and the Canadian reply. The Canadian reply stated that, as a temporary measure, the Canadian Government would take all practicable steps to limit its shipments of oats to the United States to 23 million bushels during the period December 11, 1953, to September 30, 1954, inclusive. In the light of these letters, the President found that no action by the United States limiting imports of oats need be taken at that time to protect the domestic agricultural program for oats against the threat of imports. On December 26, 1953, however, the President limited the importation of oats other than those the product of Canada. On that date, he issued a proclamation providing for a quota of 2,500,000 bushels of 32 pounds each on hulled and unhulled ground oats, other than oats the product of Canada, entered, or withdrawn from warehouse, for consumption during the period December 23, 1953, to September 30, 1954, inclusive.

The Commission's report of its investigation of oats is summarized in part IV of this report.

On August 23, 1954, by direction of the President, the Tariff Commission instituted a second investigation of oats, under the provisions of section 22 of the Agricultural Adjustment Act, as amended. A public hearing was held on September 8, 1954. On September 27, 1954, the Commission completed the investigation and submitted its report to the President.

Wool, wool tops, and carbonized wool.—On July 9, 1953, the President directed the Tariff Commission to institute an investigation of wool, wool tops, and carbonized wool, under the provisions of section 22 of the Agricultural Adjustment Act, as amended, and to report its findings and recommendations as promptly as practicable. The Commission instituted its investigation the following day. A public hearing was held from August 31 to September 2, 1953.

The Commission submitted a report of the results of its investigation to the President on February 19, 1954. In the report, the Commission recommended (Commissioners Ryder and Edminster dissenting) the imposition of certain fees on imports of wool, in addition to the prevailing import duties. On March 4, 1954, the President announced that he had determined, on the basis of a study prepared by the Secretary of Agriculture, that domestic wool growers required continued price or income assistance in a more effective form than was then provided. He had, therefore, accepted the principal recommendations of the Secretary of Agriculture, and had submitted those recommendations to the Congress. Most of these recommendations were included in the National Wool Act of 1954, which was subsequently passed by the Congress, and approved by the President on August 28, 1954. The President, in his announcement of March 4, 1954, had stated that, in view of the fact that enactment of the proposed program by the Congress would eliminate the necessity for an increase in import fees or other limitations on imports of wool, he was taking no action on the Commission's report.

The Commission's report on its investigation of wool, wool tops, and carbonized wool is summarized in part IV of this report.

Rye, rye flour, and rye meal.—On December 11, 1953, at the direction of the President, the Tariff Commission ordered an investigation of rye, rye flour, and rye meal, under the provisions of section 22 of the Agricultural Adjustment Act, as amended. A public hearing was held on January 12, 1954.

The Commission reported the results of its investigation to the President on March 8, 1954. In its report, the Commission recommended that certain quotas be imposed on all the products involved in the investigation. The President's proclamation of March 31, 1954, provided for an import quota of 31 million pounds of rye, rye flour, and rye meal, from all sources, beginning on the date of the proclamation—March 31, 1954—and ending at the close of June 30, 1954, and for a quota of 186 million pounds of rye, rye flour, and rye meal, from all sources, during the 12-month period beginning July 1, 1954. In one respect—the quota period—the President modified the recom-

mendation of the Tariff Commission. Instead of a continuing restriction on imports of rye, as the Commission had recommended, the President provided for the termination of the quota on June 30, 1955. A new investigation by the Commission and a fresh consideration of the facts by the President will, therefore, be required if there appears to be a need for restrictive measures against imports of rye beyond the terminal date of the proclaimed quota.

The Commission's report on its investigation of rye, rye flour, and rye meal is summarized in part IV of this report.

Tung oil and tung nuts.—On May 19, 1954, at the direction of the President, the Tariff Commission ordered an investigation of tung oil and tung nuts, under the provisions of section 22 of the Agricultural Adjustment Act, as amended. A public hearing was held on August 10, 1954. On September 30, 1954, the Commission completed the investigation and submitted its report to the President.

Barley.—On August 23, 1954, at the direction of the President, the Tariff Commission ordered an investigation of barley, under the provisions of section 22 of the Agricultural Adjustment Act, as amended. A public hearing was held on September 9 and 10, 1954. On September 30, 1954, the Commission completed the investigation and submitted its report to the President.

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 Committee on Ways and Means of the House of Representatives, and the Committee on Finance of the Senate, 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.

Lead and zinc industries.—Pursuant to resolutions of the Senate Committee on Finance and the House Committee on Ways and Means, dated July 27 and 29, 1953, respectively, the Commission on July 29, 1953, instituted a general investigation, under the provisions of section 332 of the Tariff Act of 1930, as amended, of the domestic lead and zinc industries, including the effect of imports of lead and zinc on the livelihood of American workers. A public hearing was held from November 3 to 6, 1953.

The purpose of the investigation was to determine the facts relating to the production, trade, and consumption of lead and zinc in the United States, taking into account all relevant factors affecting the domestic economy, including the interests of consumers, processors, and producers. The investigation was conducted concurrently with an escape-clause investigation of lead and zinc.

On April 19, 1954, the Tariff Commission reported the results of its investigation to the Senate Committee on Finance and the House Committee on Ways and Means. The Commission's report, comprising more than 350 printed pages and including a comprehensive statistical

appendix, presented information on many aspects of the domestic lead and zinc industries in relation to United States imports and the tariff status of imported lead and zinc. Besides the information generally available on production, consumption, foreign trade, stocks, and prices of lead and zinc, the report provided new information on the value of products and the principal expenses in lead and zinc mining and milling in the United States and in some foreign countries; on the grade of ore mined; on profit and loss in mining, milling, smelting, and refining; on costs of transporting lead and zinc in the United States and from foreign countries to the United States; and on recent changes in employment at lead and zinc mines and primary smelters and refineries.

The Commission's report on its investigation of the lead and zinc industries is summarized in part IV of this report.

Tariff rates of 50 percent or more.—On March 11, 1954, the Senate Committee on Finance, by resolution, directed the Tariff Commission to make an investigation with respect to each article being imported into the United States which, in the calendar year 1953, had an average equivalent rate of duty of 50 percent ad valorem or higher, and report to the Senate Committee on Finance its findings as to (1) the limit to which a modification, imposition, or continuance of such rate of duty may be made or extended without causing or threatening serious injury to the domestic industry producing like or directly competitive articles, and (2) if increases in duties or additional import restrictions are required to avoid serious injury to the domestic industry producing like or directly competitive articles, the minimum increases in duties or additional import restrictions required. The Tariff Commission instituted the investigation on March 15, 1954, under the provisions of section 332 of the Tariff Act of 1930, as amended.

The resolution directed the Commission to report the results of its study to the chairman of the Senate Committee on Finance not later than December 1, 1954. The resolution made no reference to procedure; a letter of the committee to the Tariff Commission, dated March 11, 1954, however, stated that the committee "assumed that your Commission would follow its customary procedure with regard to public notice and hearings where advisable"

In accordance with the resolution and letter of the Senate Committee on Finance, the Commission on June 10, 1954, announced public hearings and issued a list of the articles that are included in the investigation. The public hearing was held from July 13 to 28, 1954. Although this investigation is similar to the investigations that the Commission is directed to conduct under section 3 of the Trade Agreements Extension Act of 1951, the findings will not be "peril point" findings for the purposes of that act.

Hardboard industry.—Pursuant to a resolution adopted by the Senate Committee on Finance on August 9, 1954, the Tariff Commission on August 11, 1954, instituted an investigation of the domestic hardboard industry and of the import classification of hardboard, under

the provisions of section 332 of the Tariff Act of 1930, as amended.

The resolution directs the Commission to report the results of its investigation to the Senate Committee on Finance, on or before February 28, 1955, and to include in the report the facts relative to production, trade, imports, and consumption of hardboard in the United States, taking into account relevant factors affecting the domestic economy and national security, including the interests of consumers and producers. The report is also to include data on wage rates in the United States and abroad; data on costs of production and distribution; a statement of findings as to the proper tariff classification of hardboard; and a statement of findings as to the effect of the present tariff status of imported hardboard upon the competitive position of the domestic hardboard industry. A public hearing in the investigation is scheduled to be held beginning December 7, 1954.

Fluorspar industry.—On August 18, 1954, pursuant to a resolution adopted by the Senate Committee on Finance on August 14, 1954, the Tariff Commission instituted an investigation of the domestic fluorspar industry, under the provisions of section 332 of the Tariff Act of 1930, as amended.

The resolution directs the Commission to report the results of its investigation to the Senate Committee on Finance, and to include in the report the facts relating to production, trade, imports, and consumption of fluorspar in the United States, taking into account all relevant factors affecting the domestic economy, including the interests of consumers, processors, and producers. The report is also to include data on wage rates in the United States and abroad; data on costs of transportation to the principal consuming centers; data on other factors bearing on costs of production and distribution; and a statement of findings as to the effect of the present tariff status of imported fluorspar on the competitive position of the domestic fluorspar industry. A public hearing in the investigation is scheduled to be held beginning October 19, 1954.

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 reduced correspondingly the scope of possible action under the provisions of section 336.

Household china tableware.—On May 15, 1952, in accordance with Senate Resolution 253 (82d Cong.), the Tariff Commission instituted

an investigation, under section 336, of the differences in the costs of production in the United States and foreign countries of specified household china tableware, kitchenware, and table and kitchen utensils.³ These articles are dutiable at compound rates under paragraph 212 of the Tariff Act of 1930. The other household china trade articles covered by paragraph 212 (i. e., those of medium and high price) are subject to concessions granted by the United States in trade agreements.⁴ A public hearing in the investigation was held from December 15 to 17, 1953.

On June 24, 1954, the Commission reported the results of its investigation to the President. In its report, the Commission found (Commissioners Brossard and Talbot dissenting) that there was no basis for recommending adjustment of the rates of duty presently applicable to the imports covered by the investigation. On July 2, 1954, the President authorized the Commission to release its report.

Knit or crocheted cotton gloves and mittens.—On May 7, 1954, the American Knit Handwear Association, Inc., of Gloversville, N. Y., filed an application with the Tariff Commission for an investigation, under the provisions of section 336 of the Tariff Act of 1930, of knit or crocheted cotton gloves and mittens covered by paragraph 917 of the Tariff Act of 1930. The association alleged that the present rate of duty on these products does not equalize the cost of production of the comparable product made in the United States and in foreign countries, and requested an increase in the rate of duty on the imported products. On September 30, 1954, this case was pending.

Cork insulation.—On August 2, 1954, the Cork Institute of America, representing the Armstrong Cork Co., of Lancaster, Pa., the Mundet Cork Corp., of North Bergen, N. J., the National Cork Co., of Englewood, N. J., and the United Cork Companies, of Kearny, N. J., filed an application with the Tariff Commission for an investigation of cork insulation, wholly or in chief value of cork, under the provisions of section 336 of the Tariff Act of 1930. The institute alleged that the present rate of duty on cork insulation does not equalize the cost of production of the comparable product made in the United States and in foreign countries, and requested an increase of 50 percent in

³ "Tableware, kitchenware, and table and kitchen utensils, not containing 25 percent or more of calcined bone (except hotel or restaurant ware and utensils) : Plates, not over 6 $\frac{5}{8}$ inches in diameter and valued not over \$2.55 per dozen, or over 6 $\frac{5}{8}$ but not over 7 $\frac{1}{8}$ inches in diameter and valued not over \$3.45 per dozen, or over 7 $\frac{1}{8}$ but not over 9 $\frac{1}{8}$ inches in diameter and valued not over \$5 per dozen, or over 9 $\frac{1}{8}$ inches in diameter and valued not over \$6 per dozen; cups, valued not over \$4.45 per dozen; saucers, valued not over \$1.90 per dozen; and articles other than plates, cups, or saucers, valued not over \$11.50 per dozen articles; all the foregoing, whether or not painted, colored, tinted, stained, enameled, gilded, printed, or ornamented or decorated in any manner."

⁴ In February 1953, the Commission completed an escape-clause investigation of the household chinaware on which the United States has granted trade-agreement concessions.

the rate of duty on imported cork insulation. On September 30, 1954, this case was pending.

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, or to prevent the establishment of an industry, or to restrain or monopolize trade and commerce in the United States, the articles involved may by Executive order be excluded from entry into the United States.

At one time or another during 1954, three complaints under section 337 of the Tariff Act of 1930 were pending before the Tariff Commission.

On August 11, 1953, a complaint alleging unfair methods of competition or unfair acts in the importation of synthetic star sapphires and synthetic star rubies was filed with the Commission by Linde Air Products Co. (a division of Union Carbide and Carbon Corp.), of New York, N. Y. After preliminary inquiry, the Commission on September 16, 1953, ordered an investigation of the complaint. A public hearing was held from December 8 to 10, 1953. On September 20, 1954, the Commission held (Commissioners Ryder and Edminster dissenting) that unfair methods of competition and unfair acts existed in the importation of synthetic star sapphires and synthetic star rubies, and that the effect or tendency of these unfair methods and acts was to substantially injure an efficiently and economically operated United States industry.

On September 4, 1953, a complaint of alleged unfair methods of competition in the importation of combination spray and spout plumbing fixtures was filed with the Commission by the Modern Faucet Co. and the Sphinx Manufacturing Co., both of Los Angeles, Calif. After preliminary inquiry, the Commission held that the allegations in the complaint were insufficient to warrant a formal investigation, and, on January 11, 1954, it dismissed the complaint.

On May 20, 1954, a complaint alleging unfair methods of competition in the importation of a pocket combination tool was filed with the Commission by Latama Cutlery, Inc., of New York, N. Y. After preliminary inquiry, the Commission held that the allegations in the complaint were insufficient to warrant a formal investigation, and, on September 28, 1954, dismissed the complaint.

Injury determinations under the Antidumping Act, 1921, as amended

Section 301 of the Customs Simplification Act of 1954 (Public Law 768, 83d Cong.) 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. This transfer became effective

October 1, 1954. On and after that date, whenever the Secretary of the Treasury determines that imports are entering or are likely to enter at less than their "fair value," he must refer the matter to the Tariff Commission for determination as to whether a domestic industry is being or is likely to be injured, or is prevented from being established, by reason of the importation of such merchandise. If the Commission makes an affirmative finding, it so reports to the Secretary of the Treasury, who thereupon issues a "finding of dumping."

Section 504 of the Philippine Trade Act of 1946

Section 504 of the Philippine Trade Act of 1946 authorizes the President to establish import quotas on Philippine articles which he finds, after investigation by the Tariff Commission, are coming, or are likely to come, into substantial competition with like articles which are the product of the United States.⁵ The act directs the Commission to conduct an investigation, including a public hearing, upon request of the President, upon resolution of either House of Congress or concurrent resolution of both Houses of Congress, upon its own motion, or, when in its judgment there is good reason therefor, upon the application of any interested party. The Commission must report the results of its investigation to the President, and must send copies of such reports to each House of Congress. The Commission has thus far made no investigations under the Philippine Trade Act of 1946.

Public Law 38, as amended

Public Law 38 (82d Cong.), as amended by Public Law 452 (83d Cong.), suspends the import-excise taxes on copper until June 30, 1955. It provides, however, that the President must revoke the suspension at an earlier date if the Tariff Commission determines that the average market price of electrolytic copper in standard shapes and sizes (delivered Connecticut Valley) has been below 24 cents per pound for any 1 calendar month during the period. The Commission is required to advise the President, when this market condition occurs, within 15 days after the conclusion of such calendar month, and the President is required to reimpose the tax not later than 20 days after he has been so advised by the Commission. The Commission in previous years had established the necessary procedure for carrying out its responsibilities under the law; during 1954 it kept informed on current copper prices and competitive conditions.

Special Reports and Activities

In addition to the public investigations that it conducts and the services that it renders to the Congress, to the President, and to other

⁵ Quotas on some imports from the Philippines—rice, cigars, scrap and filler tobacco, coconut oil, buttons of pearl or shell, hard-fiber cordage, and sugar—are specifically provided for in the act. The provisions of sec. 504, therefore, are not applicable to those commodities.

Government agencies, the 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. Under the provisions of section 332, the Tariff Commission has issued various editions of its Summaries of Tariff Information; various editions of its compilation of information on United States import duties; periodic reports on synthetic organic chemicals; reports on the commercial policies of certain foreign countries; and other special reports, including those on specific commodities and industries.

The Tariff Commission is one of the agencies from which the President seeks information and advice in negotiating trade agreements with foreign countries. Executive Order 10082, of October 5, 1949, requires the Commission to supply to the interdepartmental trade agreements organization factual data on all articles on which the United States proposes to consider granting concessions in trade agreements. Since 1947, various Executive orders have directed the Commission to make a factual report to the President and to the Congress, at least once each year, on the operation of the trade agreements program.

Summaries of Tariff Information

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

The most recent complete published edition of the Summaries of Tariff Information was issued in 1948-50. This edition consists of some 2,300 separate summaries, comprising a total of 44 volumes. These summaries have been widely used by the Congress and other Government agencies, and by industrial, agricultural, commercial,

labor, and other organizations. Because of budgetary limitations and the pressure of work of higher priority, the Commission has not been able to maintain a regular schedule for publishing revisions of the summaries. During 1954, however, as in previous years, several hundred of the summaries were brought up to date. These revised summaries, especially those on critical and strategic materials, have been made available to the defense agencies.

In May 1954, the Commission published a revision of seven Summaries of Tariff Information on cheese (par. 710). Besides providing data on cheese through the year 1953, these summaries (an earlier edition of which was published in 1948 in pt. 1, vol. 7, of the Summaries of Tariff Information) contained a section presenting an overall picture of the cheese industry in the United States.

Information on United States import duties

To fulfill its function of supplying complete up-to-date information on the United States tariff, the Commission for some years has issued, with the cooperation of the Bureau of Customs, a compilation of information on United States import duties. The latest edition, *United States Import Duties (1952)*, is a looseleaf publication consisting of two sections. Section I presents the rates of duty applicable to imported commodities, a list of the items that are free of duty, and the provisions of the Internal Revenue Code that levy certain taxes on imports. Section II contains the special and administrative provisions of the Tariff Act of 1930, as amended.

After publication of *United States Import Duties (1952)*, the rates of duty on, and the customs treatment of, a number of tariff items were changed by the supplementary trade agreement with Venezuela, effective October 11, 1952; by the Presidential proclamation of certain United States concessions that were stipulated in the Torquay Protocol to the General Agreement but did not become effective until 1953; by special acts of the Congress; by modification of trade-agreement concessions under the escape clause; and by amendment of the administrative provisions of the Tariff Act of 1930 through the Customs Simplification Act of 1953 and the Trade Agreements Extension Act of 1953. Accordingly, the Commission prepared Supplement I, which consists of new pages for insertion in *United States Import Duties (1952)*; this supplement was issued in November 1953.⁶

Reports on synthetic organic chemicals

In 1954 the Commission released both its preliminary and final reports on the production and sales in 1953 of synthetic organic chemicals and chemical raw materials. These reports continue the annual series that the Commission began to publish in 1918. The preliminary

⁶ Subscriptions to *United States Import Duties (1952)*, which may be placed with the Superintendent of Documents, U. S. Government Printing Office, include Supplement I. The subscription price is \$3.25 if the document is mailed to a domestic address, and \$4.25 if it is mailed to a foreign address.

report consisted of 14 separate sections, each section having been released as soon as it was completed. In this way the statistics on the various groups of synthetic organic chemicals were made available to industry and to Government agencies at an earlier date than would have been possible had all sections been published at one time under one cover. The first section was released in April 1954; all sections of the report had been released by early July.

Intensive work by the staff of the Commission's Chemicals Division and cooperation on the part of the companies in supplying their data promptly resulted in an early release of the statistics on synthetic organic chemicals. The early availability of the statistics greatly increases their value to chemicals producers, trade associations, importing firms, Government agencies, and other interested groups. The Business and Defense Services Administration of the Department of Commerce uses the statistics in its operations, and continues to receive from the Tariff Commission such current data as it requires.

The Commission's final report on production and sales of synthetic organic chemicals in 1953 was released in September 1954. This report contains final statistics for each segment of the synthetic organic chemical industry. Also included in the report are a Directory of Manufacturers, which identifies the producers of the individual products; statistics on imports of coal-tar products that enter the country under paragraphs 27 and 28 of the Tariff Act of 1930; statistics on the number of persons engaged in research in the synthetic organic chemical industry; and data on the industry's expenditures for such research. The final report on production and sales of synthetic organic chemicals in 1953 is summarized in part IV of this report.

During 1954 the Commission continued to conduct its monthly survey of the production and inventories of a selected list of synthetic organic chemicals. Beginning with January 1954, the basis of the survey was changed so that each company that produces one or more of the listed chemicals now files one report—regardless of the number of plants it operates—rather than a separate report for each of its plants. Collection of data on plant consumption of the listed chemicals has been discontinued. The statistics compiled from the data on production are published in the Facts for Industry Series 6-2, copies of which are obtainable under the title *Organic Chemicals and Plastics Materials*, in combination with the reports on plastics and resins (see below), from the Superintendent of Documents, United States Government Printing Office, on a fee basis. During the year the Commission supplied the Business and Defense Services Administration with certain data which are essential to its functions.

The Commission also continued during 1954 to issue reports on production and sales of synthetic plastics and resin materials, in the Facts for Industry Series 6-10. This monthly report, which is issued in conjunction with that on synthetic organic chemicals (see above), covers production and sales of synthetic plastics and resin materials

grouped according to chemical classes and broad end uses. The classes include tar-acid resins, urea and melamine resins, styrene resins, vinyl resins, and alkyd resins, as well as cellulose plastics and miscellaneous materials. The use categories cover plastic materials employed for molding, casting, and extrusion, for adhesives, for treating textiles and paper, for protective coatings, and for other uses.

In 1954 the Commission issued its annual analysis of imports of coal-tar products. This report, which is summarized in part IV, gives statistics for 1953 on United States general imports of coal-tar products that are dutiable under paragraphs 27 and 28 of the Tariff Act of 1930. These imports include intermediates, dyes, medicinals and pharmaceuticals, flavor and perfume materials, and miscellaneous finished coal-tar products.

Commodity and industry reports

Acting under the provisions of section 332 of the Tariff Act of 1930, the Commission from its beginning has issued numerous commodity and industrial surveys. These surveys, which are more comprehensive than the Summaries of Tariff Information, have covered individual commodities and industries that had an important bearing at the time on the country's economic foreign policy or defense policy. Recent examples of the Commission's work in this field are the 29 reports in the War Changes in Industry Series, published during the period 1944-49, and the 7 reports in the Industrial Materials Series, published in 1951 and 1952. During 1954, lack of personnel and pressure of other work prevented the Commission from undertaking work in the field of commodity and industry reports.

Reports on trade policies of foreign countries

One of the functions that section 332 of the Tariff Act of 1930 assigns to the Tariff Commission is that of investigating and reporting on the tariff and trade policies of foreign countries. Among the Commission's earliest reports were several extensive ones in this field. From time to time in later years the Commission issued comprehensive reports on the international trade and commercial policies of particular foreign countries that were of special interest at the time.

Progressive reduction of the Commission's staff and the pressure of higher priority work since the war have made it necessary to defer the work of analyzing changes in the tariffs and commercial policies of foreign countries.

Trade-agreement activities

Not only is the Tariff Commission directed to make peril-point and escape-clause investigations under sections 3 and 7 of the Trade Agreements Extension Act of 1951 and under Executive Order 10401, but it is one of the agencies from which the President seeks information and advice in connection with proposed trade-agreement negotiations with foreign countries. Executive Order 10082, of October 5, 1949, requires the Commission to supply to the interdepartmental trade agreements

organization 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 to the Interdepartmental Committee on Trade Agreements, and to its "country" committees, statistical and other data with respect to commodities on which the United States is proposing to grant concessions. 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 serves as his alternate on the Trade Agreements Committee.

During 1954 the United States conducted no trade-agreement negotiations. During the year, however, the Tariff Commission and its staff assisted in the work of the Trade Agreements Committee relating to a variety of problems. Foremost among these were United States preparations for possible trade-agreement negotiations with Japan and for participation in the Ninth Session of the Contracting Parties to the General Agreement on Tariffs and Trade, which is to be held at Geneva, Switzerland, beginning October 14, 1954. During the year the Commission and its staff also assisted in the work of the Philippine Trade Agreement Committee. On July 14, 1954, a member of the Commission's staff was designated as a member of the United States Delegation for negotiating with the Republic of the Philippines concerning possible revision of the 1946 agreement between the two countries on trade and related matters.

Report on operation of the trade agreements program

Since 1947 various Executive orders have directed the Tariff Commission to make a factual report to the President and to the Congress, at least once each year, on the operation of the trade agreements program. The six reports that the Commission has issued in response to these directives provide a detailed history of the trade agreements program since its inception in 1934.

The Commission's first five reports covered developments from June 1934 through June 1952. The Commission's sixth report, which covers the period July 1952 through June 1953, was issued in June 1954. Besides the developments respecting the General Agreement during the period covered, the sixth report discusses the concessions that the United States granted and obtained in the supplementary trade agreement it concluded with Venezuela in 1952, changes in tariffs and other trade controls by countries with which the United States has trade-agreement obligations, and actions of the United States relating to its trade agreements program. The sixth report is summarized in part IV of this report.

Review of customs tariff schedules

Title I of the Customs Simplification Act of 1954, which was approved September 1, 1954, directs the Tariff Commission to make a comprehensive study of the laws of the United States prescribing the

tariff status of imported articles, and to submit to the President and to the chairmen of the House Committee on Ways and Means and the Senate Committee on Finance, within 2 years, a revision and consolidation of these laws which, in the judgment of the Commission, will accomplish to the extent practicable the following purposes: (1) Establish schedules of tariff classifications which will be logical in arrangement and terminology and adapted to the changes which have occurred since 1930 in the character and importance of articles produced in and imported into the United States and in the markets in which they are sold; (2) eliminate anomalies and illogical results in the classification of articles; and (3) simplify the determination and application of tariff classifications.

The Commission has initiated this study, and has invited importers, domestic producers, customs brokers, and other interested parties to submit any suggestions which, in their opinion, will accomplish the purposes mentioned. The Commission will not hold hearings in connection with this study until after it has completed its review of the tariff classification laws and has prepared a draft of revised tariff schedules. Hearings will then be scheduled for the purpose of affording interested parties opportunity to be heard with regard to the proposed revised tariff schedules—particularly with respect to the probable effect on domestic industry of any incidental changes in duties that may be involved in the proposed revision.

Furnishing Technical Information and Assistance

A considerable part of the work of the Tariff Commission is related to the furnishing of technical information and assistance to the Congress and to other agencies of the United States Government, as required by law, and to the furnishing of information to industrial and commercial concerns and the general public. Section 332 of the Tariff Act of 1930 directs the Tariff 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 Tariff Commission to cooperate with other Government agencies in appropriate matters.

Work for the Congress

During 1954, as in previous years, work that the Commission undertook in response to directives or requests from the Congress, congressional committees, and individual Members of Congress was an important part of its activities. This section of the report deals only with direct requests from congressional committees and from Members of Congress for information, or comments on proposed legislation, and for assistance at congressional hearings. Other phases of the Commission's work, even though based directly or indirectly on congressional directives or requests, are discussed in other sections of this report.

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

At the request of the House Committee on Ways and Means, the Commission during 1954 prepared analyses of a number of bills and resolutions. These bills and resolutions related to a wide variety of subjects, as the following titles indicate: To amend section 304 of the Tariff Act of 1930 so as to provide that the prescribed markings on imported articles shall be made more clearly visible; to limit for tariff purposes the term "waterproof" when applied to cloth or fabric; to provide for the continuance of the suspension of certain import taxes on copper; to amend the sugar act; to reclassify dictaphones in the Tariff Act of 1930; to exempt from duty certain motion-picture film imported into Puerto Rico; to provide that certain church robes and vestments be exempt from duty; to exclude products of Poland from entry into the United States; to amend the Tariff Act of 1930 with respect to hardboard; to amend the Tariff Act of 1930 with respect to the duties applicable to certain prepared fish; to repeal the processing tax of 3 cents per pound on coconut oil; to provide for the continuance of the suspension of certain import duties on metal scrap; and to exempt from duty certain crawler-type diesel tractors imported into Puerto Rico for agricultural purposes.

Special services to committees of the Congress.—In their consideration of proposed legislation, congressional committees often ask the Tariff Commission not only for reports, but also for the services of Commission experts. These experts are frequently asked to appear at congressional hearings, or to supply information orally in executive sessions of the committees.

During 1954, at the request of the House Committee on Ways and Means, members of the staff of the Tariff Commission appeared before the committee to supply technical assistance during consideration of proposed legislation relating to the following subjects, among others: To provide for the establishment of simplified customs tariff schedules (the "Customs Simplification Act of 1954"); to provide for an extension on a reciprocal basis of the period of the free entry of Philippine articles into the United States; to amend the Tariff Act of 1930 to provide for the deferment of the bond requirement for a period not to exceed 90 days in cases where vehicles and craft are entered by nonresidents for participation in non-purse-type races; to continue crude silicon carbide on the free list; and to amend the Tariff Act of 1930 with respect to the importation of certain yarns.

Services to individual Senators and Representatives.—Each year the Commission receives many requests from individual Senators and Representatives for various types of information. 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 1954 the Commission continued to furnish to several Members of Congress, at their request, monthly tabulations prepared by the Ceramics Division showing United States imports (for consumption) of glassware and pottery, by kinds and by principal sources. The Commission also continued during 1954 to furnish to the Senate Committee on Finance monthly and cumulative monthly statistics, prepared by the Textiles and Statistical Divisions, on imports of wool tops, yarns of wool, and woolen and worsted fabrics.

The Commission also regularly furnishes information to the interdepartmental Committee for Reciprocity Information to help that Committee in responding to inquiries by Members of Congress.⁷

Cooperation with other Government agencies

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

During 1954 the Commission carried on various kinds of work in cooperation with a score of other Government agencies. Including the various trade-agreement committees on which some of its Commissioners and staff members serve, there are about 25 interdepartmental committees on which the Tariff Commission is represented. The assistance that the Commission gives to other Government agencies ranges from meeting simple requests for factual information requiring only brief servicing to projects involving considerable research and often as much as a thousand man-hours of staff work. At times, cooperation with other Government agencies involves detailing members of the Commission's staff to other agencies for extended periods.

Selected aspects of the work that the Commission conducted in cooperation with other Government agencies in 1954 are reviewed below.

Work for defense and emergency agencies.—The United States Government agencies concerned with the problems of defense continued during 1954 to call upon the Tariff Commission for needed information on strategic and critical materials. All the divisions of the Commission participated in supplying such information.

⁷ The primary functions of the Committee for Reciprocity Information, which was created by Executive order in 1934, are (1) 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 far-reaching activities of the Department of Defense, and those of the whole group of defense agencies, involved continued assistance and participation by the Tariff Commission in 1954. Until June 30, 1953, the Munitions Board maintained a group of interdepartmental advisory subcommittees to deal with strategic commodities. Members of the staff of the Tariff Commission served on the subcommittees established for chemicals, fibers, hides and leather, forest products, textiles, iron and steel, copper, magnesium and aluminum, other non-ferrous metals, additive alloys, and nonmetallic minerals. On June 30, 1953, the Munitions Board was abolished, and its functions were transferred to the Office of the Secretary of Defense.

During 1954 the Commission's commodity divisions furnished the Office of Defense Mobilization with information on strategic and critical materials similar to that formerly furnished to the Munitions Board. Members of the Commission's commodity divisions served, at the specific request of the Office of Defense Mobilization, on each of the seven interdepartmental commodity advisory committees established by that agency. These committees were concerned with the following groups of commodities: Iron, steel, and ferroalloys; light metals; nonferrous metals; nonmetallic minerals; chemicals and rubber; forest products; and fibers. In addition, members of the Commission's commodity divisions served as chairmen for several of the commodity subcommittees established by the interdepartmental commodity advisory committees.

During the year the Commission's Chemicals Division supplied the Business and Defense Services Administration of the Department of Commerce (formerly the National Production Authority) with monthly data on production, consumption, and stocks of the most important organic chemicals and plastics materials, and annual data on production and sales of all synthetic organic chemicals. These data were used for allocating chemicals, issuing certificates of necessity, and establishing normal consumption levels. The Ceramics Division also supplied the Business and Defense Services Administration with monthly tabulations of invoice analyses of United States imports of mica and graphite, and for part of the year the Sundries Division supplied it with monthly data on industrial diamonds.

Work for the Commission on Foreign Economic Policy.—In its report to the President and the Congress in January 1954 the Commission on Foreign Economic Policy (the Randall Commission)⁸ recommended that the President be given authority to lower individual tariff rates over a 3-year period by (1) reducing existing tariff rates by not more than 15 percent; (2) reducing tariffs by not more than one-half of the rates in effect on January 1, 1945, on products which are not being imported or which are being imported in negligible volume; and (3) reducing to 50 percent ad valorem, or its equivalent, any rate in excess of that ceiling.

⁸The membership and functions of the Commission on Foreign Economic Policy were described in the Tariff Commission's Annual Report for 1953.

In February 1954, at the request of the Executive Assistant to Mr. Clarence B. Randall, Special Assistant to the President in the preparation of the administration's foreign economic program, the Tariff Commission prepared a tabulation of all commodities subject to duties or import-excise taxes, with a view to classifying them according to which of the three foregoing tariff-reduction methods would result in the maximum reductions in tariff rates. The tabulation, which was based on the import data for 1952, contained the following three tables: (a) Commodities for which a reduction of 15 percent of the present rate would provide the greatest reduction in the existing tariff rates; (b) commodities imported in negligible quantities in 1952 for which a reduction to 50 percent of the rate in effect on January 1, 1945, would provide the greatest reduction in the existing tariff rate; and (c) commodities for which a reduction to 50 percent ad valorem or its equivalent would provide the greatest reduction in the existing tariff rate. The original tabulation contained a fourth table (table d), a list of all commodities which were dutiable at specific or compound rates and of which imports in 1952 were nil. It was not possible to calculate ad valorem equivalents of the rates of duty applicable to these commodities, and therefore it was not possible to classify them according to the three aforementioned tariff-reduction methods.

In March 1954, at the request of the Executive Assistant to Mr. Randall, the Tariff Commission prepared a statistical analysis of the tables (a, b, and c) mentioned above. The results of this analysis were summarized in a memorandum which was transmitted to the Commission on Foreign Economic Policy.

Work for other Government agencies.—Besides collaborating with the Department of State in trade-agreement matters, the Commission during 1954 furnished that Department with a wide range of data on United States tariffs and trade. A member of the Sundries Division served on the Rubber Panel, which is under the chairmanship of the Department of State.

During the year the Commission supplied the Department of Agriculture with considerable information on agricultural, chemical, and forest products, and exchanged information in connection with investigations that the Commission was conducting under section 22 of the Agricultural Adjustment Act, as amended. During the year the Commission also assisted the interdepartmental sugar committee, which studied the operation of the United States sugar act, United States participation in the International Sugar Agreement, and other matters relating to sugar. A member of the Commission's Agricultural Division served during the year as a member of the interdepartmental sugar committee.

During 1954 the Commission assisted several divisions 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, which has been previously mentioned). The Commission's Ceramics Division and sev-

eral other commodity divisions assisted the National Bureau of Standards and 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 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 Board of Governors of the Federal Reserve System, the Federal Trade Commission, the Federal Supply Service of the General Services Administration, and the Legislative Reference Service of the Library of Congress.

Work on classification of imports and exports.—Section 484 (e) of the Tariff Act of 1930 provides for a statistical classification of imports, and authorizes the Department of Commerce, the Tariff Commission, and the Treasury Department to direct its preparation. Under this provision, the representatives of those agencies on the Interdepartmental Advisory Committee on Foreign Trade Commodity Classification prepare, for statistical purposes, an enumeration of articles—in such detail as may in their judgment be necessary—embracing all merchandise imported into the United States.

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*. In 1954 the Commission continued to assist in the preparation of this statistical classification of commodities and the bulletins that authorize changes after its publication. A member of the Commission's Statistical Division serves on the interdepartmental Committee.

During 1954 the Commission also cooperated with the Department of Commerce in preparing revisions of *Schedule B, Statistical Classification of Domestic and Foreign Commodities Exported From the United States*. The Commission designated 15 commodity specialists to serve on the various subcommittees concerned with this work. A member of the Statistical Division continued to serve on the interdepartmental Committee in connection with the revisions of *Schedule B*, and acted as liaison between that Committee and the commodity specialists in the Commission in the review of convertibility of the import and export schedules to other coding manuals, such as the *Standard International Trade Classification* and the *Industry Products Code*.

Work for quasi-official agencies.—During 1954 the Commission also assisted certain quasi-official organizations by providing information on trade and tariff matters. For example, three members of the Commission's Ceramics Division served during the year on panels—dealing with strategic and critical materials—which were established by the National Research Council of the National Academy of Sciences to assist the Materials Division of the Emergency Procurement Service. Two members of the Ceramics Division served during the year on committees of the American Society for Testing Materials, a national technical society composed of representatives of industry, the Federal Government, and engineering schools. The assistance given this society related chiefly to nomenclature and classification of ceramic products.

Assistance to business concerns and the public

On specific matters within its field, the Tariff Commission furnishes information in response to many requests from outside the Federal Government. These requests come from industrial and commercial organizations, labor unions, farm organizations, and research organizations, as well as from individual research workers, lawyers, teachers, editors, students, and other private individuals. 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.

Other Activities

General research and assembling of basic data

Prerequisite to the varied activities of the Tariff Commission is its continuing task of assembling, maintaining, coordinating, and analyzing basic economic, statistical, and technical 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 Senate Committee on Finance, and the House Committee on Ways and Means, "whenever requested." Over the years, the Commission has devoted a large part of its work to such activity.

Basic information on many thousands of individual commodities is collected by the Commission's various divisions. This basic information includes technical data on the nature of the commodities and their processes of production; on United States production, imports, exports, 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, particularly in the principal domestic markets. This 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 field work by the Commission's technical experts. Another major class

of the Commission's basic data has to do with foreign countries—their exports, imports, resources, and industries; economic, financial, and trade position; and commercial policies.

The Tariff Commission Library, which contains an outstanding collection of materials on the tariff, on commercial policy, and on international trade, primarily serves the Commission and its technical experts. These materials, however, are also available to other Government agencies and to private organizations and individuals. The library'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.

Field work

Field work 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 its Summaries of Tariff Information and its other reports is obtained by personal visits of its representatives to manufacturers, importers, and other groups. Through years of experience the Commission has found that neither public hearings nor inquiries by mail can supply it with all the details it needs for making decisions in its investigations, and for verifying information on production, costs, industrial practices, and competitive factors.

In 1954, as in 1953, the Commission found it necessary to devote an exceptionally large amount of time to field work. During 1954 the Commission's experts made field trips in connection with the investigations that the Commission was conducting under the escape-clause provision, under sections 332 and 336 of the Tariff Act of 1930, and under section 22 of the Agricultural Adjustment Act, as amended. In addition, certain of the Commission's experts visited representative manufacturing and importing firms in their fields of specialization in order to keep abreast of technical and trade developments. Representatives of the Commission also attended several conferences of trade and technical associations in order to follow developments affecting competitive 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 made for other Government agencies. The Invoice Analysis Section also compiles special tabulations for other Government agencies from the invoice cards received from the New York office.

The office that the Commission maintains in the customhouse at the port of New York performs several related functions. It assists with the Commission's investigations in the New York area, in their field aspects, and provides the Commission, through its invoice analyses, 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 its analysis of imports entered through the customs district of New York, the New York office uses the original customhouse documents, to which are attached consular and commercial invoices that have been reviewed and passed upon by the appraisers and examiners. These invoices describe imports in detail as to type, grade, size, quantity, and value, and provide other data not available elsewhere. The New York office also analyzes the statistical copies of import entries through customs districts other than New York. Should the Commission require additional detail for these entries from other districts, the New York office obtains the customhouse documents that are on file at the port of entry.

During 1954 the New York office analyzed the data on more than 500 commodity classifications of imports. In addition, the New York office made special analyses for use in the Commission's investigations under section 7 of the Trade Agreements Extension Act of 1951, 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 special analyses of imports of certain critical and strategic materials, as well as special analyses for the use of other Government agencies.

PART III. ADMINISTRATION AND FINANCES

Membership of the Commission

Edgar B. Brossard, Republican from Utah, was again designated by the President as Chairman of the Commission, for the year beginning June 17, 1954.

Joseph E. Talbot, Republican from Connecticut, was again designated by the President as Vice Chairman of the Commission, for the year beginning June 17, 1954.

The term of office of George McGill, Democrat from Kansas, expired June 16, 1954.

Glenn W. Sutton, Democrat from Georgia, was nominated by the President as a member of the Commission on July 23, 1954, for the term expiring June 16, 1960. His nomination was confirmed by the Senate on July 28, 1954. Mr. Sutton entered on duty September 1, 1954.

The other members of the Commission are Oscar B. Ryder, Democrat from Virginia, Lynn R. Edminster, Democrat from Illinois, and Walter R. Schreiber, Republican from Maryland.

Staff of the Commission

On June 30, 1954, the personnel of the Tariff Commission consisted of 5 Commissioners and 187 staff members. The total of 192 persons consisted of 105 men and 87 women.

The following tabulation shows the size of the Commission's staff on June 30 of the alternate years from 1939 to 1953, and on June 30, 1954:

<i>Year</i>	<i>Number on staff</i>	<i>Year</i>	<i>Number on staff</i>
1939-----	311	1949-----	239
1941-----	297	1951-----	211
1943-----	308	1953-----	196
1945-----	301	1954-----	192
1947-----	235		

Between June 30, 1945, and June 30, 1954, the number of persons on the roll of the Commission dropped from 301 to 192, a decline of 109 persons, or more than one-third. With such a sharply reduced force and the mounting demands on it, the Commission's staff has had to devote nearly all its time to current projects of the highest priority. It has had little opportunity, therefore, to undertake projects on other subjects that are of great interest to the Congress, the Executive, and the public, and that fall within the scope of its functions, as prescribed by law.

Finances and Appropriations, Fiscal Year 1954

The appropriated funds available to the Tariff Commission during the fiscal year 1954 amounted to \$1,291,375. Reimbursements and working funds received amounted to \$20,289. Because of a reduction in printing costs by the Government Printing Office in January 1954, \$120 was reserved for savings, and at the end of the fiscal year there was an additional unobligated balance of \$8,652.

Expenditures during the fiscal year 1954 were as follows:

Salaries:	
Commissioners -----	\$88, 825
Employees:	
Departmental -----	1, 109, 327
Field -----	38, 563
Overtime -----	1, 411
Federal Insurance Contribution Act tax	683
Travel expense -----	13, 320
Transportation of things -----	31
Books of reference and publications -----	3, 509
Communication service -----	5, 106
Penalty mail -----	2, 484
Contractual services -----	12, 451
Office equipment, supplies, etc -----	19, 101
Printing and reproduction -----	8, 081
	<hr/>
Total -----	1, 302, 892

The Commission does not own or operate any motor vehicles.

PART IV. SUMMARIES OF REPORTS ISSUED IN 1954

Operation of the Trade Agreements Program: Sixth Report

The Tariff Commission report *Operations of the Trade Agreements Program: Sixth Report*, which was issued in June 1954, covers the period from July 1952 through June 1953. During this period the United States Government conducted its trade agreements program under the provisions of the Trade Agreements Act of 1934, as amended, the Trade Agreements Extension Act of 1951, and the Trade Agreements Extension Act of 1953. During all or part of the period July 1952-June 1953 the United States had trade-agreement obligations in force with 42 countries. Of these, 31 countries were contracting parties to the General Agreement on Tariffs and Trade, and 11 were countries with which the United States had bilateral trade agreements.

During the period covered by the sixth report, the United States concluded no new trade agreements. It did, however, conclude a supplementary agreement with Venezuela, revising the bilateral trade agreement entered into by the two countries in 1939. The report discusses the concessions that the United States granted and obtained in the supplementary agreement with Venezuela, as well as the changes that were made in the general provisions of the agreement with that country.

The report also covers, for the last half of 1952 and the first half of 1953, important developments respecting the General Agreement on Tariffs and Trade. During the period under review, the major developments with respect to the General Agreement related to the Seventh Session of the Contracting Parties, held at Geneva from October 2 to November 10, 1952, and to the meeting of the ad hoc Committee for Agenda and Intersessional Business, which was held at Geneva from February 2 to 13, 1953. The report describes in detail the various discussions and consultations that the Contracting Parties held at the Seventh Session on the general provisions of the agreement, the administration of the agreement, tariffs and tariff negotiations, and several miscellaneous matters.

The sixth report also describes, for the last half of 1952 and the first half of 1953, United States actions relating to its trade agreements program. Among the matters discussed are the following: The entry into force, withdrawal, or modification of United States trade-agreement concessions; the report by the President to the Congress on escape clauses in trade agreements; the status of escape-clause investigations pending before the Tariff Commission; and the status of United States quantitative restrictions on imports, including the restrictions imposed under section 22 of the Agricultural Adjustment Act, as

amended, under the sugar act, under the Defense Production Act of 1950, and under section 504 of the Philippine Trade Act of 1946.

Like the earlier reports on the operation of the trade agreements program, the sixth report also discusses such matters as changes in tariffs, exchange controls, and quantitative restrictions on imports by countries with which the United States has trade-agreement obligations. The trade controls employed by most of the countries with which the United States has trade agreements tend to conform to certain patterns, depending on whether the countries fall into one or another of the following four groups (with some overlapping): (1) Countries that are members of the European Payments Union; (2) countries that are members of the sterling area; (3) various nondollar countries (other than those in groups 1 and 2), most of which rely heavily on multiple-exchange-rate systems for control of their trade; and (4) certain dollar countries (including Canada and several countries in Latin America) which now exercise a minimum of control over their trade with other countries. The pattern of trade controls within each of these groups, as well as the changes in the controls imposed by individual countries, is discussed. The report also describes the developments with respect to currency-retention quotas and similar practices. It concludes with a discussion of various matters regarding trade-agreement obligations that are at issue between the United States and foreign countries.

Reports on Escape-Clause Investigations Under Section 7 of the Trade Agreements Extension Act of 1951

During the period October 1, 1953, through September 30, 1954, the Tariff Commission issued the following reports on escape-clause investigations under section 7 of the Trade Agreements Extension Act of 1951. The investigations were for the purpose of determining whether the specified products, on which concessions had been granted by the United States in trade agreements, were, as a result, in whole or in part, of the duty or other customs treatment reflecting such concessions, being imported into the United States in such increased quantities, either actual or relative, as to cause or threaten serious injury to the domestic industries producing like or directly competitive products.

Tobacco pipes and tobacco-pipe bowls of wood or root

On November 10, 1953, the Tariff Commission issued a report, dated December 22, 1952, on its investigation of tobacco pipes and tobacco-pipe bowls of wood or root, made pursuant to section 7 of the Trade Agreements Extension Act of 1951. At the same time, the Commission issued a supplemental report on such tobacco pipes and pipe bowls, dated August 19, 1953, containing certain additional information that had been requested by the President on February 18, 1953.

An application for an investigation under section 7 with respect to certain tobacco pipes having bowls wholly or in chief value of brier-

wood was filed with the Commission on December 29, 1951, by the American Smoking Pipe Manufacturers Association of New York, N. Y. In instituting the investigation on January 10, 1952, the Commission on its own motion expanded the scope of the investigation to include all finished and partly finished tobacco pipes and pipe bowls of wood or root. A public hearing was held on March 24 and 25, 1952.

On the basis of its investigation, including the hearing, the Commission unanimously found that as a result in part of the customs treatment reflecting the concession granted in the General Agreement on Tariffs and Trade, tobacco-pipe bowls wholly or in chief value of brier wood or root and tobacco pipes having such bowls, valued at not more than \$5 per dozen, were being imported into the United States in such increased quantities, both actual and relative, as to cause serious injury to the domestic industry producing like or directly competitive products, and as to threaten continuance of such injury. The Commission also found that the application, for an indefinite period, of a rate of duty on such pipes or bowls of 15 cents each, but not less than 2½ cents each and 40 percent ad valorem or more than 3¾ cents each and 60 percent ad valorem, was necessary to prevent the continuance of serious injury to the domestic industry.

In view of its findings, and in accordance with section 7 of the Trade Agreements Extension Act of 1951, the Commission on December 22, 1952, unanimously recommended to the President that the concession on tobacco-pipe bowls of brier wood or root and tobacco pipes having such bowls be modified to permit, for an indefinite period, the application of the rate of duty specified above.

On February 18, 1953, in identical letters to the chairmen of the Senate Committee on Finance and the House Committee on Ways and Means, the President reported that he was not, at that time, giving effect to the recommendation of the Commission. The President stated that he was requesting further information from the Tariff Commission to assist him in arriving at an appropriate decision. Thereupon, as required by law, the Commission forwarded copies of its original report of December 22, 1952, to the chairmen of the Senate Committee on Finance and the House Committee on Ways and Means.

A supplemental report, containing the information requested by the President on February 18, 1953, was submitted to him on August 19, 1953. On November 10, 1953, the President announced that he was not giving effect to the recommendation made by the Commission in its report of December 22, 1952. Thereupon, the Commission transmitted copies of its supplemental report to the chairmen of the Senate Committee on Finance and the House Committee on Ways and Means.

The tobacco pipes and bowls of wood or root covered by the Commission's investigation are provided for in paragraph 1552 of the Tariff Act of 1930. The rate of duty originally imposed by that act was 5 cents each and 60 percent ad valorem. Pursuant to a tariff concession that the United States granted in the bilateral trade agreement with France, the duty on wholly finished brier pipes valued at less than

\$1.20 per dozen was reduced to 2½ cents each plus 40 percent ad valorem, effective June 15, 1936. In the bilateral trade agreement with the United Kingdom, which became effective January 1, 1939, the United States granted tariff concessions on all other articles provided for in the classification covered by the investigation. These concessions, together with the concession granted in the bilateral trade agreement with France, resulted in a rate of 2½ cents each plus 40 percent ad valorem on all pipes and bowls of wood, except those valued per dozen at \$1.20 or more but not more than \$5, on which a concession in the trade agreement with the United Kingdom resulted in a rate of 5 cents each and 50 percent ad valorem.

In the General Agreement on Tariffs and Trade, at Geneva, the United States granted tariff concessions on all tobacco pipes and bowls of wood. These concessions became effective January 1, 1948, on which date the bilateral trade agreements with France and the United Kingdom became inoperative. In the General Agreement on Tariffs and Trade, at Torquay, the United States granted a further concession on pipes and bowls of wood other than brier, valued at less than \$1.20 per dozen. This concession, which became effective October 19, 1951, resulted in a rate of duty of 1¼ cents each and 20 percent ad valorem on such pipes and bowls.

Screen-printed silk scarves

On June 12, 1953, the Tariff Commission issued a report on its investigation of screen-printed silk scarves, made pursuant to section 7 of the Trade Agreements Extension Act of 1951.

The Commission instituted the investigation on August 25, 1952, in response to an application filed by the Association of Textile Screen Makers, Printers and Processors, Inc., of New York, N. Y. A public hearing was held from February 24 to 27, 1953.

On the basis of its investigation, including the hearing, the Commission found that as a result in part of the customs treatment reflecting the concession granted in the General Agreement on Tariffs and Trade, as supplemented by the Torquay Protocol, screen-printed silk scarves were being imported into the United States in such increased quantities, both actual and relative, as to cause serious injury to the domestic industry producing like or directly competitive products, and as to threaten continuance of such injury. The Commission also found that the application, for an indefinite period, of a rate of duty of 65 percent ad valorem on screen-printed silk scarves was necessary to prevent the continuance of serious injury to the domestic industry. In view of its findings, and in accordance with section 7 of the Trade Agreements Extension Act of 1951, the Commission, on April 13, 1953, recommended to the President that the concession with respect to screen-printed silk scarves be modified to permit, for an indefinite period, the application of a rate of duty of 65 percent ad valorem.

On June 10, 1953, in identical letters to the chairmen of the Senate Committee on Finance and the House Committee on Ways and Means,

the President reported that he was not, at that time, giving effect to the recommendation of the Commission. The President stated that he had questions concerning certain matters relating to the manufacture and distribution of silk scarves, and that he was requesting the Tariff Commission to make a further examination of the case and report its findings to him. Thereupon, as required by law, the Commission forwarded copies of its original report to the chairmen of the Senate Committee on Finance and the House Committee on Ways and Means.

The Tariff Commission submitted its supplemental report on screen-printed silk scarves to the President on August 6, 1954.

The screen-printed silk scarves covered by the Commission's investigation are provided for in paragraph 1210 of the Tariff Act of 1930, in the provision therein for "Clothing and articles of wearing apparel of every description, manufactured wholly or in part, wholly or in chief value of silk, and not specially provided for." The rate of duty originally imposed was 65 percent ad valorem. Effective January 1, 1948, the rate of duty was reduced to 35 percent ad valorem pursuant to a concession granted in the General Agreement on Tariffs and Trade at Geneva. It was reduced effective June 6, 1951, to 32½ percent ad valorem pursuant to a concession granted in the General Agreement at Torquay.

Handmade blown glassware

On November 20, 1953, the Tariff Commission issued a report on its investigation of handmade blown glassware, made pursuant to section 7 of the Trade Agreements Extension Act of 1951, as amended.

The Commission instituted the investigation on September 26, 1952, in response to an application filed by the Import Committee for the Hand Division of the American Glassware Association, of New York, N. Y. A supporting statement was filed concurrently by the National Labor-Management Council on Foreign Trade Policy, on behalf of the president of the American Flint Glass Workers' Union, which represents the workers in the handmade blown-glassware industry. A public hearing was held on March 2, 1953.

Upon consideration by the Commission of the facts obtained in the investigation, including the hearing, the Commission divided into two equal groups, each of which was unanimously agreed upon opposite findings, as to whether or not handmade blown glassware covered by the investigation was being imported in such increased quantities, either actual or relative, as to cause or threaten serious injury to the domestic industry producing like or directly competitive products.

Commissioners Brossard, Talbot, and Schreiber found that table articles and utensils, vases, and articles primarily designed for ornamental purposes, which are blown or partly blown from molten glass gathered by hand, and valued at less than \$3 each (except Christmas tree ornaments and articles and utensils commercially known as bubble glass), were being imported into the United States in such increased

quantities, both actual and relative, as to cause serious injury to the domestic industry concerned and to threaten continuance of such injury; that products covered by the investigation, other than those immediately described above, were not being imported in such increased quantities as to cause or threaten serious injury to the domestic industry concerned; and that the application, for an indefinite period, of a rate of duty of 67½ percent ad valorem on specified cut or engraved articles and utensils valued at less than \$3 but not less than \$1 each, and a rate of 90 percent ad valorem on specified articles and utensils valued at less than \$3 each, was necessary to prevent the continuance of serious injury to the domestic industry concerned.

Commissioners Ryder, Edminster, and McGill found that none of the products covered by the investigation were being imported in such increased quantities, either actual or relative, as to cause or threaten serious injury to the domestic industry concerned, and that accordingly there was no sufficient reason for a recommendation to the President for action under section 7 of the Trade Agreements Extension Act of 1951.

In split decisions of this kind, section 330 of the Tariff Act of 1930, as amended by section 201 of the Trade Agreements Extension Act of 1953 (Public Law 215, 83d Cong.), provides that the findings (and recommendations, if any) of each group of Commissioners shall be transmitted to the President, and that the findings (and recommendations, if any) of either such group may be considered by the President as the findings (and recommendations, if any) of the Commission. A report incorporating the views of the two groups of Commissioners was transmitted to the President on September 22, 1953. In a letter to the Chairman of the Tariff Commission, dated November 19, 1953, the President stated that he was postponing his decision in this case pending receipt of additional information which he had requested the Tariff Commission to supply. The President also advised the chairmen of the Senate Committee on Finance and the House Committee on Ways and Means of his action. Thereupon, as required by law, the Commission forwarded copies of its report to the chairmen of the Senate Committee on Finance and the House Committee on Ways and Means.

The Tariff Commission submitted its supplemental report on handmade blown glassware to the President on May 17, 1954. On September 9, 1954, in identical letters to the chairmen of the Senate Committee on Finance and the House Committee on Ways and Means, the President stated that he had decided not to increase the duties on handmade blown glassware, and gave the reasons for his action.

The handmade blown glassware covered by the Commission's investigation is provided for in paragraph 218 (f) of the Tariff Act of 1930. The rate of duty originally imposed on such glassware under that act was 60 percent ad valorem. Before 1948, reductions in this rate of duty were made on various classifications of glassware, including handmade blown glassware, pursuant to concessions granted in the

bilateral trade agreements with Sweden (effective August 5, 1935), Czechoslovakia (effective April 16, 1938), the United Kingdom (effective January 1, 1939), and Mexico (effective January 30, 1943). The concessions granted in the bilateral agreements with Czechoslovakia and Mexico were terminated on April 22, 1939, and December 31, 1950, respectively. The bilateral agreement with the United Kingdom was suspended, effective January 1, 1948, when the United Kingdom became a contracting party to the General Agreement on Tariffs and Trade, and the bilateral agreement with Sweden was terminated June 30, 1950, after that country became a contracting party to the General Agreement (April 30, 1950). In 1948, and subsequently, the United States granted various concessions under the General Agreement on all types of glassware dutiable under paragraph 218 (f). The rates of duty reflecting the concessions granted on the glassware covered by this investigation, all of which rates are currently in effect, are 15 percent ad valorem on certain engraved ornamental articles valued at \$8 or more each; 22½ percent ad valorem on cut or engraved articles valued at \$3 or more each; 30 percent ad valorem on certain articles and utensils commercially known as bubble glass; and a specific rate of 50 cents each (with a maximum of 50 percent ad valorem and a minimum rate of 30 percent ad valorem) on all other glassware.

Mustard seeds (whole)

On December 10, 1953, the Tariff Commission issued a report on its investigation of mustard seeds (whole), made pursuant to section 7 of the Trade Agreements Extension Act of 1951.

The Commission instituted the investigation on February 12, 1953, in response to an application filed by the Montana State Farm Bureau, of Bozeman, Mont., on behalf of the mustard-seed growers of Montana. A public hearing was held on June 22, 1953.

On the basis of its investigation, including the hearing, the Commission found that mustard seeds (whole) were not being imported in such increased quantities, either actual or relative, as to cause or threaten serious injury to the domestic industry producing like or directly competitive products. Accordingly, in the judgment of the Commission no sufficient reason existed for a recommendation to the President under the provisions of section 7 of the Trade Agreements Extension Act of 1951.

Mustard seeds (whole) were originally dutiable under paragraph 781 of the Tariff Act of 1930 at the rate of 2 cents per pound. Pursuant to a concession granted by the United States in the bilateral trade agreement with the United Kingdom, the reduced rate of 1¾ cents per pound was in effect during the period January 1, 1939, through December 31, 1947. As a result of concessions granted in the General Agreement on Tariffs and Trade (Geneva and Torquay), the rate applicable to this product was further reduced to 1¼ cents per pound, effective January 1, 1948, and to ⅞ cent per pound, effective June

6, 1951. The $\frac{7}{8}$ -cent-per-pound rate, which is currently in effect, reflects the existing trade-agreement concession.

Manicure and pedicure nippers, and parts thereof, and scissors and shears, and blades therefor

On May 12, 1954, the Tariff Commission issued a report on its investigation of manicure and pedicure nippers, and parts thereof, and scissors and shears, and blades therefor, made pursuant to section 7 of the Trade Agreements Extension Act of 1951.

The Commission instituted the investigation on March 26, 1953, in response to an application filed by the Shears, Scissors and Manicure Instruments Manufacturers Association, of Newark, N. J. A public hearing was held on June 29, 1953.

On the basis of its investigation, including the hearing, the Commission found (Commissioners Ryder and Edminster dissenting, except as to finding 2, below) that—

1. As a result in part of the customs treatment reflecting the concession granted thereon in the General Agreement on Tariffs and Trade as supplemented by the Torquay Protocol to such General Agreement, scissors and shears (except pruning, sheep, grass, and hedge shears and except tinner's snips) and blades therefor, valued at more than \$1.75 per dozen, provided for in paragraph 357 of the Tariff Act of 1930, and described in item 357 in part I of schedule XX contained in annex A of the said Torquay Protocol, were being imported into the United States in such increased quantities, both actual and relative, as to threaten serious injury to the domestic industry producing like or directly competitive products.

2. Manicure and pedicure nippers and parts thereof, provided for in paragraph 354 of the Tariff Act of 1930, and scissors and shears and blades therefor, provided for in paragraph 357 of the Tariff Act of 1930, other than scissors and shears and blades therefor included in finding 1 above, were not being imported in such increased quantities, either actual or relative, as to cause or threaten serious injury to the domestic industry producing like or directly competitive products.

3. The application, for an indefinite period, of a rate of duty of 20 cents each and 45 percent ad valorem to imports of scissors and shears covered by finding 1 above was necessary to prevent serious injury to the domestic industry producing like or directly competitive products.

In view of its findings, and in accordance with section 7 of the Trade Agreements Extension Act of 1951, the Commission recommended to the President that the concession granted in the General Agreement on Tariffs and Trade, as supplemented by the Torquay Protocol to such General Agreement, be modified to permit the application for an indefinite period of a rate of duty of 20 cents each and 45 percent ad valorem to imports of scissors and shears included in finding 1 above.

The Commission submitted its report on the investigation to the President on March 12, 1954. On May 11, 1954, in identical letters

to the chairmen of the Senate Committee on Finance and the House Committee on Ways and Means, the President declined to accept the recommendation of the Commission, and gave his reasons therefor. Thereupon, as required by law, the Commission forwarded copies of its report to the chairmen of the Senate Committee on Finance and the House Committee on Ways and Means.

Manicure or pedicure nippers and parts thereof were originally dutiable under paragraph 354 of the Tariff Act of 1930 at the rate of 60 percent ad valorem. Pursuant to a concession granted in the General Agreement on Tariffs and Trade (Geneva), effective January 1, 1948, the duty was reduced to 40 percent ad valorem, and this duty reflects the prevailing trade-agreement concession.

Scissors and shears (other than pruning and sheep shears) and blades therefor provided for in paragraph 357¹ of the Tariff Act of 1930 were originally dutiable as follows: On those valued at not more than 50 cents per dozen the duty was 3½ cents each plus 45 percent ad valorem; on those valued at more than 50 cents and not more than \$1.75 per dozen the duty was 15 cents each plus 45 percent ad valorem; and on those valued at more than \$1.75 per dozen the duty was 20 cents each plus 45 percent ad valorem. The duties on the foregoing value classifications for scissors and shears were reduced, pursuant to concessions granted in the General Agreement on Tariffs and Trade (Ancey), to 1¾ cents each plus 22½ percent ad valorem, effective April 30, 1950; 7½ cents each plus 22½ percent ad valorem, effective April 30, 1950; and 15 cents each plus 35 percent ad valorem, effective May 30, 1950, respectively. A further concession on the value classification of more than \$1.75 per dozen was granted in the General Agreement on Tariffs and Trade (Torquay), effective October 1, 1951, resulting in the application to this value classification of a rate of 10 cents each plus 22½ percent ad valorem. The application of the Ancey rates on the first two value classifications and of the Torquay rate on the third value classification constitutes the United States duty treatment which reflects the prevailing concessions granted in the General Agreement on Tariffs and Trade with respect to these products.

Straight (dressmakers' or common) pins and safety pins

On June 22, 1954, the Tariff Commission issued a report on its investigations of straight pins and safety pins, made pursuant to section 7 of the Trade Agreements Extension Act of 1951.

The Commission instituted the investigation on straight pins on September 24, 1953, in response to an application filed by the Vail Manufacturing Co., of Chicago, Ill., and others. It instituted the investigation on safety pins on October 29, 1953, in response to an application filed by the DeLong Hook and Eye Co., of Philadelphia, Pa., and others. Public hearings were held from March 23 to 26, 1954.

¹ Surgical and dental scissors are dutiable under par. 359 of the Tariff Act of 1930, and were not included in this investigation.

On June 22, 1954, the Commission terminated both investigations without formal findings. This action was taken because the applicants in these investigations refused to comply with Commission requests for certain information which the Commission considered appropriate to the investigations.

Straight pins and safety pins covered by the Commission's investigations are included in the statutory provision in paragraph 350 of the Tariff Act of 1930 for pins with solid heads without ornamentation, not plated with gold or silver, and not commonly known as jewelry. The rate of duty originally imposed on such pins was 35 percent ad valorem. The rate of duty on straight pins was reduced to 30 percent, effective January 1, 1939, pursuant to a concession granted in the bilateral trade agreement with the United Kingdom. The rate of duty on safety pins was reduced to 30 percent, effective from April 16, 1938, to April 22, 1939, in accordance with a concession granted in the bilateral trade agreement with Czechoslovakia. Pursuant to a concession granted by the United States in the General Agreement on Tariffs and Trade at Geneva, the rate of duty on straight pins was reduced from 30 percent to 20 percent ad valorem, effective January 1, 1948; the rate of duty on safety pins was reduced from 35 percent to 22½ percent ad valorem, effective April 21, 1948.

Alsike clover seed

On June 30, 1954, the Tariff Commission issued a report on its investigation of alsike clover seed, made pursuant to section 7 of the Trade Agreements Extension Act of 1951.

The Commission instituted the investigation on December 2, 1953, in response to an application filed by W. W. Thompson, of Klamath Falls, Oreg., and others. A public hearing was held on February 16, 1954.

On the basis of its investigation, including the hearing, the Commission found that, as a result in part of the customs treatment reflecting the concession granted thereon in the General Agreement on Tariffs and Trade, alsike clover seed was being imported into the United States in such increased quantities, both actual and relative, as to cause serious injury to the domestic industry producing like or directly competitive products. The Commission also found that, in order to remedy the serious injury to the domestic industry concerned, it was necessary that a duty of 4 cents per pound be imposed on imports of alsike clover seed entered, or withdrawn from warehouse, for consumption in any 12-month period beginning July 1, in 1954 and in subsequent years until 1,500,000 pounds have been so entered or withdrawn during any such period, and that a duty of 6 cents per pound be imposed on imports of such seed entered, or withdrawn from warehouse, for consumption during any such period after 1,500,000 pounds have been so entered or withdrawn during such period. In view of its findings, and in accordance with section 7 of the Trade Agreements Extension Act of 1951, the Commission unanimously

recommended to the President that the tariff concession granted on alsike clover seed in the General Agreement on Tariffs and Trade be modified to permit the application of the rates of duty specified in its findings.

The Commission submitted its report to the President on May 21, 1954. On June 30, 1954, the President issued a proclamation imposing a duty of 2 cents per pound on entries of alsike clover seed during the 12-month period beginning on July 1, 1954, until 1,500,000 pounds have been so entered, and a duty of 6 cents per pound on entries of alsike clover seed during that period in excess of 1,500,000 pounds. The President's proclamation modified the Commission's recommendation in another respect by limiting the modification of the concession to 1 year; the Commission had recommended that the concession be modified for an indefinite period.

On July 14, 1954, in a letter to the Chairman of the Tariff Commission, the President requested the Commission to continue its investigation of alsike clover seed, and to submit to him, by May 2, 1955, a supplementary report indicating whether the Commission then considers necessary the continuation of the tariff quota on alsike clover seed beyond June 30, 1955.

Alsike clover seed was originally dutiable under paragraph 763 of the Tariff Act of 1930 at the rate of 8 cents per pound. The rate was reduced to 4 cents per pound effective January 1, 1936, pursuant to a concession granted in the first bilateral trade agreement with Canada, and the same rate was continued pursuant to a concession granted in the second bilateral trade agreement with Canada effective January 1, 1939. Effective January 1, 1948, the rate was reduced to 2 cents per pound pursuant to a concession granted in the General Agreement on Tariffs and Trade.

Fresh or frozen groundfish fillets (second investigation)

On July 2, 1954, the Tariff Commission issued a report on its second investigation of groundfish fillets, made pursuant to section 7 of the Trade Agreements Extension Act of 1951. The Commission's report on its first investigation of groundfish fillets, issued September 4, 1952, was summarized in the Commission's Annual Report for 1952.

The Commission instituted its second investigation of groundfish fillets on June 16, 1953, in response to an application filed by the Massachusetts Fisheries Association, Inc., of Boston, Mass., and others. A public hearing was held from October 20 to 26, 1953.

On the basis of its investigation, including the hearing, the Commission found (Commissioners Ryder and Edminster dissenting)²—

1. That, as a result in part of the customs treatment reflecting the concession granted in the General Agreement on Tariffs and Trade with respect to cod, haddock, hake, pollock, cusk, and rosefish, fresh or frozen (whether or not packed in ice), filleted, skinned, boned,

² Commissioner McGill was unavoidably absent, and did not participate in the Commission's findings in this investigation, or in the preparation of the report.

sliced, or divided into portions, provided for in paragraph 717 (b) of the Tariff Act of 1930 and described in item 717 (b) in part I of schedule XX (Geneva) of the General Agreement on Tariffs and Trade, such products were being imported into the United States in such increased quantities, both actual and relative, as to cause serious injury to the domestic industry producing like or directly competitive products, and as to threaten continuance of such injury.

2. (a) That in order to remedy such serious injury it was necessary that a duty of 2½ cents per pound be imposed on imports of the products described in finding 1, subject to a limitation on the quantity of such products which may be entered, or withdrawn from warehouse, for consumption in each calendar year to 37 per centum of the average aggregate annual consumption in the United States of fish of such class or kind during the 5 calendar years immediately preceding the year in which the imported fish were entered or withdrawn.

(b) That for the purpose of the quota specified in (a) above, the annual consumption should be determined by adding the sum of (A) the production in the United States of fresh and frozen fillets, sticks, and steaks of cod, haddock, hake, pollock, cusk, and rosefish, as defined and reported by the United States Fish and Wildlife Service; (B) the quantity of such fillets, steaks, and sticks entered into the United States free of duty under paragraph 1730 (a) of the Tariff Act of 1930; and (C) the quantity of the products described in finding 1 entered into the United States.

In view of its findings, the Commission recommended (Commissioners Ryder and Edminster dissenting) that the concession granted in the General Agreement on Tariffs and Trade with respect to the products described in finding 1 be modified to permit the application to imports of such products of the duty and quantitative limitations specified in finding 2. The Commission further recommended that the quota on groundfish fillets be allocated among supplying foreign countries on the basis of the average quantities supplied by such countries during the years 1949, 1950, 1951, 1952, and 1953. On this basis Canada would be granted 66.5 percent of the quota; Iceland, 25.5 percent; Norway, 4.9 percent; and all other foreign countries collectively, 3.1 percent.

The Commission submitted its report on this investigation of groundfish fillets to the President on May 7, 1954. On July 2, 1954, in identical letters to the chairmen of the Senate Committee on Finance and the House Committee on Ways and Means, the President stated that he had decided not to accept the recommendations of the Commission for an increase in the duty on imported groundfish fillets and for a quota on imports in any one year, and gave his reasons therefor. Thereupon, as required by law, the Commission forwarded copies of its report to the chairmen of the Senate Committee on Finance and the House Committee on Way and Means.

Groundfish fillets are provided for, for duty purposes, in paragraph 717 (b) of the Tariff Act of 1930. The rate of duty originally pro-

vided therein was $2\frac{1}{2}$ cents per pound on all imports of these products. As a result of a concession granted in the bilateral trade agreement between the United States and Canada, which was signed November 17, 1938, and which became effective January 1, 1939, the duty on groundfish fillets was reduced to $1\frac{7}{8}$ cents per pound on an aggregate quantity of not in excess of 15 million pounds of such fillets entered, or withdrawn from warehouse, for consumption in any calendar year, with the proviso that if the average apparent annual consumption of such fillets during the 3 calendar years preceding the year in which such fillets are entered, or withdrawn from warehouse, for consumption, exceeds 100 million pounds, an additional quantity of such fillets equal to the amount by which 15 per centum of such average apparent annual consumption exceeds 15 million pounds may be entered, or withdrawn from warehouse, for consumption in that year at the reduced rate of $1\frac{7}{8}$ cents per pound.

No obligation was undertaken by the United States in the aforementioned agreement with Canada with respect to the duty which might be imposed on imports in excess of the tariff quota above specified; the statutory duty of $2\frac{1}{2}$ cents per pound, however, remained applicable to such imports during the life of the agreement.

The 1938 agreement with Canada became inoperative on January 1, 1948, when Canada and the United States became contracting parties to the General Agreement on Tariffs and Trade. The General Agreement provides that a duty not higher than $1\frac{7}{8}$ cents per pound shall be applied on an annual tariff quota in an amount to be determined by a formula similar to that stated in the 1938 agreement with Canada, and that overquota imports shall be subject to a duty not higher than $2\frac{1}{2}$ cents per pound. It is provided in the General Agreement, however, that of the total quantity of groundfish fillets entitled to entry at a rate not to exceed $1\frac{7}{8}$ cents per pound in any calendar year, not more than one-fourth shall be so entitled during the first 3 months, not more than one-half during the first 6 months, and not more than three-fourths during the first 9 months of that year. In addition to the commitment not to impose duties higher than those specified in the General Agreement, the agreement provides that the contracting parties shall refrain from imposing absolute quotas, except under specified conditions. However, under the "escape clause" of the General Agreement (art. XIX), modification of the concession to permit the imposition of the duty and the import quota hereinafter recommended is authorized. The imposition of the duties specified in the General Agreement, without absolute quota restriction, constitutes the United States customs treatment reflecting the concession granted on groundfish fillets.

Watches, movements, and parts (second investigation)

On July 27, 1954, the Tariff Commission issued a report on its investigation of watches, movements, and parts, made pursuant to section 7 of the Trade Agreements Extension Act of 1951, as amended.

On September 1, 1953, the Elgin National Watch Co., of Elgin, Ill., the Hamilton Watch Co., of Lancaster, Pa., and the Waltham Watch Co., of Waltham, Mass., filed an application with the Tariff Commission requesting it to conduct an investigation under section 7 with respect to watch movements containing 7 jewels or more but not more than 17 jewels, and parts thereof. On September 9, 1953, the Commission instituted an investigation, as requested by the applicants, but on its own motion extended the scope of the investigation to apply to all watches and movements provided for in paragraph 367 (a) and parts of such articles provided for in paragraph 367 (c) of the Tariff Act of 1930. A public hearing was held from February 9 through February 12, 1954.

All articles the subject of the investigation are included in the bilateral trade agreement with Switzerland, which was signed January 9, 1936. Pursuant to this agreement substantial reductions—ranging from 11 to 44 percent—were made in the rates of duty on nearly all watch movements and in the duties on most categories of watch parts. Such rates as were not reduced pursuant to the agreement were bound against increase.

As a result of its investigation, including the hearing, the Commission unanimously found that no serious injury or threat thereof existed for the domestic industries concerned by reason of imports of watch movements having more than 17 jewels; or by reason of imports of watch parts; or by reason of the customs treatment reflecting the concession granted in the trade agreement with Switzerland with respect to the duty imposed on adjustments on watch movements.

The Commission found, however (Commissioners Ryder and McGill dissenting), that, partly as a result of the customs treatment reflecting the duty concessions granted in the trade agreement with Switzerland, those watch movements on which reduced rates of duty were imposed under subdivisions (1), (2), (3), or (5) of paragraph 367 (a) pursuant to such concessions were being imported in such increased quantities, both actual and relative, as to cause serious injury to the domestic industries producing like or directly competitive products. In order to remedy the aforementioned serious injury, the Commission recommended that the reduced rates of duty specified above be increased for an indefinite period by 50 percent, but in no case to exceed the rates originally imposed under the Tariff Act of 1930. Commissioners Ryder and McGill held that serious injury was neither present nor threatened.

The Commission submitted its report to the President on May 28, 1954. By a proclamation of July 27, 1954, which became effective at the close of business July 27, 1954, the President modified the trade-agreement concession on imports of watch movements, in accordance with the Commission's recommendations. Under this proclamation all the specified articles exported to the United States after July 27, 1954, are subject to the modified rates of duty, whereas all articles exported to the United States on or before July 27, 1954, are, until the

close of business on August 26, 1954, subject to duty at the rates which were in effect on July 1, 1954.

Imports dutiable under paragraph 367 of the Tariff Act of 1930 consist principally of watches, watch movements, watch parts, and watchcases. The duty on a watch is the sum of the duties applicable separately to the watch movement and the watchcase. The duties on movements are specific and, in general, vary inversely with the width of the movements and directly with the number of jewels and adjustments which the movements incorporate. Certain features, such as those contained in self-winding watches, are subject to supplementary specific duties. About 90 percent, by value, of the watch parts imported have been subject to ad valorem rates of duty, and about 10 percent, to compound or specific rates. Watchcases are subject to compound duties, the ad valorem portions of which are the same for all except cases of base metal, but the specific portions of which depend upon the kind of metal used and whether the cases are set with or prepared for the setting of jewels.

Lead and zinc

On August 23, 1954, the Tariff Commission issued a report on its investigation of lead and zinc, made pursuant to section 7 of the Trade Agreements Extension Act of 1951.

The Commission instituted the investigation on September 16, 1953, in response to an application filed by the National Lead and Zinc Committee of Salt Lake City, Utah. A public hearing was held from November 3 to 6, 1953.

On the basis of its investigation, including the hearing, the Commission unanimously found that, as a result in part of the customs treatment reflecting the concessions granted in the General Agreement on Tariffs and Trade, the unmanufactured lead and zinc articles covered by the investigation 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 industries producing like or directly competitive products.

In view of its findings, and in accordance with section 7 of the Trade Agreements Extension Act of 1951, the Commission found (Commissioner Ryder dissenting³) that it was necessary to impose for an indefinite period rates of duty that were 50 percent above the rates "existing on January 1, 1945," within the meaning of section 350 (a) (2) of the Tariff Act of 1930, as amended, on the following articles: (1) Those described in paragraphs 391 and 392 of the Tariff Act of 1930 (except babbitt metal, solder, lead in sheets, pipe, shot, glazier's lead, and lead wire), and (2) those described in paragraphs 393 and 394 (except zinc scrap, dross, and skimmings, and except zinc dust and zinc in sheets). The Commission recommended that the rate of duty

³ Commissioner Ryder was of the opinion that it was not necessary to raise duties above the rates originally in effect under the Tariff Act of 1930.

on zinc scrap, dross, and skimmings be increased to $1\frac{4}{5}$ cents per pound.

The Commission submitted its report to the President on May 21, 1954. On July 19, 1954, in identical letters to the chairmen of the Senate Committee on Finance and the House Committee on Ways and Means, the President stated that, in order to provide time for a review of the fundamental issues of economics and of public policy, he was extending the period of his consideration of the Tariff Commission's report somewhat beyond the 60-day period. Thereupon, as required by law, the Commission forwarded copies of its report to the chairmen of the Senate Committee on Finance and the House Committee on Ways and Means.

On August 20, 1954, the President rejected the Commission's recommendations with respect to lead and zinc. In identical letters to the chairmen of the Senate Committee on Finance and the House Committee on Ways and Means, the President stated that he was convinced that "a serious question exists as to the magnitude of the direct benefits that could be expected from the recommended tariff increases" and that, in view of this, he was not prepared to seek such benefits at the "expense of the serious adverse consequences that would follow for our international relations." At the same time, the President outlined an expanded stockpiling program and other measures intended to strengthen the lead and zinc industry. He also indicated that if the action outlined did not accomplish the objectives sought, he would be prepared early in 1955 to consider more far-reaching measures.

The rates of duty originally provided in the Tariff Act of 1930 for the most important articles covered by the Commission's recommendations were $1\frac{1}{2}$ cents per pound on the lead content of lead-bearing ores and on the zinc content of zinc-bearing ores, $2\frac{1}{8}$ cents per pound on the lead content of lead pigs and bars, and $1\frac{3}{4}$ cents per pound on zinc blocks, pigs, or slabs. Pursuant to concessions made in trade agreements, the rates of duty on these lead articles were subsequently reduced 50 percent, and those on the zinc articles, by 60 percent. Had the Commission's recommendation been accepted, it would have increased the duty on the lead content of lead-bearing ores and on the zinc content of zinc-bearing ores to $1\frac{4}{5}$ cents per pound, on the lead content of lead pigs and bars to $2\frac{11}{20}$ cents per pound, and on zinc blocks, pigs, slabs, and dust to $2\frac{1}{10}$ cents per pound.

Ground chicory

On September 7, 1954, the Tariff Commission issued a report on its investigation of chicory, ground or otherwise prepared, made pursuant to section 7 of the Trade Agreements Extension Act of 1951.

The Commission instituted the investigation on January 25, 1954, in response to an application filed by E. B. Muller and Co., Port Huron, Mich., and others. A public hearing was held on April 27, 1954.

On the basis of its investigation, including the hearing, the Commission found that chicory, ground or otherwise prepared, was not being imported in such increased quantities, either actual or relative, as to cause or threaten serious injury to the domestic industry producing like or directly competitive products. Accordingly, in the judgment of the Commission, no sufficient reason existed for a recommendation to the President under the provisions of section 7 of the Trade Agreements Extension Act of 1951.

The rate of duty established on imports of chicory, ground or otherwise prepared, under the Tariff Act of 1930 (par. 776) was 4 cents per pound. Pursuant to a concession granted in the bilateral trade agreement with the Netherlands, effective February 1, 1936, the rate of duty was reduced to 3 cents per pound. Pursuant to a concession granted in the General Agreement on Tariffs and Trade at Geneva in 1947, a rate of duty of 2½ cents per pound became effective on January 1, 1948.

Reports Under Executive Order 10401

Women's fur felt hats and hat bodies

On November 24, 1953, the Tariff Commission submitted to the President its second periodic report with respect to women's fur felt hats and hat bodies, pursuant to paragraph 1 of Executive Order 10401. The Commission found that the conditions of competition with respect to the trade in imported and domestically produced fur felt hats and hat bodies for women's wear had not so changed as to warrant the institution of a formal investigation under the provisions of paragraph 2 of Executive Order 10401. In a letter to the Chairman of the Tariff Commission, dated December 22, 1953, the President approved the conclusion of the Commission, and authorized the release of its report of November 24. At the same time, the President authorized release of the Commission's first report on this investigation, which had been submitted to him on November 26, 1952.

Hatters' fur

On February 5, 1954, the Tariff Commission submitted to the President its first periodic report with respect to hatters' fur, pursuant to paragraph 1 of Executive Order 10401. The Commission found that the conditions of competition with respect to the trade in imported and domestically produced hatters' fur had not so changed since the modification of the trade-agreement concession as to warrant the institution of a formal investigation under the provisions of paragraph 2 of Executive Order 10401. In a letter to the Chairman of the Tariff Commission, dated March 22, 1954, the President approved the conclusion of the Commission, and authorized release of its report of February 5.

Dried figs

On August 24, 1954, the Tariff Commission submitted to the President its first periodic report with respect to dried figs, pursuant to

paragraph 1 of Executive Order 10401. The Commission found that the conditions of competition with respect to the trade in imported and domestically produced dried figs had not so changed since the modification of the trade-agreement concession as to warrant the institution of a formal investigation under the provisions of paragraph 2 of Executive Order 10401. In a letter to the Chairman of the Tariff Commission, dated September 10, 1954, the President approved the conclusion of the Commission, and authorized release of its report of August 24.

Reports on Investigations Under Section 22 of the Agricultural Adjustment Act

During the period October 1, 1953, through September 30, 1954, the Tariff Commission issued the following reports on investigations under section 22 of the Agricultural Adjustment Act, as amended. The investigations were for the purpose of determining whether the specified products were being, or were practically certain to be, imported into the United States, in such quantities as to render ineffective, or materially interfere with, the price-support programs undertaken by the United States Department of Agriculture with respect to these products, or to reduce substantially the amount of products processed in the United States from the specified products.

Oats, hulled or unhulled, and unhulled ground oats

On October 9, 1953, the Tariff Commission submitted to the President a report on its investigation of hulled and unhulled oats and unhulled ground oats, under section 22 of the Agricultural Adjustment Act, as amended. The investigation was instituted on June 10, 1953, at the direction of the President. A public hearing was held on July 7 and 8, 1953.

On the basis of its investigation, including the hearing, the Commission found (Commissioners Ryder and Edminster dissenting)⁴ that in order to prevent imports of hulled and unhulled oats and unhulled ground oats from rendering ineffective or materially interfering with the United States Department of Agriculture price-support program for oats, it was necessary that imports of such products (except certified or registered seed oats for use for seeding and crop-improvement purposes imported under proper safeguard) which may be entered, or withdrawn from warehouse, for consumption in any 12-month period beginning October 1 in 1953 and in subsequent years be limited to 23 million bushels of 32 pounds each.

On December 14, 1953, the President released a letter from the Acting Secretary of State to the Canadian Secretary of State for External Affairs, with respect to the shipment of Canadian oats to the United States, and the Canadian reply. The Canadian reply stated that, as

⁴The majority consisted of Commissioners Brossard, Talbot, McGill, and Schreiber.

a temporary measure, Canada would limit its shipments of oats to the United States to 23 million bushels during the period December 11, 1953, through September 30, 1954, but that if substantial quantities of oats should be imported into the United States from other sources during the specified period, the Canadian decision would be subject to reconsideration. In the light of these letters, the President found that no action by the United States limiting imports of oats from Canada needed to be taken at that time to protect the domestic agricultural program for oats against the threat of imports. On December 26, 1953, however, the President issued a proclamation providing for a quota of 2,500,000 bushels of 32 pounds each on imported hulled and unhulled ground oats, other than oats the product of Canada, entered, or withdrawn from warehouse, for consumption during the period December 23, 1953, to September 30, 1954, inclusive. These restrictions do not apply to certain certified or registered seed oats for use for seeding and crop-improvement purposes.

Wool, wool tops, and carbonized wool

On July 9, 1953, the President directed the Tariff Commission to institute an investigation of sheep's wool, carbonized sheep's wool, and tops of sheep's wool, under the provisions of section 22 of the Agricultural Adjustment Act, as amended.⁵ The Commission instituted the investigation on July 10, 1953. A public hearing was held from August 31 to September 2, 1953, and the Commission submitted its report to the President on February 19, 1954.

In its report, the Commission found (Commissioners Ryder and Edminster dissenting) that the products covered in the investigation were being imported, or were practically certain to be imported, under such conditions and in such quantities as to materially interfere with and to tend to render ineffective the price-support program for wool undertaken by the United States Department of Agriculture. The Commission also found that it was necessary that a fee of 10 cents per pound of clean content but not more than 50 percent ad valorem be imposed on sheep's wool and that a fee of 11¼ cents per pound but not more than 50 percent ad valorem be imposed on wool tops and carbonized wool of the sheep, to prevent imports from rendering or tending to render ineffective, or materially interfering with, the Department of Agriculture price-support program for wool.

On March 4, 1954, the President released the Tariff Commission's report on the investigation, and stated that he was not giving effect to the Commission's recommendation. At the same time that he had directed the Tariff Commission to institute its investigation the Presi-

⁵ On September 2, 1952, at the direction of the President, the Commission instituted an investigation of sheep's wool, carbonized sheep's wool, and tops of sheep's wool, under the provisions of sec. 22. On June 25, 1953, however, the President advised the Commission that inasmuch as the price-support program for wool in effect at the time the investigation was ordered had ended April 30, 1953, a report would serve no useful purpose.

dent had requested the Secretary of Agriculture to make a comprehensive study of the domestic factors that had contributed to the decline in the number of sheep and in the production of wool in the United States, with a view toward the development of a sound and prosperous domestic wool industry, consistent with an expanding international trade. On the basis of this study he had determined that domestic wool growers required continued price or income assistance in a more effective form than is now provided. He had accepted the principal recommendations of the Secretary of Agriculture, which provided for Government assistance to growers under an incentive-payment plan during periods when wool prices were below the desired support level, and had submitted them to the Congress.⁶ According to the President, the enactment of this program by the Congress would eliminate the necessity for an increase in import fees or other limitations on imports of wool, a course of action which, he believed, would not best serve either the wool-growing industry or the national interest.

Rye, rye flour, and rye meal

On March 8, 1954, the Tariff Commission submitted to the President a report on its investigation of rye, rye flour, and rye meal, under section 22 of the Agricultural Adjustment Act, as amended. The investigation was instituted on December 11, 1953, at the direction of the President. A public hearing was held on January 12, 1954.

On the basis of its investigation, including the hearing, the Commission found that in order to prevent imports of rye, rye flour, and rye meal from rendering ineffective or materially interfering with the United States Department of Agriculture price-support program for rye, it was necessary that imports of such products entered, or withdrawn from warehouse, for consumption in any 12-month period beginning July 1, 1954, and subsequent years, be limited to an aggregate maximum quantity of 186 million pounds, of which not more than 15,000 pounds might be rye flour or rye meal; and that during the remainder of the current marketing year ending at the close of June 30, 1954, it was necessary that imports of rye, rye flour, and rye meal entered, or withdrawn from warehouse, for consumption be limited to an aggregate maximum quantity of 31 million pounds, of which not more than 2,500 pounds might be rye flour or rye meal, provided that the foregoing restrictions should not be applied to certified or registered seed rye for use for seeding and crop-improvement purposes imported under proper safeguards.

On March 31, 1954, the President issued a proclamation, effective on that date, providing for the import quotas recommended by the Tariff Commission. In one respect—the quota period—the President modi-

⁶ Most of these recommendations were included in the National Wool Act of 1954, which was subsequently passed by the Congress and approved by the President on August 28, 1954.

fied the recommendation of the Commission. Instead of a continuing restriction on imports of rye, as the Commission had recommended, the President provided for the termination of the quota on June 30, 1955.

Report on Investigation Under Section 332 of the Tariff Act of 1930: Lead and Zinc Industries

On April 19, 1954, the Tariff Commission transmitted to the Senate Committee on Finance and to the House Committee on Ways and Means a report on its investigation of the United States lead and zinc industries.⁷ The investigation, which was conducted under section 332 of the Tariff Act of 1930, was made pursuant to resolutions of the above-mentioned committees, dated July 27 and July 29, 1953, respectively. The purpose of the investigation was to determine the facts relating to the production, trade, and consumption of lead and zinc in the United States, taking into account all relevant factors affecting the domestic economy, including the interests of consumers, processors, and producers, and including the effect of imports of lead and zinc on the livelihood of American workers. A public hearing was held from November 3 to 6, 1953.

The report indicates that there has been a progressive deterioration in the domestic lead and zinc industries in recent years, especially of the mining and milling segments, which has been reflected in declining production, employment, prices, and profits. Imports of lead and zinc in all postwar years greatly exceeded those in prewar years, and net imports were at record levels in 1952-53. At the same time, domestic consumption of both lead and zinc has expanded notably, and has been considerably in excess of domestic production. Since the cessation of hostilities in Korea, however, there has been a strong tendency for supply to exceed demand, prices have declined, imports have increased, and domestic production has decreased. A substantial part of the imports in postwar years has entered free of duty, and the duties—even when in effect—have not materially restricted the flow of imports into the United States.

In the period from the first quarter of 1952 to March 1954—the period marked by unusually large net imports—the market price of lead declined from 19 cents to 13 cents a pound and that of zinc, from 19½ cents to 9¾ cents; costs of production remained about the same. In December 1953, as compared with the monthly average for the first quarter of 1952, mine production of lead was reduced by 21 percent and that of zinc by 37 percent; employment in lead and zinc mining in October 1953 (the last month for which such data were assembled) declined by 32 percent from the monthly average for the first quarter of 1952. Later information indicated a further substantial decline in employment.

⁷ This report was subsequently printed as a Senate document (S. Doc. 119, 83d Cong., 2d sess.) and as Tariff Commission Rept. No. 192, Second Series.

Besides the generally available information on production, consumption, foreign trade, stocks, and prices of lead and zinc, the report provides new information on the value of products and the principal expenses in lead and zinc mining and milling in the United States and in some foreign countries; on grade of ore mined; on profit and loss in mining, milling, smelting, and refining; on costs of transporting lead and zinc in the United States and from foreign countries to the United States; and on recent changes in employment at lead and zinc mines and at primary smelters and refineries.

Report on Investigation Under Section 336 of the Tariff Act of 1930: Household China Tableware

On July 2, 1954, the Tariff Commission released to the public its report to the President on its investigation, under the provisions of section 336 of the Tariff Act of 1930, of certain household china tableware.⁸ The report was submitted to the President on June 24, 1954.

The Commission instituted the investigation on May 15, 1952, in compliance with Senate Resolution 253, 82d Congress, which was adopted by the Senate on May 12, 1952. A public hearing was held from December 15 through 17, 1953.

On the basis of its investigation, including the hearing, the Commission found (Commissioners Brossard and Talbot dissenting)⁹ that imported chinaware of the kind covered by the investigation was not like or similar to domestic chinaware within the meaning of section 336 of the Tariff Act of 1930, and that, therefore, no basis existed for determining the difference between the costs of production of domestic chinaware and like or similar foreign articles for the purpose of the statute. The dissenting Commissioners were of the contrary view, and were further of the view that the difference in costs of production was such as would have warranted an increase in the duty on the chinaware covered by the investigation. The respective grounds for these conflicting views are set forth in detail in the Commission's report.

⁸ "Tableware, kitchenware, and table and kitchen utensils, not containing 25 percent or more of calcined bone (except hotel or restaurant ware and utensils) : Plates, not over 6 $\frac{5}{8}$ inches in diameter and valued not over \$2.55 per dozen, or over 6 $\frac{5}{8}$ but not over 7 $\frac{7}{8}$ inches in diameter and valued not over \$3.45 per dozen, or over 7 $\frac{7}{8}$ but not over 9 $\frac{1}{8}$ inches in diameter and valued not over \$5 per dozen, or over 9 $\frac{1}{8}$ inches in diameter and valued not over \$6 per dozen; cups, valued not over \$4.45 per dozen; saucers, valued not over \$1.90 per dozen; and articles other than plates, cups, or saucers, valued not over \$11.50 per dozen articles; all the foregoing, whether or not painted, colored, tinted, stained, enameled, gilded, printed, or ornamented or decorated in any manner."

⁹ Commissioner McGill voted in support of this finding, but his term of office had expired before the Commission's report to the President was signed.

Reports on Synthetic Organic Chemicals

Preliminary report on production and sales, 1953

In accordance with its usual procedure, the Tariff Commission released its preliminary report on the production and sales of synthetic organic chemicals in 1953 in 14 separate sections, each dealing with a segment of the industry. The first section, covering elastomers (synthetic rubbers) was released in April 1954, and all sections had been released by the first part of July. The preliminary report covered production and sales of tar 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 organic agricultural chemicals; and miscellaneous chemicals.

Final report on production and sales, 1953

Synthetic Organic Chemicals, United States Production and Sales, 1953 (Rept. No. 194, 2d ser.)—the Commission's final report on production and sales in 1953—was released early in September 1954. The statistics given in this report were compiled from data supplied by more than 600 companies and company divisions on about 6,000 individual products and chemicals. Besides final statistics for 1953 on the groups of products mentioned above in the discussion of the preliminary report, the final report contains statistics on the number of persons engaged in research on synthetic organic chemicals, and data on company expenditures for such research. The report also contains a Directory of Manufacturers which identifies the manufacturers of each chemical, except those who have requested that their names not be identified with a particular product.

United States production of tar in 1953 from all sources was 901 million gallons, an increase of 13.6 percent over the 793 million gallons reported for 1952. Of the 1953 production of tar, 833 million gallons was coal tar, and 67 million gallons was water-gas and oil-gas tar. The decline in the production of water-gas and oil-gas tar from the 88 million gallons reported for 1952 reflects the continued displacement of manufactured gas by natural gas. The most important materials obtained from coke-oven gas and tar are benzene, toluene, xylene, naphthalene, cresylic acid, creosote oil, and road tar. The 1953 output of benzene was 273 million gallons, of which 210 million gallons was produced from coke-oven gas and tar, and 63 million gallons, from petroleum. Production of toluene in 1953 was 156 million gallons, compared with 105 million gallons in 1952. The output of xylene in 1953, principally from petroleum sources, amounted to 113 million gallons, compared with 72 million gallons in 1952. Production of crude naphthalene in 1953 declined to 316 million pounds, from the 322 million pounds reported for 1952.

The output of road tar in 1953 was 110 million gallons—slightly less than that in 1952.

Production of crude products from petroleum and natural gas in 1953 was 11 billion pounds, compared with 7.9 billion pounds in 1952. The output of aromatics and naphthenes (benzene, toluene, xylene, cresylic acid, naphthenic acids, and aromatic distillates and solvents) amounted to 2,506 million pounds, compared with 1,605 million pounds in 1952. Production of aliphatic hydrocarbons in 1953 was 8,641 million pounds, an increase of 38 percent over that in 1952. The most important individual hydrocarbons in this group are butane, ethylene, propane, propylene and propane-propylene mixture, 1,3-butadiene, and dodecene.

In 1953 the output of cyclic intermediates was 4,699 million pounds, an increase of 12.6 percent over the 4,171 million pounds reported in 1952. About 60 percent of the total production of cyclic intermediates in 1953 was used by the producers in the manufacture of more advanced products, such as dyes, medicinal chemicals, surface-active agents, and flavor and perfume materials. In 1953 the combined output of all intermediates and finished chemical products was 29,129 million pounds, an increase of 11.5 percent over the 26,119 million pounds reported for 1952. In 1953 cyclic intermediates and finished products amounted to 9,638 million pounds of the total, and acyclic intermediates and finished products, to 19,491 million pounds. Of the individual groups of finished products, miscellaneous chemicals ranked first in volume of production in 1953, followed by plastics and resin materials and by elastomers (synthetic rubbers).

Specified synthetic organic chemicals: Monthly releases on production

During 1954 the Tariff Commission continued to release each month statistics on the production of a list of selected synthetic organic chemicals. The statistics compiled by the Commission include data on the production of each specified chemical by producing companies, and the stocks of each chemical held by producing companies at the end of each month. These latter data are not included in the published reports, but are collected primarily for the use of the Business and Defense Services Administration. For use in its operations, this agency is furnished, upon request, with certain additional data. The releases on chemical production, designated as Facts for Industry Series 6-2, are published jointly with those on plastics and resins under the title *Organic Chemicals and Plastics Materials*, and are distributed on a fee basis.

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

During 1954 the Tariff Commission also continued the monthly release of statistics on production and sales of synthetic plastics and resin materials. The Commission also collects data on inventories of plastics and resin materials held at the end of each month by the producing companies. These inventory statistics are not included in the published reports, but are collected primarily for the use of the

Business and Defense Services Administration, which may request and receive certain data that are necessary to its functions. The statistics on production and sales for the current month and the preceding one are published as Facts for Industry Series 6-10, in conjunction with those on the production of synthetic organic chemicals. Chemical classes for which statistics are given include cellulose plastics, phenolic and other tar-acid resins, urea and melamine resins, styrene resins, alkyd resins, vinyl resins, and miscellaneous materials. These groups are further classified according to their major uses: As adhesives, as molding and extrusion materials, as protective coatings, for treating textiles and paper, and for other uses.

Imports of coal-tar products, 1953

In July 1954 the Tariff Commission released its annual analysis of imports of coal-tar products entered under paragraphs 27 and 28 of the Tariff Act of 1930. The report, which covers imports through all United States customs districts, is based on data obtained from an invoice analysis made by the Commission's New York office.

The report shows that in 1953 general imports of coal-tar chemicals entered under paragraph 27, virtually all of which are intermediates, totaled 22.3 million pounds, with a foreign invoice value of 5.4 million dollars. In 1952 imports for consumption were 3.0 million pounds, valued at 1.7 million dollars, and in 1951, 8.5 million pounds, valued at 2.2 million dollars. In 1953 imports came principally from Germany and the United Kingdom; sizable quantities came also from Italy, France, Belgium, the Netherlands, Japan, Switzerland, and Canada, and lesser quantities from Denmark, Sweden, Australia, and Mexico.

Finished coal-tar products that enter under paragraph 28 consist of dyes, medicinals and pharmaceuticals, flavor and perfume materials, and miscellaneous finished products. In 1953 imports of these coal-tar products totaled 4.1 million pounds (computed weight), with a foreign invoice value of 6.9 million dollars, compared with 5.1 million pounds, with a foreign invoice value of 6.9 million dollars, in 1952. As in previous years, dyes were by far the most important group of finished coal-tar products entered under paragraph 28. Imports of dyes amounted to 4.6 million dollars, or 67 percent of the total value of all imports entered under paragraph 28 in 1953; imports in 1952 were valued at 4.4 million dollars. Switzerland was the principal source of the dyes imported in 1953, followed by Germany, the United Kingdom, and Italy. Imports of medicinals and pharmaceuticals, the next most important group of finished products, were valued at 1.9 million dollars in both 1953 and 1952. Imports of flavor and perfume materials increased in value to \$194,000 in 1953 from \$18,000 in 1952. Imports of other coal-tar products entered under paragraph 28 declined in value to \$192,000 in 1953 from \$584,000 in 1952.

Summaries of Tariff Information on Cheese

In May 1954 the Tariff Commission published revised Summaries of Tariff Information on cheese (par. 710). These summaries were revisions of those that were published in 1948 in part 1, volume 7, of the Summaries of Tariff Information. Besides providing data on cheese through the year 1953, the revised summaries included a section presenting an overall picture of the cheese industry in the United States. The revised summaries are those on Swiss cheese, Gruyère process-cheese, Cheddar cheese, Italian types of cheese, Roquefort and blue-mold cheese, Edam and Gouda cheese, and miscellaneous types of cheese. The summary on Italian types of cheese covers 7 kinds of cheese, 2 of which (cheese made from sheep's milk suitable for grating, and cheese made from sheep's milk, not suitable for grating) include a considerable number of different cheeses. The summary on miscellaneous types of cheese includes all types of cheese not covered in the other summaries.

The United States produces and consumes more cheese than any other country in the world. Domestic production of all cheese, which amounted to about 320 million pounds a year at the turn of the century, in 1953 totaled about 1.3 billion pounds. About half of this production took place in the State of Wisconsin, but 16 other States had outputs of from 10 million pounds to more than 90 million pounds each. Although a number of different varieties of cheese are produced in the United States, the outstanding variety is American or Cheddar cheese, which constitutes about 73 percent of the total domestic production of cheese. The next most important variety in this country is Swiss cheese.

There is considerable competition in the United States between milk used in the form of fluid milk and milk used in making various manufactured dairy products. Of the total volume of milk used in manufactured dairy products in the United States, about 23 percent goes into the production of cheese. The production of American or Cheddar cheese, therefore, is a dominating factor in determining the stability of the domestic industry.

Cheese is one of the dairy products that the Government is required by law to offer to buy as one of the means of supporting the price of milk, butterfat, and their products. This requirement has been in effect since 1949. The cheese-purchase program was announced by the United States Department of Agriculture in July 1949 and purchases of cheese in support of the price were made after that date. This cheese was disposed of through commercial sales in the United States, and through sales and donations for export, including Mutual Security Agency shipments, those for the United Nations International Children's Emergency Fund and other relief agencies, and those to cash-paying foreign governments. The Commodity Credit Corporation is the agency responsible for virtually all the purchases and disposals of Cheddar cheese and other manufactured dairy products under the

price-support program. During the period January 1, 1950, through December 31, 1953, the loss incurred from cheese purchases amounted to about 29 million dollars.

Total imports of cheese into the United States have never been large compared with total domestic production. Imports are composed largely of specialty cheeses, many of which are not made in this country, and most of which have a strong popular demand, particularly among residents of foreign extraction. Competition between imported and domestic cheese is largely within, rather than between, the different types. When foreign supplies are abundant and foreign prices are low relative to domestic prices of similar types, there is apt to be a noticeable increase in the volume of imports. Thus the price-support program for milk for manufacturing and for butterfat, the purpose of which was to increase or maintain domestic prices, tended to stimulate imports of cheese, particularly from countries where prices were substantially lower after the devaluation of currencies in September 1949.

On July 31, 1951, the Defense Production Act of 1950 was amended by the addition thereto of section 104, which provided for the imposition—by the United States Department of Agriculture—of quantitative controls on imports of cheese and certain other dairy products. On August 9, 1951, the Department of Agriculture issued a “determination” that restrictions on cheese were called for by the provisions of section 104, and issued an order describing how the restrictions on imports were to be administered. Import quotas established at that time, and subsequently, allowed each importer to enter each of the various types of cheese, during the period August 9, 1951, to June 30, 1952, at the same rate as during the base period, 1948–50. Provision was also made to allow concerns which had not imported during the base period, but had imported during 1951, to continue importations at about the same rate up to June 30, 1952.

On July 3, 1952, the Department of Agriculture announced several changes in the administration of the restrictions on imports of cheese, as a result of the modification of section 104 of the Defense Production Act, as amended and reenacted as of that date. The modified section 104 provided that import controls during the period July 1, 1952–June 30, 1953, be exercised by type or variety, and gave the Secretary of Agriculture authority to increase by as much as 15 percent the import quotas established, when such action was deemed necessary in the interests of international relations and trade. As of July 3, 1952, the Department freed from import control Emmenthaler or Swiss cheese with eye formation, Gruyère processed, Roquefort, and certain other varieties of cheese formerly controlled in class VIII (miscellaneous cheese) except for those varieties containing, or processed in whole or in part from, Cheddar, blue-mold, or Edam and Gouda cheese. Imports of cheese remaining under control in this miscellaneous group were limited, during the control period July 1, 1952–June 30, 1953, to the amount of such imports in

the calendar year 1950. Other quotas established at this time (July 3) were for Italian types in original loaves (20 million pounds), blue-mold cheese (3 million pounds), Edam and Gouda cheese combined (3 million pounds), and Cheddar cheese (8.5 million pounds).

On September 23, 1952, a change in Defense Food Order 3 was announced to the effect that, beginning October 1, 1952, controls were to be removed from sheep's-milk cheese suitable for grating, Pecorino cheese not suitable for grating, and Stilton cheese. Also imports of the remaining types of Italian cheese (Romano, Reggiano, Parmesano, Provoloni, Provolette, and Sbrinz) were limited to 8 million pounds during the year July 1, 1952-June 30, 1953, and the annual quota for Edam and Gouda was increased from 3 million to 4 million pounds. The Department of Agriculture also announced on September 23 that all cheeses subject to control would be allowed the 15-percent increase in imports under the new provisions, in the interests of international trade and relations. On December 30, 1952, the Secretary of Agriculture announced the removal of import restrictions on processed cheeses made from Edam or Gouda cheese, and an increase of 500,000 pounds in the basic annual quota for blue-mold cheese. Both of these decisions were effective during the remainder of the year ending June 30, 1953.

An investigation under the provisions of section 22 of the Agricultural Adjustment Act, as amended, and Executive Order 7233 of November 23, 1935, was instituted by the Tariff Commission on April 10, 1953, for the purpose of determining whether, in the event that section 104 of the Defense Production Act of 1950, as amended, expired on June 30, 1953, certain articles, the importation of which was restricted under section 104, were practically certain to be imported into the United States under such conditions and in such quantities as to interfere with or render ineffective programs or operations undertaken by the Department of Agriculture. On June 1, 1953, the Commission made its report to the President and on June 8, 1953, the President issued his proclamation limiting the importation of certain cheese and other products. The annual import quotas established at this time were as follows: Cheddar cheese, 2,780,100 pounds; Edam and Gouda cheese, 4,600,200 pounds; blue-mold cheese, 4,167,000 pounds; and Italian-type cheeses made from cow's milk, 9,200,100 pounds. Section 104 of the Defense Production Act of 1950, as amended, expired on June 30, 1953.

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