

Forty-third
Annual Report
of the
United States Tariff Commission
Fiscal Year Ended June 30
1959



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UNITED STATES TARIFF COMMISSION

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LETTER OF TRANSMITTAL

UNITED STATES TARIFF COMMISSION,
Washington, December 1, 1959.

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

Respectfully,

JOSEPH E. TALBOT,
Chairman.

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

III

**POWERS AND DUTIES
OF THE
UNITED STATES TARIFF COMMISSION
PERIODIC REPORTS**

Annual Report of Commission's Activities—Sec. 332(g) TA. To submit to Congress annual report of methods adopted, all expenses incurred, and summary of all reports made during the year.

Review of Developments Following Escape-Clause Actions—E.O. 10401 (par. 1). To keep under review and report periodically to the President developments relating to products on which trade-agreement concessions have been withdrawn or modified by escape-clause actions.

Operation of the Trade Agreements Program—Sec. 350(e) TA. At least once a year, to submit a factual report to Congress on the operation of the trade agreements program.

CONTINUING INVESTIGATIONS AND RESEARCH

Administration, Operation, and Effect of Customs Laws—Sec. 332(a) TA. To investigate the administration and the operation of U.S. customs laws, including their relation to Federal revenues and their effect upon the industry and labor of the country; the relation between rates of duty on raw materials and those on finished or partly finished products; and the effects of ad valorem, specific, and compound duties.

Discrimination Against U.S. Trade—Sec. 338 TA. To ascertain and at all times to be informed whether any country practices discriminations against the trade of the United States. Disclosure of such acts is to be made to the President.

Samples, Costs, Prices, and Other Competitive Factors for Comparable Domestic and Imported Articles—Sec. 332(d) TA.* To select, obtain, describe, and file samples of articles representative of the classes and kinds imported into the United States, together with their domestically made counterparts. For these articles, to ascertain costs of importing, domestic producers' prices in principal producing centers, and other facts showing differences or affecting competition between the domestic and imported articles.

Assembling and Analyzing Basic Data—Sec. 332(b) TA.* To investigate the volume of imports compared with domestic production and consumption, and to investigate conditions, causes, and effects relating to competition of foreign industries with those of the United States.

Surveillance of Operation and Effect of Trade-Agreement Duty Provisions—Sec. 350(e) TA.* At all times to keep informed concerning the operation and effect of trade-agreement provisions relating to duties or other import restrictions of the United States.

Survey of Tariff Schedules and Classification—Secs. 332(a) and 484(e) TA. To investigate all questions relative to the arrangement of schedules and classification of articles in the schedules of the customs laws (see Tariff Simplification), and in cooperation with the Departments of the Treasury and Commerce to establish a statistical enumeration of the total quantities and values of each kind of article imported into the United States.

Commercial Policies and Practices of Foreign Countries—Sec. 332(b) and (c) TA. To investigate tariff relations between the United States and foreign countries, commercial treaties, preferential provisions, economic alliances (including those similar to the Paris Economy Pact), and the effect of export bounties and preferential transportation rates.

Costs of Production or Conversion for Domestic and Foreign Articles—Sec. 332(d) TA. Whenever in the opinion of the Commission it is practicable, to obtain costs of producing and converting articles in the principal growing, producing, or manufacturing centers of the United States, and similar data for comparable foreign articles imported into the United States.

Furnishing Information to Congress and Federal Agencies—Secs. 332(g) and 334 TA and GATT Sch. XX, Item 4541(3). Whenever requested, to put at the disposal of the President and the Congress all information at its command, and to cooperate with other Federal departments and agencies and to report to the Treasury on the price of copper.

SPECIAL INVESTIGATIONS

"Escape Clause"—Sec. 7 TAEA, 1951. To conduct escape-clause investigations when requested by the President, upon resolution of either House of Congress, upon the Commission's own motion, or upon application of any interested party.

Tariff Simplification—Customs Simplification Act of 1954. To make a complete study of all provisions of the customs laws under which imported articles may be classified for tariff purposes and prepare proposed simplified tariff schedules.

Interference by Imports With Agricultural Programs—Sec. 22 AAA. On direction of the President, to investigate imports of products which materially interfere with programs of the U.S. Department of Agriculture relating to agricultural commodities or products thereof.

Industry Surveys Requested by Congress—Sec. 332(g) TA. To make such investigations and reports as may be requested by the President, the Committee on Ways and Means, the Committee on Finance, or either branch of Congress.

Unfair Trade Practice—Sec. 337 TA. To conduct investigations into charges of unfair methods of competition and unfair acts in the importation of articles into the United States.

Injury to Industry From Dumping—Sec. 201(a) Antidumping Act. Upon determination by the Secretary of the Treasury that imports are entering at less than "fair value," to investigate to determine whether a domestic industry is being or is likely to be injured, or is prevented from being established, by such imports.

Difference Between Domestic and Foreign Production Costs—Sec. 336 TA. Upon request of the President, or resolution of either House of Congress, or upon its own motion, to investigate the differences in costs of production of any domestic article and any like or similar foreign article. Not applicable to articles subject to a trade-agreement concession.

Basic Data for Trade Agreements Committee—E.O. 10082. To make analyses and submit in digest form the facts relative to production, trade, and consumption of articles listed by the Trade Agreements Committee for consideration.

Investigation of Need To Maintain Escape-Clause Actions—E.O. 10401 (par. 2). To conduct investigations on its own motion or when requested by the President to determine whether escape-clause actions should be modified or terminated.

Discriminatory Tonnage Duties—E.O. 10289. Upon request, to obtain and furnish to the Secretary of the Treasury proof that foreign nations do not impose discriminatory tonnage duties upon U.S. vessels.

"Peril Points"—Sec. 3 TAEA, 1951. To conduct "peril-point" investigations on articles listed by the President for consideration in proposed trade-agreement negotiations.

Legend

Functions enclosed in a box (□) are those which under the law it is the duty of the Commission to perform and which are currently being executed; a broken box (▣) indicates a function of the Commission for which there is no current program. The two functions not in boxes represent powers granted in the law, and for the one marked thus ≡ there is no current program. TA= Tariff Act of 1930, as amended; E.O.= Executive Order; TAEA= Trade Agreements Extension Act.

*Currently being executed in part.

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INTRODUCTION

This—the *Forty-third Annual Report of the United States Tariff Commission*¹—covers the period July 1, 1958, through June 30, 1959. References in this report to the year 1959 (unless otherwise indicated) are to the fiscal year ending June 30, 1959, rather than to the calendar year 1959.

For the purposes of this report, the current work of the Tariff Commission—described in parts I, II, III, and IV—has been classified under the following headings: Public investigations; special reports and activities; furnishing technical information and assistance; and other activities. Part V of the report deals with the membership and staff of the Commission, and its finances and appropriations. As required by law, summaries of all reports that the Commission made during 1959 appear under the appropriate headings in parts I and II of this report.

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

PART I. PUBLIC INVESTIGATIONS

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

During 1959 the Commission conducted investigations under all these statutes and Executive orders except section 336 of the Tariff Act of 1930. As in the last several years, activities relating to public investigations continued to account for a major part of the Commission's work.

Section 3 of the Trade Agreements Extension Act of 1951

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

¹ 19 U.S.C. 1360.

² 19 U.S.C. 1364.

³ 3 CFR, 1949 Supp., 125.

⁴ 3 CFR, 1952 Supp., 105.

⁵ 19 U.S.C. 1332.

⁶ 19 U.S.C. 1336, 1352.

⁷ 19 U.S.C. 1337, 1337a.

⁸ 7 U.S.C. 624.

⁹ 19 U.S.C. 160 *et seq.*

The President may not conclude a trade agreement until the Commission has submitted its report to him, or until 6 months from the date he transmits the list of products to the Commission.¹⁰ Should the President conclude a trade agreement that provides for greater reductions in duty than the Commission specifies in its report, or that fails to provide for the minimum increase in duty or the additional import restrictions that the Commission specifies, he must transmit to the Congress a copy of the trade agreement in question, identifying the articles concerned and stating his reason for not carrying out the Tariff Commission's recommendations. Promptly thereafter, the Commission must deposit with the Senate Committee on Finance and the House Committee on Ways and Means a copy of the portions of its report to the President dealing with the articles with respect to which the President did not follow the Commission's recommendations.

During fiscal 1959 the Commission conducted no peril-point investigations under the provisions of section 3 of the Trade Agreements Extension Act of 1951, as amended. The trade-agreement negotiations that the United States engaged in during the period covered by this report consisted entirely of negotiations with countries that desired to modify or withdraw concessions in their own schedules of the General Agreement on Tariffs and Trade (GATT). Since the negotiations did not involve the granting of concessions by the United States, there was no occasion for the Tariff Commission to make any peril-point determinations.

Section 7 of the Trade Agreements Extension Act of 1951

Section 7 of the Trade Agreements Extension Act of 1951, as amended, establishes a statutory escape-clause procedure. It provides that the Tariff Commission, upon the request of the President, upon resolution of either House of Congress, upon resolution of either the Senate Committee on Finance or the House Committee on Ways and Means, upon its own motion, or upon application by any interested party (including any organization or group of employees), must promptly conduct an investigation to determine whether any product on which a trade-agreement concession has been granted is, as a result, in whole or in part, of the customs treatment reflecting such concession, being imported in such increased quantities, either actual or relative, as to cause or threaten serious injury to the domestic industry producing like or directly competitive products.

¹⁰ The Trade Agreements Extension Act of 1951 originally provided that the President might not conclude a trade agreement until the Commission had submitted its report to him, or until 120 days from the date he transmitted the list of products to the Commission. The Trade Agreements Extension Act of 1958, which the President approved on Aug. 20, 1958, extended the time for completion of peril-point investigations to 6 months.

The Commission is to make a report in an escape-clause investigation within 6 months of the date it receives the application.¹¹ As a part of each investigation, the Commission generally holds a public hearing at which interested parties are afforded an opportunity to be heard. Section 7(a) of the Trade Agreements Extension Act of 1951, as amended, requires the Commission to hold such a hearing whenever it finds evidence of serious injury or threat of serious injury, or whenever so directed by resolution of either the Senate Committee on Finance or the House Committee on Ways and Means.

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

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

Status of investigations pending during 1959

Work on escape-clause investigations under section 7 of the Trade Agreements Extension Act of 1951, as amended, constituted a very important activity of the Tariff Commission during 1959, as it has for a number of years. On July 1, 1958, a total of 3 escape-clause

¹¹The Trade Agreements Extension Act of 1951 originally provided that the Commission must make a report in an escape-clause investigation within 1 year of the date it received the application. The time was reduced to 9 months by the Trade Agreements Extension Act of 1953. It was further reduced to 6 months by the Trade Agreements Extension Act of 1958, which the President approved on Aug. 20, 1958.

investigations and 2 supplemental investigations were pending before the Commission.¹² During the ensuing 12 months the Commission instituted 12 additional investigations.¹³ Of a total of 17 escape-clause investigations that were pending before the Commission at one time or another during the period July 1, 1958–June 30, 1959, the Commission at the close of that period had completed 9 investigations and 1 of the supplemental investigations mentioned above and had terminated 4 investigations without formal findings; the remaining 3 investigations were in process.¹⁴

With respect to the nine investigations that the Commission completed during 1959 (exclusive of the one supplemental investigation), the Commission took the actions indicated below :

Commodity	Vote of the Commission	
	For escape action	Against escape action
Barium chloride.....	0	6
Certain machine-woven pile floor coverings.....	2	3
Tartaric acid.....	5	0
Cream of tartar.....	3	2
Scissors and shears (2d investigation).....	0	6
Hand-made glassware (2d investigation).....	0	6
Calf and kip leather.....	0	5
Axes and ax heads.....	0	5
Hardwood plywood (2d investigation).....	2	4

The nature and status of the individual escape-clause investigations that were pending before the Commission at one time or another during the period July 1, 1958–June 30, 1959, are shown in the following compilation: ¹⁵

¹² The supplemental investigations related to commodities on which the Commission reported to the President during 1958 (stainless-steel table flatware and umbrella frames). For a discussion of these supplemental investigations, see the subsequent section of this report.

¹³ Between Apr. 20, 1948, when it received the first application for an escape-clause investigation, and June 30, 1959, the Commission accepted a total of 99 applications.

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

¹⁵ This compilation shows the status of only those escape-clause investigations that were pending before the Commission at one time or another during the period covered by this report. Lists of applications accepted before the period covered by this report, and their status on various dates, are given in earlier annual reports of the Commission. For a résumé of the status of all escape-clause applications accepted by the Commission between Apr. 20, 1948, and Mar. 2, 1959, see U.S. Tariff Commission, *Investigations Under the "Escape Clause" of Trade Agreements: Outcome or Current Status of Applications Filed with the United States Tariff Commission for Investigations Under the "Escape Clause" of Trade Agreements, As of March 2, 1959*, 11th ed., 1959 [processed].

Escape-clause investigations pending before the U.S. Tariff Commission at one time or another during the period July 1, 1958-June 30, 1959

Commodity	Status
<p>1. Stainless-steel table flatware. (Investigation No. 61; sec. 7)</p>	<p><i>Origin of investigation:</i> Application by Stainless Steel Flatware Manufacturers Association, Englishtown, N.J. <i>Application received:</i> Apr. 11, 1957. <i>Investigation instituted:</i> Apr. 18, 1957. <i>Hearing held:</i> July 16-19, 1957. <i>Investigation completed:</i> Jan. 10, 1958. <i>Recommendation of the Commission:</i> Withdrawal of concessions (Commissioners Brosard, Schreiber, and Sutton recommended withdrawal of the concessions on stainless-steel table flatware valued under \$3.00 per dozen pieces. Commissioners Talbot, Jones, and Dowling recommended withdrawal of the concessions on stainless-steel table flatware regardless of value.) <i>Vote of the Commission:</i> 6-0. <i>Action of the President:</i> On Mar. 7, 1958, the President announced that, in view of Japan's voluntary limitation of exports to the United States, he was deferring action on the Commission's recommendation. He requested the Commission to keep the matter under review and to report to him as soon as practicable after Dec. 31, 1958. <i>Investigation instituted:</i> Mar. 19, 1958. <i>Hearing scheduled:</i> Mar. 17, 1959; postponed until Apr. 21, 1959. <i>Hearing held:</i> Apr. 21-22, 1959. <i>Investigation in process.</i> <i>Reference:</i> U.S. Tariff Commission, <i>Stainless-Steel Table Flatware: Report to the President on Escape-Clause Investigation No. 61 . . .</i>, 1958 [processed].</p>
<p>2. Umbrella frames (Investigation No. 62; sec. 7)</p>	<p><i>Origin of investigation:</i> Application by Umbrella Frame Association of America, Inc., Philadelphia, Pa., and individual members thereof. <i>Application received:</i> Apr. 22, 1957. <i>Investigation instituted:</i> Apr. 25, 1957. <i>Hearing held:</i> July 30-31, 1957. <i>Investigation completed:</i> Jan. 14, 1958. <i>Recommendation of the Commission:</i> Withdrawal of concession. <i>Vote of the Commission:</i> 3-2. <i>Action of the President:</i> On Mar. 12, 1958, the President requested the Commission to submit a supplemental report on umbrella frames. <i>Investigation instituted:</i> Mar. 19, 1958. <i>Hearing held:</i> May 27, 1958. <i>Report submitted to the President:</i> Aug. 11, 1958. <i>Action of the President:</i> On Sept. 30, 1958, the President announced that he had decided that he would not approve the increased tariff on umbrella frames that the Tariff Commission had recommended.</p>

Escape-clause investigations pending before the U.S. Tariff Commission at one time or another during the period July 1, 1958-June 30, 1959—Continued

Commodity	Status
2. Umbrella frames—Con.	<p><i>Reference:</i> U.S. Tariff Commission, <i>Umbrella Frames: Report to the President on Escape-Clause Investigation No. 62 . . .</i>, 1958 [processed]; <i>Umbrella Frames: Supplemental Report to the President on Escape-Clause Investigation No. 62 . . .</i>, 1958 [processed].</p>
3. Fine-mesh wire cloth----- (Investigation No. 66; sec. 7)	<p><i>Origin of investigation:</i> Application by 12 domestic producers. <i>Application received:</i> Jan. 20, 1958. <i>Investigation instituted:</i> Jan. 24, 1958. <i>Hearing held:</i> May 20-21, 1958. <i>Investigation terminated by the Commission without formal findings:</i> July 14, 1958. <i>Vote of the Commission:</i> 3-2. <i>Reference:</i> U.S. Tariff Commission, <i>Report on Escape-Clause Investigation No. 66 (Fine-Mesh Wire Cloth) . . .</i>, 1958 [processed].</p>
4. Certain carpets and rugs---- (Investigation No. 67; sec. 7)	<p><i>Origin of investigation:</i> Application by Carpet Institute, Inc., New York, N.Y. (name later changed to American Carpet Institute, Inc.). <i>Application received:</i> Jan. 22, 1958. (The application originally covered Wilton and velvet floor coverings classifiable under par. 1117(a) of the Tariff Act of 1930.) <i>Investigation instituted:</i> Jan. 29, 1958. <i>Application amended:</i> Apr. 15, 1958. (The amended application requested the Commission to extend the investigation to cover all floor coverings provided for in par. 1117(a) of the Tariff Act of 1930, except Axminster carpets, rugs, and mats, and carpets, rugs, and mats like in character or description to Axminsters.) <i>Amended application accepted by the Commission:</i> Apr. 16, 1958. <i>Hearing held:</i> June 10-13, 1958. <i>Investigation completed:</i> Jan. 12, 1959. <i>Recommendation of the Commission:</i> No modification of concession. <i>Vote of the Commission:</i> 3-2. <i>Reference:</i> U.S. Tariff Commission, <i>Wilton, Brussels, Velvet, and Tapestry Carpets and Rugs: Report on Escape-Clause Investigation No. 67 . . .</i>, 1959 [processed].</p>
5. Barium chloride----- (Investigation No. 68; sec. 7)	<p><i>Origin of investigation:</i> Application by Barium Reduction Corp., South Charleston, W. Va. <i>Application received:</i> Feb. 21, 1958. <i>Investigation instituted:</i> Mar. 3, 1958. <i>Hearing scheduled:</i> June 24, 1958; postponed to July 15, 1958. <i>Hearing held:</i> July 15, 1958. <i>Investigation completed:</i> Oct. 10, 1958. <i>Recommendation of the Commission:</i> No modification of concession. <i>Vote of the Commission:</i> 6-0. <i>Reference:</i> U.S. Tariff Commission, <i>Barium Chloride: Report on Escape-Clause Investigation No. 68 . . .</i>, 1958 [processed].</p>

Escape-clause investigations pending before the U.S. Tariff Commission at one time or another during the period July 1, 1958-June 30, 1959—Continued

Commodity	Status
6. Tartaric acid----- (Investigation No. 69; sec. 7)	<p><i>Origin of investigation:</i> Application by Stauffer Chemical Co., New York, N.Y. <i>Application received:</i> Apr. 25, 1958. <i>Investigation instituted:</i> Sept. 3, 1958. <i>Hearing held:</i> Oct. 14, 1958. <i>Investigation completed:</i> Jan. 14, 1959. <i>Recommendation of the Commission:</i> Modification of concession. <i>Vote of the Commission:</i> 5-0. <i>Action of the President:</i> On Mar. 14, 1959, the President decided that he would not approve the increased tariff on imported tartaric acid that the Tariff Commission had recommended. <i>Reference:</i> U.S. Tariff Commission, <i>Tartaric Acid and Cream of Tartar: Report to the President on Escape-Clause Investigations No. 69 . . . and No. 70 . . .</i>, 1959 [processed].</p>
7. Cream of tartar----- (Investigation No. 70; sec. 7)	<p><i>Origin of investigation:</i> Application by Stauffer Chemical Co., New York, N.Y. <i>Application received:</i> Apr. 25, 1958. <i>Investigation instituted:</i> Sept. 3, 1958. <i>Hearing held:</i> Oct. 14, 1958. <i>Investigation completed:</i> Jan. 14, 1959. <i>Recommendation of the Commission:</i> Modification of concession. <i>Vote of the Commission:</i> 3-2. <i>Action of the President:</i> On Mar. 14, 1959, the President decided that he would not approve the increased tariff on imported cream of tartar that the Tariff Commission had recommended. <i>Reference:</i> U.S. Tariff Commission, <i>Tartaric Acid and Cream of Tartar: Report to the President on Escape-Clause Investigations No. 69 . . . and No. 70 . . .</i>, 1959 [processed].</p>
8. Scissors and shears (2d investigation). (Investigation No. 71; sec. 7)	<p><i>Origin of investigation:</i> Application by Shears, Scissors and Manicure Implement Manufacturers Association, New York, N.Y. <i>Application received:</i> Aug. 29, 1958. <i>Investigation instituted:</i> Sept. 3, 1958. <i>Hearing held:</i> Nov. 18, 1958. <i>Investigation completed:</i> Feb. 25, 1959. <i>Recommendation of the Commission:</i> No modification of concession. <i>Vote of the Commission:</i> 6-0. <i>Reference:</i> U.S. Tariff Commission, <i>Scissors and Shears: Report on Escape-Clause Investigation No. 71 . . .</i>, 1959 [processed].</p>

Escape-clause investigations pending before the U.S. Tariff Commission at one time or another during the period July 1, 1958—June 30, 1959—Continued

Commodity	Status
<p>9. Hand-made glassware (2d investigation). (Investigation No. 72; sec. 7)</p>	<p><i>Origin of investigation:</i> Application by American Glassware Association, New York, N.Y. <i>Application received:</i> Nov. 6, 1958. <i>Investigation instituted:</i> Nov. 12, 1958. The application requested an investigation of hand-blown glassware (glassware blown from molten glass gathered by hand). On its own motion, the Commission broadened the scope of the investigation to include pressed as well as blown glassware produced from molten glass gathered by hand. <i>Hearing held:</i> Jan. 27-29, 1959. <i>Investigation completed:</i> May 6, 1959. <i>Recommendation of the Commission:</i> No modification of concession. <i>Vote of the Commission:</i> 6-0. <i>Reference:</i> U.S. Tariff Commission, <i>Hand-made Table and Household Glassware: Report on Escape-Clause Investigation No. 72 . . .</i>, 1959 [processed].</p>
<p>10. Calf and kip leather ----- (Investigation No. 73; sec. 7)</p>	<p><i>Origin of investigation:</i> Calf Leather Division Tanners' Council of America, Inc., New York, N.Y. <i>Application received:</i> Nov. 17, 1958. <i>Investigation instituted:</i> Nov. 19, 1958. On Dec. 3, 1958, the Commission announced that, at the applicant's request, the scope of the investigation had been modified to exclude lining leather made from the specified calf and kip skins. <i>Hearing scheduled:</i> Feb. 17, 1959; postponed until Feb. 24, 1959. <i>Hearing held:</i> Feb. 24-26, 1959. <i>Investigation completed:</i> May 29, 1959. <i>Recommendation of the Commission:</i> No modification of concession. <i>Vote of the Commission:</i> 5-0. <i>Reference:</i> U.S. Tariff Commission, <i>Calf and Kip Leather: Report on Escape-Clause Investigation No. 73 . . .</i>, 1959 [processed].</p>
<p>11. Nails, spikes, tacks, brads, and staples. (Investigation No. 74; sec. 7)</p>	<p><i>Origin of investigation:</i> Application by Atlantic Steel Co., Atlanta, Ga., and others. <i>Application received:</i> Nov. 20, 1958. <i>Investigation instituted:</i> Nov. 28, 1958. <i>Hearing held:</i> Mar. 3-5, 1959. <i>Investigation terminated by the Commission without formal finding:</i> Mar. 12, 1959. <i>Vote of the Commission:</i> 6-0. <i>Reference:</i> The Commission's press release of Mar. 13, 1959, constituted the report in this investigation.</p>
<p>12. Galvanized fencing wire and galvanized wire fencing. (Investigation No. 75; sec. 7)</p>	<p><i>Origin of investigation:</i> Application by Atlantic Steel Co., Atlanta, Ga., and others. <i>Application received:</i> Nov. 20, 1958. <i>Investigation instituted:</i> Nov. 28, 1958. <i>Hearing held:</i> Mar. 4-5, 1959. <i>Investigation terminated by the Commission without formal finding:</i> Mar. 12, 1959.</p>

Escape-clause investigations pending before the U.S. Tariff Commission at one time or another during the period July 1, 1958-June 30, 1959—Continued

Commodity	Status
12. Galvanized fencing wire and galvanized wire fencing—Continued	<p><i>Vote of the Commission:</i> 6-0. <i>Reference:</i> The Commission's press release of Mar. 13, 1959, constituted the report in this investigation.</p>
13. Axes and ax heads----- (Investigation No. 76; sec. 7)	<p><i>Origin of investigation:</i> Application by True Temper Corp., Cleveland, Ohio, and others. <i>Application received:</i> Nov. 25, 1958. <i>Investigation instituted:</i> Nov. 28, 1958. <i>Hearing held:</i> Mar. 10-11, 1959. <i>Investigation completed:</i> May 21, 1959. <i>Recommendation of the Commission:</i> No modification of concession.</p>
14. Hardwood plywood (2d investigation). (Investigation No. 77; sec. 7)	<p><i>Vote of the Commission:</i> 5-0. <i>Reference:</i> U.S. Tariff Commission, <i>Axes and Ax Heads: Report on Escape-Clause Investigation No. 76 . . .</i>, 1959 [processed]. <i>Origin of investigation:</i> Application by Hardwood Plywood Institute, Arlington, Va. <i>Application received:</i> Dec. 22, 1958. <i>Investigation instituted:</i> Jan. 5, 1959. <i>Hearing held:</i> Apr. 14-17 and 20, 1959. <i>Investigation completed:</i> June 22, 1959. <i>Recommendation of the Commission:</i> No modification of concession.</p>
15. Broadwoven silk fabrics---- (Investigation No. 78; sec. 7)	<p><i>Vote of the Commission:</i> 4-2. <i>Reference:</i> U.S. Tariff Commission, <i>Hardwood Plywood: Report on Escape-Clause Investigation No. 77 . . .</i>, 1959 [processed]. <i>Origin of the investigation:</i> Application by American Silk Council, Inc., New York, N.Y., and others. <i>Application received:</i> Feb. 26, 1959. <i>Investigation instituted:</i> Mar. 6, 1959. <i>Hearing held:</i> May 19-22, 1959. <i>Investigation terminated by the Commission without formal findings:</i> June 25, 1959.</p>
16. Mink skins----- (Investigation No. 79; sec. 7)	<p><i>Reference:</i> The Commission's press release of June 26, 1959, constituted the report in this investigation. <i>Origin of investigation:</i> Application by National Board of Fur Farm Organizations, Inc., Milwaukee, Wis. <i>Application received:</i> Mar. 19, 1959. <i>Investigation instituted:</i> Mar. 25, 1959. <i>Hearing held:</i> June 23-25, 1959. <i>Investigation in process.</i></p>
17. Red fescue seed (2d investigation). (Investigation No. 80; sec. 7)	<p><i>Origin of investigation:</i> Application by Pacific Northwest Chewings and Creeping Red Fescue Association, La Grande, Oreg., and others. <i>Application received:</i> May 8, 1959. <i>Investigation instituted:</i> May 18, 1959. <i>Hearing scheduled:</i> Aug. 11, 1959. <i>Investigation in process.</i></p>

Investigations completed or dismissed during 1959¹⁶

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

In this investigation, a report on which was submitted to the President on January 10, 1958, the Commission unanimously found that the specified stainless-steel table flatware was being imported into the United States in such increased quantities, both actual and relative, as to cause serious injury to the domestic industry producing like products. The six members of the Commission divided three to three with respect to the remedy that was necessary. Commissioners Brossard, Schreiber, and Sutton recommended the withdrawal of the concessions granted in the General Agreement on Tariffs and Trade on the specified stainless-steel table flatware valued at less than \$3.00 per dozen pieces. Commissioners Talbot, Jones, and Dowling recommended the withdrawal of the concessions on such stainless-steel table flatware regardless of value. On January 31, 1958, the Commission notified the President that, as a result of an oversight, its report of January 10, 1958, did not correctly reflect the intention of both groups of Commissioners in one respect—that the increased duties on stainless-steel table flatware found to be necessary were not intended by either group of Commissioners to be applied to flatware over 10 inches in overall length.

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

For the purpose of carrying out the President's request, the Commission on March 19, 1958, instituted under section 332 of the Tariff Act of 1930, an investigation of the stainless-steel table flatware covered in its original escape-clause investigation. A public hearing in the investigation, originally scheduled for March 17, 1959, was postponed at the request of the domestic producers until April 21, 1959. The hearing was held on April 21 and 22, 1959. On June 30,

¹⁶ For citations of the reports mentioned in the discussion below, see the preceding tabulation.

1959, the close of the period covered by this report, the investigation was in process.

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

The Commission submitted a report on its investigation of umbrella frames to the President on January 14, 1958. In its report the Commission found (Commissioners Talbot and Jones dissenting) that escape-clause relief was warranted with respect to certain of the specified umbrella frames. The Commission also found that in order to remedy the serious injury to the domestic industry concerned it was necessary that the duty on such umbrella frames valued at \$4 or less per dozen be increased from 30 percent ad valorem to 60 percent ad valorem, and recommended that the concession on the specified articles be withdrawn for an indefinite period.

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

For the purpose of carrying out the President's request, the Commission on March 19, 1958, instituted under section 332 of the Tariff Act of 1930 an investigation of the umbrella frames covered in its original escape-clause investigation. A public hearing was held on May 27, 1958. The Commission submitted its report to the President on August 11, 1958; the report provided data—through March 31, 1958—on production, imports, exports, employment, and the profit-or-loss experience of domestic producers.

On September 30, 1958, the President announced that he had decided that he would not approve the increased tariff on umbrella frames which the Tariff Commission had recommended.

Fine-mesh wire cloth.—In response to an application by 12 domestic producers, the Tariff Commission on January 24, 1958, instituted an escape-clause investigation of gauze, fabric, or screen, made of wire composed of metal or alloy, not specially provided for, with meshes finer than 90 wires to the lineal inch in warp or filling, provided for in paragraph 318 of the Tariff Act of 1930. The Commission held a public hearing on May 20 and 21, 1958.

On July 14, 1958, the Commission announced that it had terminated the escape-clause investigation of fine-mesh wire cloth without formal findings,¹⁷ and issued a report explaining its reasons therefor. In its report the Commission stated that it was not practicable, pursuant to section 7(e) of the Trade Agreements Extension Act of 1951, as amended, to "distinguish or separate" the operations of the producing organizations involving fine-mesh wire cloth from the operations of such organizations involving other products. For the purpose of the escape clause, therefore, the Commission could not treat the production of fine-mesh wire cloth as a separate industry. Another reason for the Commission's action was the failure of some of the concerns that joined in the application, including one of the largest domestic producers, to cooperate adequately with the Commission in the investigation.

Certain carpets and rugs.—On January 29, 1958, in response to an application by the Carpet Institute, Inc., of New York, N.Y., the Tariff Commission instituted an escape-clause investigation of Wilton and velvet carpets, rugs, and mats, and carpets, rugs, and mats of like character or description, classifiable under paragraph 1117(a) of the Tariff Act of 1930.

On April 15, 1958, the applicant amended the application to reflect a change of name from "Carpet Institute, Inc." to "American Carpet Institute, Inc." and to extend the original application to cover all floor coverings provided for in paragraph 1117(a) of the Tariff Act of 1930, except Axminster carpets, rugs, and mats, and carpets, rugs, and mats like in character or description to Axminsters. On April 16, 1958, the Tariff Commission accepted the amended application and broadened the investigation and public hearing to include Wilton carpets, rugs, and mats; Brussels carpets, rugs, and mats; velvet or tapestry carpets, rugs, and mats; and carpets, rugs, and mats of like character or description; all the foregoing classifiable under paragraph 1117(a) of the Tariff Act of 1930. The Commission held a public hearing in the investigation from June 10 to 13, 1958.

In this investigation, the report on which was issued on January 12, 1959, the Commission found (Commissioners Schreiber and Sutton dissenting)¹⁸ that escape-clause relief was not warranted with respect to the specified carpets and rugs and that, accordingly, no sufficient reason existed for a recommendation to the President under the provisions of section 7 of the Trade Agreements Extension Act of 1951, as amended.

Barium chloride.—In response to an application by the Barium Reduction Corp., of South Charleston, W. Va., the Tariff Commission on March 3, 1958, instituted an escape-clause investigation of barium

¹⁷ Commissioner Schreiber did not participate in the decision to terminate this investigation.

¹⁸ Commissioner Dowling did not participate in the decision in this investigation.

chloride, classifiable under paragraph 12 of the Tariff Act of 1930. The Commission scheduled a public hearing for June 24, 1958, but subsequently postponed it to July 15, 1958, on which date it was held.

In this investigation, the report on which was issued on October 10, 1958, the Commission unanimously found that escape-clause relief was not warranted with respect to barium chloride and that, accordingly, no sufficient reason existed for a recommendation to the President under the provisions of section 7 of the Trade Agreements Extension Act of 1951, as amended.

Tartaric acid.—On September 3, 1958, in response to an application by the Stauffer Chemical Co., of New York, N.Y., the Tariff Commission instituted an escape-clause investigation of tartaric acid, classifiable under paragraph 1 of the Tariff Act of 1930. The Commission held a public hearing on October 14, 1958.

The Commission submitted a report on its investigation of tartaric acid to the President on January 14, 1959. In its report the Commission unanimously found that escape-clause relief was warranted with respect to tartaric acid. The Commission also found that in order to remedy the serious injury to the domestic industry concerned it was necessary to increase the duty on tartaric acid from 6 cents to 12 cents per pound and to maintain that rate for an indefinite period.¹⁹

On March 14, 1959, the President announced that he had decided not to approve the increased tariff on imported tartaric acid that the Tariff Commission had recommended.

Cream of tartar.—In response to an application by the Stauffer Chemical Co., of New York, N.Y., the Tariff Commission on September 3, 1958, instituted an escape-clause investigation of cream of tartar, classifiable under paragraph 9 of the Tariff Act of 1930. The Commission held a public hearing on October 14, 1958.

The Commission submitted a report on its investigation of cream of tartar to the President on January 14, 1959. In its report the Commission found (Commissioners Talbot and Jones dissenting) that escape-clause relief was warranted with respect to cream of tartar. The Commission also found that in order to remedy the serious injury to the domestic industry concerned it was necessary to increase the duty on cream of tartar from 3.125 cents per pound to 7.5 cents per pound and to maintain that rate for an indefinite period.¹⁹

On March 14, 1959, the President announced that he had decided not to approve the increased tariff on imported cream of tartar that the Tariff Commission had recommended.

Scissors and shears (second investigation).—On September 3, 1958, in response to an application by the Shears, Scissors and Manicure Implement Manufacturers Association, of New York, N.Y., the Tariff Commission instituted an escape-clause investigation of scissors and shears (except pruning, sheep, grass, and hedge shears and except

¹⁹ In this investigation, Commissioner Dowling did not participate either in the findings or in the preparation of the report.

tinners' snips) and blades for the same, valued at more than \$1.75 per dozen, and classifiable under paragraph 357 of the Tariff Act of 1930. The Commission held a public hearing on November 18, 1958.

In this investigation, the report on which was issued on February 25, 1959, the Commission unanimously found that escape-clause relief was not warranted with respect to the specified scissors and shears, and that, accordingly, no sufficient reason existed for a recommendation to the President under the provisions of section 7 of the Trade Agreements Extension Act of 1951, as amended.

Hand-made glassware (second investigation).—In response to an application by the American Glassware Association, of New York, N.Y., the Tariff Commission on November 12, 1958, instituted an escape-clause investigation of table, kitchen, and household articles and utensils provided for in paragraph 218(f) of the Tariff Act of 1930 (except Christmas-tree ornaments), produced from molten glass gathered by hand. The application that the American Glassware Association filed on November 6, 1958, was for an escape-clause investigation of so-called hand-blown glassware—that is, glassware blown from molten glass gathered by hand. On its own motion, however, the Commission broadened the scope of the investigation to include pressed as well as blown glassware produced from molten glass gathered by hand. The Commission held a public hearing in the investigation from January 27 to 29, 1959.

In this investigation, the report on which was issued on May 6, 1959, the Commission unanimously found that escape-clause relief was not warranted with respect to the specified hand-made glassware, and that, accordingly, no sufficient reason existed for a recommendation to the President under the provisions of section 7 of the Trade Agreements Extension Act of 1951, as amended.

Calf and kip leather.—On November 19, 1958, in response to an application by the Calf Leather Division, Tanners' Council of America, Inc., of New York, N.Y., the Commission instituted an escape-clause investigation of the following products provided for in paragraph 1530(b)(4) of the Tariff Act of 1930: Upper leather made from calf or kip skins; lining leather made from calf or kip skins; all the foregoing, rough, partly finished, or finished, not cut or wholly or partly manufactured into uppers, vamps, or any forms or shapes suitable for conversion into boots, shoes, or footwear. On its own motion, the Commission broadened the scope of the investigation to include the following products provided for in paragraph 1530(d) of the Tariff Act of 1930: Calf or kip leather, grained, printed, embossed, ornamented, or decorated, in any manner or to any extent (including such leather finished in gold, silver, aluminum, or like effects), or by any other process (in addition to tanning) made into fancy leather, not cut or wholly or partly manufactured into uppers, vamps, or any forms or shapes suitable for conversion into boots, shoes, or footwear. On December 3, 1958, the Commission announced that, at the applicant's request, it had modified the scope of the investigation to exclude lining leather made from calf or kip skins provided for in

paragraph 1530(b) (4) of the Tariff Act of 1930. The Commission scheduled a public hearing in the investigation for February 17, 1959, but subsequently postponed it until February 24, 1959. The hearing was held from February 24 to 26, 1959.

In this investigation, the report on which was issued on May 29, 1959, the Commission unanimously found that escape-clause relief was not warranted with respect to the specified calf and kip leather, and that, accordingly, no sufficient reason existed for a recommendation to the President under the provisions of section 7 of the Trade Agreements Extension Act of 1951, as amended.²¹

Nails, spikes, tacks, brads, and staples.—In response to an application by the Atlantic Steel Co., of Atlanta, Ga., and others, the Tariff Commission on November 28, 1958, instituted an escape-clause investigation of nails, spikes, tacks, brads, and staples, made of iron or steel wire (except horseshoe nails, thumb tacks, and staples in strip form for use in paper fasteners or stapling machines), provided for in paragraph 331 of the Tariff Act of 1930. The Commission held a public hearing from March 3 to 5, 1959.

To obtain the data that it required to make its determination in this investigation, the Commission sent questionnaires to the domestic producers of nails, spikes, tacks, brads, and staples. In addition to other pertinent information, the questionnaires sought separate data on employment and on profits or losses for nails, spikes, tacks, brads, and staples. Producers that accounted for much the greater part of the domestic output of these commodities were unable to furnish such separate data, either at all or in the required detail or form. The Commission found it impracticable to distinguish or separate the operations of the producing organizations involving nails, spikes, tacks, brads, and staples from their operations involving other products. It was, therefore, impracticable to treat the domestic production of these commodities as separate industries, pursuant to section 7(e) of the Trade Agreements Extension Act of 1951, as amended. On March 12, 1959, the Commission terminated without formal findings the investigation of nails, spikes, tacks, brads, and staples.

In its press release of March 13, 1959, which constituted the report in this investigation, the Commission observed that—apart from the aforementioned reason for dismissing the investigation—the information obtained in the investigation did not suggest that imports of nails, spikes, tacks, brads, and staples were causing or threatening serious injury to the domestic producers (considered as a group) of the like or directly competitive articles.

Galvanized fencing wire and galvanized wire fencing.—On November 28, 1958, in response to an application by the Atlantic Steel Co., of Atlanta, Ga., and others, the Tariff Commission instituted an escape-clause investigation of galvanized wire of the kind commonly used for fencing purposes, and galvanized wire fencing, provided

²¹ In this investigation Commissioner Overton abstained from participation in the decision or in the preparation of the report.

for in paragraph 317 of the Tariff Act of 1930. The Commission held a public hearing on March 4 and 5, 1959.

To obtain the data that it required to make its determination in this investigation, the Commission sent questionnaires to the domestic producers of galvanized fencing wire and galvanized wire fencing. In addition to other pertinent information, the questionnaires sought separate data on employment and on profits or losses for galvanized fencing wire and galvanized wire fencing. Producers that accounted for much the greater part of the domestic output of these commodities were unable to furnish such separate data, either at all or in the required detail or form. The Commission found it impracticable to distinguish or separate the operations of the producing organizations involving galvanized fencing wire and galvanized wire fencing from their operations involving other products. It was, therefore, impracticable to treat the domestic production of these commodities as separate industries, pursuant to section 7(e) of the Trade Agreements Extension Act of 1951, as amended. On March 12, 1959, the Commission terminated without formal findings the investigation of galvanized fencing wire and galvanized wire fencing.

In its press release of March 13, 1959, which constituted the report in this investigation, the Commission observed that—apart from the aforementioned reason for dismissing the investigation—the information obtained in the investigation did not suggest that imports of galvanized fencing wire and galvanized wire fencing were causing or threatening serious injury to the domestic producers (considered as a group) of the like or directly competitive articles.

Axes and ax heads.—In response to an application by the True Temper Corp., of Cleveland, Ohio, and others, the Tariff Commission on November 28, 1958, instituted an escape-clause investigation of axes and ax heads, provided for in paragraph 396 of the Tariff Act of 1930. The Commission held a public hearing in the investigation on March 10 and 11, 1959.

In this investigation, the report on which was issued on May 21, 1959, the Commission unanimously found that escape-clause relief was not warranted with respect to axes and ax heads and that, accordingly, no sufficient reason existed for a recommendation to the President under the provisions of section 7 of the Trade Agreements Extension Act of 1951, as amended.²²

Hardwood plywood (second investigation).—On January 5, 1959, in response to an application by the Hardwood Plywood Institute, of Arlington, Va., the Tariff Commission instituted a second escape-clause investigation of hardwood plywood, except Spanish cedar plywood, provided for in paragraph 405 of the Tariff Act of 1930. The Commission held a public hearing in the investigation on April 14–17 and 20, 1959.

²² In this investigation Commissioner Overton did not participate in the decision or in the preparation of the report.

In this investigation, the report on which was issued on June 22, 1959, the Commission found (Commissioners Schreiber and Sutton dissenting) that escape-clause relief was not warranted with respect to the specified hardwood plywood and that, accordingly, no sufficient reason existed for a recommendation to the President under the provisions of section 7 of the Trade Agreements Extension Act of 1951, as amended.

Broadwoven silk fabrics.—In response to an application by the American Silk Council, Inc., of New York, N.Y., and others, the Tariff Commission on March 6, 1959, instituted an escape-clause investigation of woven fabrics, wholly or in chief value of silk, classifiable under paragraph 1205 of the Tariff Act of 1930. The Commission held a public hearing in the investigation from May 19 to 22, 1959.

To obtain the data it required to make its determinations in this investigation, the Commission sent a questionnaire to the domestic producers of broadwoven silk fabrics. In addition to other pertinent information, the questionnaire sought separate data on operations (production, sales, inventories, man-hours, wages, profits, etc.) pertaining solely to the specified broadwoven fabrics. Although the applicant concerns cooperated fully in responding to the questionnaire, only a small fraction of the much greater number of nonapplicant concerns responded adequately. The nonapplicant concerns account for approximately one-half of the aggregate domestic output of the fabrics under investigation.

Of the 49 concerns (11 applicant and 38 nonapplicant) that responded to the Commission's questionnaire, 37 did not supply usable separate profit-and-loss data on the fabrics under investigation—presumably because they were unable to do so. The Commission, therefore, did not find it practicable to determine the impact of the imports in question on a domestic industry of such limited scope as that producing solely broadwoven fabrics wholly or in chief value of silk. The weaving of broad silks, formerly separate and distinct, is now an integral part of a diversified textile industry that produces broadwoven fabrics not only of silk but also of various man-made fibers, including an infinite number of blends and combinations thereof. Few concerns now engage solely in the weaving of fabrics wholly or principally of silk.

For the reasons mentioned above, the Commission on June 25, 1959, terminated without formal findings the investigation of broadwoven silk fabrics.²³ In its press release of June 26, 1959, which constituted the report in the investigation, the Commission observed that—

On the basis of the narrowest conception of the industry for which separate profit-and-loss data could have been obtained, the Commission could not have found that the ratio of the complained-of imports to domestic production was

²³ Commissioner Schreiber did not participate in the decision to terminate this investigation.

sufficiently high to cause or threaten serious injury to an industry of such dimensions.

Applications rejected during 1959

During 1959 the Tariff Commission rejected three applications for escape-clause investigations under the provisions of section 7 of the Trade Agreements Extension Act of 1951, as amended.

Petroleum and its liquid derivatives.—On October 30, 1958, the Commission rejected an application for an escape-clause investigation, filed by the Texas Independent Producers and Royalty Owners Association, of Austin, Tex., looking toward increases in the import duties on petroleum and its liquid derivatives. In rejecting the application, the Commission advised the applicant as follows:

The applicant requests an escape-clause investigation covering not only crude petroleum but petroleum products as well. While the applicant association qualifies as an "interested party" within the meaning of section 7 for the purpose of filing an application for an escape-clause investigation with respect to imports of crude petroleum, there is nothing to indicate that the members of the association are substantial producers of petroleum products. Apparently in an effort to qualify as a proper applicant with respect to petroleum products, the Association asserts that petroleum products are "directly competitive" with crude petroleum in that the importation of petroleum products reduces the demand for domestically produced crude. The Commission does not agree that solely because an imported manufactured product may reduce the demand for the domestically produced raw product that the imported manufactured products and the domestic raw product are "directly competitive" within the meaning of section 7. The term "directly competitive" as used in the escape clause refers to domestic and imported products which are not "like" products because they do not have the same name, characteristics, and use, but which nevertheless come into direct competition with one another in the United States market because, among other things, one is substantially substitutable for the other in principal use or uses.

Aside from the defects in the application indicated above, applicant bases the claim of serious injury or the threat thereof upon substantially the same criteria that was employed by the President's Special Committee to Investigate Crude Oil Imports in finding that imports of crude oil threatened to impair the national security. Applicant specifically equates serious injury to the domestic petroleum industry for escape-clause purposes with jeopardy to the national security. The voluntary import-control program approved by the President was presumably determined by the President to provide restriction on imports of petroleum sufficient to prevent impairment of the national security. In effect applicant is seeking, through resort to the escape-clause procedure, more severe restrictions on imports which, in its view, are necessary to prevent impairment of the national security.

Congress has provided a procedure for determining the need for regulating imports to prevent impairment to the national security in section 2(b) of Public Law 464, 83d Congress, as amended by section 8(a) of the Trade Agreements Extension Act of 1958 (the "national security" amendment). An import-control program for petroleum and certain petroleum products, sponsored by the President for the purpose of preventing the impairment of the national security, is presently in operation. If applicant believes that this program does not prevent impairment of the national security, it should address itself to the Office of Defense and Civilian Mobilization. It is not believed that Congress

intended that the escape-clause procedure should be employed to place the Tariff Commission in the position of reviewing the adequacy of import controls that the President has determined would prevent impairment of the national security.

Barbed wire.—On November 28, 1958, the Commission rejected, on jurisdictional grounds, an application for an escape-clause investigation of barbed wire, filed by the Atlantic Steel Co., of Atlanta, Ga., and others. In this instance the Commission was confronted with a question of whether the escape-clause protective principle prevailed over a historic policy of the Congress to admit barbed wire free of import restrictions for the special and particular purpose of benefiting the American farmer. The Commission held that the policy of the Congress with respect to barbed wire, which was established in 1913, precludes application of the escape-clause procedure to barbed wire in the absence of a clear expression from the Congress of a contrary intent.

The Commission's rejection of the Atlantic Steel Co.'s application for an escape-clause investigation of barbed wire was followed by litigation in the U.S. District Court for the District of Columbia. On December 22, 1958, the Atlantic Steel Co. filed a complaint asking that the court order the Tariff Commission to make an investigation of barbed wire as required by law, and that the court enter a declaratory judgment that the Commission's dismissal of the plaintiff's application for an investigation of barbed wire is contrary to law.²⁴ Subsequently, the plaintiff filed a motion for summary judgment, and the court found for the plaintiff in a decision without written opinion.

The Tariff Commission recommended to the Department of Justice that an appeal be filed; the Department of Justice concurred, and an appeal was pending on June 30, 1959, the end of the period covered by this report.

Paper serpentines.—On February 3, 1959, the Commission rejected an application, filed by the Brooklyn Lace Paper Works, Inc., of Brooklyn, N.Y., for an escape-clause investigation of so-called paper serpentines. Paper serpentines are thrown about on festive occasions such as New Year's Eve celebrations and ship departures. Imports of such articles enter under a classification that includes a large variety of miscellaneous paper manufactures. Because of their relatively minor importance in trade, no separate statistics are maintained for either imports or domestic production of paper serpentines.

Although the application for an escape-clause investigation of paper serpentines was not formally filed until January 29, 1959, the Commission had been apprised in November 1958 of the possible filing of the application. Anticipating the practical difficulties involved in investigating an item of this type, since the organizations that manufacture paper serpentines also produce a number of other paper articles, the Commission conducted a preliminary survey, including fieldwork, to determine the practicability of an escape-clause inves-

²⁴ *Atlantic Steel Company, plaintiff, v. United States Tariff Commission, defendant* (Civil Action No. 3225-58).

tigation. On the basis of information obtained in this survey, including that furnished by domestic producers and importers, the Commission found that it would not be practicable to distinguish or separate the operations of the producing organizations involving paper serpentines from their operations involving other products, as contemplated by section 7(e) of the Trade Agreements Extension Act of 1951, as amended.

Presidential action on report submitted during 1958

On September 22, 1958, the President announced that he had acted on the Tariff Commission's findings and recommendations of April 24, 1958, in its escape-clause investigation of unmanufactured lead and zinc.

On October 4, 1957, in response to an application by the Emergency Lead-Zinc Committee, of Washington, D.C., the Tariff Commission instituted a second escape-clause investigation of the articles provided for in paragraphs 391 and 392 (except Babbitt metal, solder, lead in sheets, pipe, shot, glaziers' lead, and lead wire) and in paragraphs 393 and 394 (except zinc dust and zinc in sheets) of the Tariff Act of 1930. The Commission held a public hearing on November 19-22 and 25-26, 1957.

In this investigation, a report on which was submitted to the President on April 24, 1958,²⁵ the Commission unanimously found that escape-clause relief was warranted with respect to unmanufactured lead and unmanufactured zinc. The six members of the Commission divided evenly on the remedy that was necessary, and each group of three Commissioners issued a separate statement supporting its finding of serious injury and its recommendations for remedying that injury.

Commissioners Brossard, Talbot, and Schreiber recommended application of the maximum permissible rates of duty to imports of unmanufactured lead and zinc, as well as quantitative restrictions on such imports. The increased duties that they recommended were as follows for the principal articles covered: On lead-bearing ores, 1½ cents per pound on the lead content; on lead pigs and bars, 21½/20 cents per pound on the lead content; on zinc-bearing ores, 14½ cents per pound on the zinc content; on zinc blocks, pigs, or slabs, 21½/10 cents per pound; and on zinc scrap, dross, and skimmings, 2¼ cents per pound. The annual quota limitation that they recommended for unmanufactured lead was 221,700 short tons (of lead content), and that for unmanufactured zinc was 325,600 short tons (zinc content of ores and gross weight of imports of unmanufactured zinc in other forms).

Commissioners Sutton, Jones, and Dowling recommended the reimposition of the rates of duty originally imposed by the Tariff Act of 1930, but opposed quota limitations of any kind. The increased duties that they recommended were as follows for the principal articles covered: On lead-bearing ores, 1½ cents per pound on the lead con-

²⁵ U.S. Tariff Commission, *Lead and Zinc: Report to the President on Escape-Clause Investigation No. 65 . . .*, 1958 [processed].

tent; on lead pigs and bars, $2\frac{1}{8}$ cents per pound on the lead content; on zinc-bearing ores, $1\frac{1}{2}$ cents per pound on the zinc content; on zinc blocks, pigs, or slabs, $1\frac{3}{4}$ cents per pound; and on zinc scrap, dross, and skimmings, $1\frac{1}{2}$ cents per pound.

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

On September 22, 1958, the President announced that he had accepted the unanimous finding of the Commission that escape-clause relief was warranted with respect to unmanufactured lead and zinc. Noting that the Congress had not enacted the proposed Minerals Stabilization Plan, he stated that after a careful examination of the Commission's report, including the alternative proposals contained therein, he had decided to establish a quota limiting imports of unmanufactured lead and zinc. By Proclamation 3257²⁶ of September 22, 1958, effective October 1, 1958, the President limited imports of unmanufactured lead and zinc to 80 percent of the average annual commercial imports during the 5-year period 1953-57. The quota is allocated among exporting countries, and is subdivided by calendar quarters and by tariff schedule classifications.

Reports made under Executive Order 10401 during 1959

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

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

Paragraph 2 of Executive Order 10401 provides that the Commission is to institute a formal investigation in any case whenever, in the Commission's judgment, changed conditions of competition war-

²⁶ 23 F.R. 7475.

rant it, or upon the request of the President, to determine whether, and, if so, to what extent, the withdrawal, suspension, or modification of a trade-agreement concession remains necessary in order to prevent or remedy serious injury or the threat thereof to the domestic industry concerned. Upon completing such an investigation, including a public hearing, the Commission is to report its findings to the President.

During 1959 the Commission reported to the President, under the provisions of Executive Order 10401, on developments with respect to linen toweling, watch movements, bicycles, and dried figs. The reports on these commodities are discussed further below.

On August 14, 1958, the President announced that he was carrying out the Tariff Commission's recommendation of June 26, 1958, that the original concession on hatters' fur be restored in full. By Proclamation 3255²⁷ of August 14, 1958, effective at the close of business September 13, 1958, he restored the original concession. Under the President's proclamation, the import duty on hatters' fur again became 15 percent ad valorem. As a result of an escape-clause action in 1952, the rate of duty on hatters' fur had been changed from 15 percent ad valorem to 47.5 cents per pound but not less than 15 percent and not more than 35 percent ad valorem.

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

As required by paragraph 1 of Executive Order 10401, the Commission submitted to the President its first periodic report on developments with respect to the linen toweling involved in the escape-clause action. In its report, which was submitted on July 25, 1958,²⁹ the Commission unanimously concluded that the conditions of competition between imported and domestic toweling had not so changed as to warrant the institution of a formal investigation under the provision of paragraph 2 of Executive Order 10401. On October 3, 1958, the President concurred with the Commission's conclusion.

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

²⁷ 23 F.R. 6372.

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

²⁹ U.S. Tariff Commission, *Toweling of Flax, Hemp, or Ramie: Report to the President (1958) Under Executive Order 10401, 1958* [processed].

Switzerland, and increased the import duties on such watch movements.

As required by paragraph 1 of Executive Order 10401, the Commission submitted to the President its third periodic report with respect to the watch movements involved in the escape-clause action. In its report, which was submitted on July 25, 1958,³⁰ the Commission unanimously concluded that the conditions of competition with respect to the trade in imported and domestic watch movements had not so changed as to warrant the institution of a formal investigation under the provisions of paragraph 2 of Executive Order 10401. On October 3, 1958, the President concurred with the Commission's conclusion.

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

As required by paragraph 1 of Executive Order 10401, the Commission submitted to the President its second periodic report on developments with respect to the bicycles involved in the escape action. In its report, which was submitted on August 18, 1958,³¹ the Commission unanimously concluded that the conditions of competition between imported and domestic bicycles had not so changed as to warrant institution of a formal investigation under the provisions of paragraph 2 of Executive Order 10401. On October 3, 1958, the President concurred with the Commission's conclusion.

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

As required by paragraph 1 of Executive Order 10401, the Commission submitted to the President its fifth periodic report on dried figs. In its report, which was submitted on August 29, 1958,³² the Commission unanimously concluded that developments in the trade in dried figs during the crop year 1957/58 did not indicate such a change in the competition between imported and domestic dried figs as to warrant institution at that time of a formal investigation under the provisions of paragraph 2 of Executive Order 10401. On October 3, 1958, the President concurred with the Commission's conclusion.

³⁰ U.S. Tariff Commission, *Watch Movements: Report to the President (1958) Under Executive Order 10401*, 1958 [processed].

³¹ U.S. Tariff Commission, *Bicycles: Report to the President (1958) Under Executive Order 10401*, 1958 [processed].

³² U.S. Tariff Commission, *Figs, Dried: Report to the President (1958) Under Executive Order 10401*, 1958 [processed].

Section 22 of the Agricultural Adjustment Act

Section 22 of the Agricultural Adjustment Act, as amended,³³ authorizes the President to restrict imports of any commodity, by imposing either fees or quotas (within specified limits), whenever such imports render or tend to render ineffective, or materially interfere with, programs of the U.S. Department of Agriculture relating to agricultural commodities or products thereof. Section 22 requires the Tariff Commission, when so directed by the President, to conduct an investigation of the specified commodity, including a public hearing, and to make a report and appropriate recommendations to him. Under subsection (f) of section 22, as amended by section 8(b) of the Trade Agreements Extension Act of 1951, no trade agreement or other international agreement entered into at any time by the United States may be applied in a manner inconsistent with the requirements of section 22.

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

An amendment to section 22 of the Agricultural Adjustment Act by section 104 of the Trade Agreements Extension Act of 1953³⁴ provides that the President may take immediate action under section 22 without awaiting the Tariff Commission's recommendations whenever the Secretary of Agriculture determines and reports to him, with regard to any article or articles, that a condition exists requiring emergency treatment. Such action by the President may continue in effect pending his receipt of, and his action on, the report and recommendations of the Commission after an investigation under section 22. Under section 8(a) of the Trade Agreements Extension Act of 1951, as amended, the President's authority to act before he had received a report from the Commission was limited to perishable agricultural products. During 1959 no action was taken under either subsection (f) of section 22 or section 8(a) of the Trade Agreements Extension Act of 1951, as amended.

During the period covered by this report two investigations under the provisions of section 22 of the Agricultural Adjustment Act, as amended, were pending before the Commission—a supplemental in-

³³ 7 U.S.C. 624.

³⁴ 67 Stat. 472.

vestigation of cotton having a staple of $1\frac{1}{8}$ inches or more in length and an investigation of rye, rye flour, and rye meal.

Cotton and cotton waste (continuing investigation)

Since 1939, under the provisions of section 22 and in accordance with recommendations of the Tariff Commission, the United States has restricted imports of most types of cotton and some types of cotton waste. During the period 1939-59, the Commission conducted a number of investigations to determine whether further restrictions were required (as on short harsh or rough cotton), whether supplemental import quotas were necessary for certain types of long-staple cotton, or whether certain minor changes were advisable to facilitate administration of the quotas. During 1959 the Commission conducted one such investigation. On March 19, 1959, the Tariff Commission received a request from the SuPima Association of America, representing U.S. growers of extra-long-staple cotton, requesting that the Commission make a supplemental investigation under section 22 of the Agricultural Adjustment Act, as amended, looking to the reduction in the quota on extra-long-staple cotton.

Long-staple cotton (supplemental investigation).—On March 25, 1959, the Commission upon its own motion instituted, under the provisions of section 22, a supplemental investigation of cotton having a staple of $1\frac{1}{8}$ inches or more in length. Annual absolute quotas on imports of such cotton were originally made effective on September 20, 1939, by Presidential Proclamation 2351 of September 5, 1939,³⁵ after an investigation under section 22 by the Tariff Commission. When the Commission instituted the supplemental investigation on March 25, 1959, the quota was 45,656,420 pounds for each 12-month period beginning August 1, and was subdivided into two separate quotas, one for cotton having a staple of $1\frac{3}{8}$ inches or more in length (39,590,778 pounds) and the other for cotton having a staple of $1\frac{1}{8}$ inches or more but less than $1\frac{3}{8}$ inches in length (6,065,642 pounds). The Commission held a public hearing on April 28 and 29, 1959. On June 30, 1959, the close of the period covered by this report, the supplemental investigation of long-staple cotton was in process.

Presidential action on report submitted during 1958.—During the period covered by this report the President acted on the Commission's recommendation of June 20, 1958, with respect to modification of the import quota on long-staple cotton. On July 7, 1958, he announced that he had adopted the Commission's recommendation. By Proclamation 3251³⁶ of the same date, he subdivided the import quota on long-staple cotton for future quota years on the basis of staple length. The new proclamation stated that—

of the total quantity of 45,656,420 pounds of cotton having a staple of $1\frac{1}{8}$ inches or more in length which may be entered, or withdrawn from warehouse, for consumption during the year beginning August 1, 1958, and in any subsequent

³⁵ 4 F.R. 3322.

³⁶ 23 F.R. 5233.

year beginning August 1, not more than 39,590,778 pounds shall consist of cotton having a staple of $1\frac{3}{8}$ inches or more in length, and not more than 6,065,642 pounds shall consist of cotton having a staple of $1\frac{1}{8}$ inches or more but less than $1\frac{3}{8}$ inches in length: *Provided*, that of such 6,065,642 pounds, not more than 1,500,000 pounds shall consist of harsh or rough cotton (except cotton of perished staple, grabbots, and cotton pickings), white in color and having a staple of $1\frac{1}{32}$ inches or more in length, and not more than 4,565,642 pounds shall consist of other cotton.

Wheat and wheat flour (continuing investigation)

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

Rye, rye flour, and rye meal

On June 24, 1959, 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 scheduled for July 13, 1959. On June 30, 1959, the close of the period covered by this report, the investigation was in process.

Section 332 of the Tariff Act of 1930

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

At one time or another during 1959, five investigations under the provisions of section 332 of the Tariff Act of 1930 were pending before the Commission.

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

Mercury (quicksilver)

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

The resolution directed the Commission to set forth in its report a summary of the facts obtained in its investigation, including a description of the domestic industry; domestic production; foreign production; comparative costs of domestic and foreign production, including labor costs; imports; consumption; channels and methods of distribution; prices, including comparative London and New York prices quoted by foreign producers; U.S. exports; U.S. customs treatment since 1930; the impact of the Government purchase program authorized under title III of the Defense Production Act of 1950 on domestic production, and the possible effect of the termination of that program on world prices and domestic production; and other factors affecting the competition between domestic and imported mercury. The Commission held a public hearing in its investigation of mercury on August 5, 1958.

The Commission transmitted a report of its investigation of mercury to the Senate Committee on Finance on December 1, 1958.³⁸ The report discussed production, exports, imports, and consumption of mercury in the United States; provided data on costs of production of mercury in the United States; described the Government procurement and assistance programs for the domestic industry; and presented data on employment and wages, inventories, marketing practices, and prices in the domestic mercury industry. The report also provided general information on the mercury mining industries of the principal foreign producing countries and indicated the position of the United States in world production.

Tungsten ore and concentrates

On March 20, 1958, pursuant to a resolution adopted on March 19, 1958, by the Senate Committee on Finance, the Tariff Commission instituted an investigation—under the provisions of section 332—of the conditions of competition in the United States between tungsten ore and concentrates produced in the United States and in foreign countries.

The resolution directed the Commission to set forth in its report a summary of the facts obtained in its investigation, including a description of the domestic industry; domestic production; foreign production; comparative costs of domestic and foreign production, including labor costs; imports; consumption; channels and methods of distribution; prices, including comparative London and New York prices quoted by foreign producers; U.S. exports; U.S. customs treat-

³⁸ U.S. Tariff Commission, *Mercury (Quicksilver): Report on Investigation No. 32 Under Section 332 of the Tariff Act of 1930, Made Pursuant to a Resolution of the Committee on Finance, United States Senate, 1958* [processed].

ment since 1930; the impact of the Government purchase program authorized under title III of the Defense Production Act of 1950 on domestic production, and the possible effect of the termination of that program on world prices and domestic production; and other factors affecting the competition between domestic and imported tungsten ore and concentrates. The Commission held a public hearing in the investigation on July 29, 1958.

On November 14, 1958, the Commission transmitted a report of its investigation of tungsten ore and concentrates to the Senate Committee on Finance.³⁹ The report discussed production, exports, imports, and consumption of tungsten ore and concentrates in the United States; described the Government purchase and assistance programs for the domestic industry; and presented data on employment and wages, inventories, marketing practices, and prices in the domestic industry. The report also provided general information on the tungsten mining industries of the principal foreign producing countries and indicated the position of the United States in world production.

Carpet wool and wool for papermakers' felts

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

The resolution, which directed the Commission to report the results of its investigation to the committee on or before September 30, 1959, specified that the Commission's report should include—besides other pertinent data—information on the following subjects:

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

³⁹ U.S. Tariff Commission, *Tungsten Ore and Concentrates: Report on Investigation No. 33 Under Section 332 of the Tariff Act of 1930, Made Pursuant to a Resolution of the Committee on Finance, United States Senate, 1958* [processed].

methods of grading and/or sampling, as the Commission's study may develop.

The Commission held a public hearing in its investigation of carpet wool and wool for papermakers' felts on June 30, 1959. At the close of the period covered by this report, the investigation was in process.

Iron ore

On August 4, 1958, pursuant to a resolution adopted by the Senate Committee on Finance on July 29, 1958, the Tariff Commission instituted an investigation—under the provisions of section 332—of the conditions of competition in the United States between iron ore produced in the United States and in foreign countries. The Commission held a public hearing in the investigation on January 6, 1959.

The committee's resolution directed the Commission to set forth in its report a summary of the facts obtained in the investigation, including a description of the domestic industry, domestic production, foreign production, imports (including sources of imports), consumption, channels of distribution, U.S. exports, prices of domestic and imported ore, and the U.S. customs treatment (including trade-agreement obligations with respect to such treatment) since 1930.

The Commission transmitted a report of its investigation of iron ore to the Senate Committee on Finance on March 2, 1959.⁴⁰ The report described the domestic industry and discussed domestic and foreign production of iron ore, imports, exports, domestic consumption, channels of distribution, prices of domestic and imported ore, and U.S. customs treatment of iron ore since 1930.

Spring clothespins

Pursuant to a resolution adopted by the Senate Committee on Finance on July 30, 1958, the Tariff Commission on August 4, 1958, instituted an investigation—under the provisions of section 332—of the conditions of competition in the United States between spring clothespins produced in the United States and in foreign countries.

On September 10, 1957, the Tariff Commission had reported to the President the results of its fourth escape-clause investigation of spring clothespins under section 7 of the Trade Agreements Extension Act of 1951, as amended. By Proclamation 3211 of November 9, 1957,⁴¹ effective after the close of business on December 9, 1957, the President withdrew the concession on spring clothespins in its entirety and increased the duty on them from 10 cents to 20 cents per gross.

The July 30, 1958, resolution of the Senate Committee on Finance directing a further investigation did not require the Commission to hold a public hearing, nor did the Commission consider it necessary to hold one.

⁴⁰ U.S. Tariff Commission, *Iron Ore: Report on Investigation No. 35 Under Section 332, Tariff Act of 1930, Made Pursuant to a Resolution of the Committee on Finance, United States Senate, 1959* [processed].

⁴¹ 22 F.R. 9043.

The Commission transmitted a report of its investigation of spring clothespins to the Senate Committee on Finance on October 28, 1958.⁴² The report discussed the domestic spring-clothespin industry, and provided recent information on production and sales of spring clothespins, imports, consumption, inventories, prices, and employment. Since the further investigation ordered by the Senate Committee on Finance was not a new escape-clause investigation, the Commission's report to the committee did not include any recommendations for changes in existing import restrictions on spring clothespins. It was limited to a summary of the facts regarding developments in conditions of competition in the United States between imported and domestic spring clothespins after the rate of duty was increased on December 9, 1957.

Section 336 of the Tariff Act of 1930

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

During 1959 the Commission conducted no investigations under the provisions of section 336.

Section 337 of the Tariff Act of 1930

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

At one time or another during fiscal 1959, five complaints under section 337 were pending before the Commission. In the case of one complaint involving certain map-making instruments the Commission

⁴² U.S. Tariff Commission, *Spring Clothespins: Report on Investigation No. 36 Under Section 332 of the Tariff Act of 1930, Made Pursuant to a Resolution of the Committee on Finance, United States Senate, 1958* [processed].

suspended its preliminary inquiry pending the outcome of a civil action in the Federal courts involving the patent that is the subject of the complaint.

Phonograph pickup cartridges, elements, and needles

On February 25, 1957, the Brush Electronics Co. (a division of Clevite Corp.), of Cleveland, Ohio, and the Astatic Corp. of Conneaut, Ohio, filed with the Tariff Commission two complaints alleging violation of section 337 in the importation and sale of certain foreign phonograph pickup cartridges, elements, and needles. The complainants alleged that the aforementioned cartridges, elements, and needles were being unlawfully imported, in that they incorporated features covered by U.S. patents owned by the complainants, and that the effect or tendency of such importation was to substantially injure a domestic industry.

On March 15, 1957, the Commission ordered a preliminary inquiry into the allegations of the complaints to determine whether institution of a formal investigation under section 337 was warranted and whether the issuance of a temporary order of exclusion from entry under section 337 was warranted. On October 7, 1957, the Commission instituted a formal investigation of the complaints. The Commission held public hearings on February 4-7, 10-14, 18-19, 21, 26-28, and on March 3, 6-7, and 14, 1958.

The complaints originally related to 12 patents. In the course of the investigation the complainants withdrew the complaints with respect to 4 of the patents, and the Commission eliminated 1 of the patents from consideration. Of the 7 remaining patents, 2 related to cartridges, 2 to elements, and 3 to needles and holders therefor. Of these 7 patents, 1 is the subject of a patent suit in the Federal courts.

On May 4, 1959, the Commission announced the conclusion of its investigation of phonograph pickup cartridges, elements, and needles. The Commission found that the evidence in the investigation did not establish that any industry in the United States was being, or was likely to be, destroyed or substantially injured by reason of the imports noted in the complaints, and that there was, therefore, no occasion for making findings with respect to "infringement" or the existence of other unfair methods of competition or unfair acts.

Certain mapmaking instruments

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

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

Certain pushbutton puppets

On August 7, 1958, Kohner Bros., a partnership, of New York, N.Y., and Emanuel Merian, of Basel, Switzerland, filed with the Tariff Commission a complaint alleging violation of section 337 in the importation and sale in the United States of certain pushbutton puppets. The complaint alleged that certain pushbutton puppets that are infringements of a U.S. patent owned by a Swiss citizen, and under which Kohner Bros. is the exclusive consignee in the United States with the right to sublicense, were being imported and sold in the United States by unauthorized persons, and that the imports of the infringing articles were substantially injuring the domestic industry producing the patented puppets.

The preliminary inquiry into this complaint disclosed that Kohner's licensees had imported substantial quantities of the patented pushbutton puppets, and that Kohner had also imported such puppets. The purpose of section 337 is to protect American industries and to further and promote the production of domestic products (*Frischer Co. v. Bakelite Corporation*, 39 F. (2d) 247). Where section 337 is sought to be invoked on the ground that a domestic industry established under the protection of a U.S. patent is being injured by imports that are covered by the claims of the patent, the Commission cannot accept the proposition that if the importer pays the owner of the patent a royalty the industry is not being injured, but if no royalty is paid by the importer there is injury to the industry. To invoke the statute in order to protect the rights of patent owners arising out of the naked monopoly of a patent would be to employ the statute for the protection of patent rights as such. This the Commission has repeatedly held not to be the purpose of the statute. The protection of patent rights as such must be sought in the appropriate courts having jurisdiction over such matters.

In view of the then outstanding licensing agreements by which Kohner encouraged the importation of patented puppets and the evidence of importation of patented puppets by Kohner, the Commission held that a formal investigation under section 337 would not be in the public interest. On October 27, 1958, therefore, the Commission by unanimous vote dismissed the complaint.

Certain shower heads

On November 10, 1958, the Speakman Co., Riverview Works, of Wilmington, Del., filed a complaint with the Tariff Commission alleging unfair methods of competition and unfair acts in the importation and sale in the United States of certain foreign shower heads.

On November 17, 1958, the Commission ordered a preliminary inquiry into the allegations, to determine whether institution of a formal investigation under section 337 was warranted and whether the issuance of a temporary order of exclusion from entry under section 337 was warranted. On June 30, 1959, the close of the period covered by this report, the preliminary inquiry was in process.

Household automatic zigzag sewing machines and parts thereof

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

On January 21, 1959, the Commission ordered a preliminary inquiry into the allegations, to determine whether institution of a formal investigation under section 337 was warranted and whether the issuance of a temporary order of exclusion from entry under section 337 was warranted. On March 16, 1959, the Commission instituted a formal investigation of the complaint. The Commission held a public hearing on May 5-8 and 11-15, 1959. On June 30, 1959, the close of the period covered by this report, the investigation was in process.

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

Section 301 of the Customs Simplification Act of 1954⁴³ amended the Antidumping Act, 1921, and transferred to the Tariff Commission the function—formerly exercised by the Treasury Department—of making injury determinations for the purposes of the Antidumping Act. The transfer became effective October 1, 1954.

Section 201 of the Antidumping Act, 1921, as amended,⁴⁴ provides that whenever the Secretary of the Treasury advises the Tariff Commission that a class or kind of foreign merchandise is being, or is likely to be, sold domestically or elsewhere at less than its fair value, the Commission shall within 3 months thereafter determine 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 determination, it so notifies the Secretary of the Treasury, who thereupon issues a "finding" of dumping; the antidumping duties are thenceforth collected.

Public Law 85-630⁴⁵ which was approved by the President on August 14, 1958, amends certain provisions of the Antidumping Act, 1921. Besides redefining—for the purposes of the Antidumping Act—"foreign market value," the "constructed value of imported merchandise," and certain other terms, Public Law 85-630 provides for certain procedural changes in the administration of the Antidumping Act. The new act requires that when the Secretary of the Treasury determines whether foreign merchandise is being, or is likely to be, sold in the United States at less than its fair value, and that when the Tariff Commission makes an injury determination under the Antidumping Act, each shall publish such determination in

⁴³ 68 Stat. 1138.

⁴⁴ 19 U.S.C. 160 *et seq.*

⁴⁵ 72 Stat. 583.

the *Federal Register*, with a statement of the reasons therefor, whether such determination is affirmative or negative. The new act further provides that, in determinations by the Tariff Commission under the Antidumping Act, an evenly divided vote of the Commission shall be deemed to constitute a finding of injury.

During fiscal 1959 the Commission made two injury determinations under the provisions of section 201(a) of the Antidumping Act, 1921, as amended.

On August 14, 1958, in response to advices it received from the Secretary of the Treasury on August 13, 1958, the Tariff Commission instituted investigations of imports of certain tissue paper⁴⁶ from Finland and from Norway, under the provisions of section 201(a). The Commission scheduled public hearings in the two investigations for September 23, 1958, but subsequently postponed them until September 30, 1958. The hearings were held from September 30 to October 3, 1958.

On November 10, 1958, the Commission announced that it had determined unanimously that no industry in the United States was being or was likely to be injured, or prevented from being established, by reason of the importation from either Finland or Norway of the specified tissue paper at less than "fair value."

In explaining the reasons for its action, as required by law,⁴⁷ the Commission stated that U.S. imports from Finland and Norway of tissue paper covered by the investigations have been very small in actual quantity, as well as relative to domestic production of directly competitive papers. Most of the Finnish, as well as most of the Norwegian, tissue paper that has been sold at less than "fair value" in the United States has been wrapping tissue. At their highest annual level, imports of wrapping tissue from Finland supplied only about 2 percent of U.S. consumption of such tissue paper, and those from Norway, only about 1 percent. Sales to the United States of other kinds of Finnish and Norwegian tissue paper at less than "fair value" have been negligible. Moreover, from evidence available to the Commission, it appeared unlikely that in the foreseeable future imports from either Finland or Norway of the tissue paper covered by the investigations would account for a materially larger share of U.S. consumption of such paper than they did at the time of the investigation.

According to the Commission, prices of both the Finnish and the Norwegian tissue paper covered by the investigations have been competitive with the prices of the bulk of the domestically produced tissue paper of comparable grades. Although premium-quality tissue paper of domestic manufacture has sold at higher prices than the

⁴⁶ Tissue paper, sulphite, machine glazed, bleached and unbleached, weighing less than 10 pounds per ream of 288,000 square inches.

⁴⁷ The Commission published its determinations and a statement of the reasons therefor in the *Federal Register* on Nov. 14, 1958 (23 F.R. 8891, 8892).

imported tissue, both the Finnish and the Norwegian tissue paper have generally entered the U.S. market at prices well above the lowest prices of comparable grades of domestic tissue paper. During the course of the investigations the Commission obtained no convincing evidence that the sales of tissue paper to the United States at less than "fair value" by either Finland or Norway were predatory in motivation. On the contrary, the prices at which both the Finnish and Norwegian tissue paper have entered the U.S. market clearly suggested a lack of predatory intent.

PART II. SPECIAL REPORTS AND ACTIVITIES

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

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

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

Summaries of Tariff Information

Under its general powers, the Tariff Commission's most extensive work is the preparation of its summaries of tariff information, which are designed to provide the Congress and the executive agencies with

complete and up-to-date information on the commodities listed in the tariff act. These summaries include the recent tariff history of the commodities in each classification specified in the tariff act; a discussion of the nature and uses of each commodity; an analysis of the trends in U.S. production, imports, and exports; data on output and the conditions of production in foreign countries; and an analysis of the factors that affect the competition of imports with the domestic product. Continuous revision of these summaries, which were first published in 1920, is an important activity of the Commission.

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

Because of budgetary limitations and the pressure of high-priority work, the Commission has been unable to maintain a regular schedule for publishing revisions of its *Summaries of Tariff Information*. During 1959, as in previous years, the statistical and certain other information in several hundred of the summaries was brought up to date and made available to defense and other Government agencies. Besides this regular work of keeping the summaries current, the Commission in 1957 initiated a project for publishing a substantial number of completely revised summaries on selected commodities, and considerable work has been done on the project. Interruptions by such high-priority work as escape-clause investigations and the tariff classification study have made it impossible to publish the revised summaries as originally scheduled. As time permits, however, work on the project will continue.

Information on U.S. Import Duties

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

The latest compilation, *United States Import Duties (1958)*,¹ includes a list of the rates of duty applicable to imported commodities as of July 1, 1958,² a list of the items that are free of duty, a list of the items that are subject to import taxes under the Internal Revenue Code, and references to various statutes that provide for special and

¹ U.S. Tariff Commission, *United States Import Duties (1958)*, misc. ser., 1958.

² Footnote references indicate all changes which occurred, or were to occur, after July 1, 1958, and which were known as of Sept. 2, 1958.

additional import duties or for special exemptions from duty under certain circumstances.

The new compilation replaces section I of *United States Import Duties (1952)* and the four supplements thereto. The new publication does not contain the special and administrative provisions of the Tariff Act of 1930, as amended, which were set forth in section II of *United States Import Duties (1952)*. These provisions will be issued in a separate volume.

Reports on Synthetic Organic Chemicals

In accordance with its usual procedure, the Tariff Commission in 1959 released preliminary and final reports on U.S. production and sales of synthetic organic chemicals. These reports continue the annual series that the Commission has published since 1918.

Preliminary report on production and sales, 1957

The Tariff Commission's preliminary report on production and sales of synthetic organic chemicals in 1957 consisted of 14 separate sections, each of which dealt with a segment of the industry. To make the information available to industry and to Government agencies at the earliest possible date, each section was released as soon as the statistics for it were substantially complete. The first section, covering elastomers (synthetic rubbers) was released in May 1958, and all sections had been released by the middle of August 1958. The preliminary report covered production and sales of tars and tar crudes; crude products from petroleum and natural gas; cyclic intermediates; coal-tar dyes; toners and lakes; bulk medicinal chemicals; flavor and perfume materials; plastics and resin materials; rubber-processing chemicals; elastomers (synthetic rubbers); plasticizers; surface-active agents; pesticides and other agricultural chemicals; and miscellaneous chemicals.

Final report on production and sales, 1957

In January 1959 the Tariff Commission issued its final report on U.S. production and sales of synthetic organic chemicals in 1957.³ Statistics included in the final report were compiled from data supplied by 664 manufacturing companies and company divisions. The report covers about 6,000 individual chemicals and chemical products, and gives separate production and sales statistics for many of them. Also included in the report are a list of manufacturers of each item for which production and sales were reported, and statistics on U.S. general imports in 1957 of products entered under paragraphs 27 and 28 of the Tariff Act of 1930, which cover coal-tar intermediates, dyes, medicinals, and other finished coal-tar products. The report also presents statistics on the number of technical workers engaged in

³ U.S. Tariff Commission, *Synthetic Organic Chemicals, United States Production and Sales, 1957*, Rept. No. 203, 2d ser., 1958.

research in the synthetic organic chemical industry, their average salaries, and the amounts expended for such research by the reporting companies.

In 1957, the report shows, production of synthetic organic chemicals and their raw materials was 84,847 million pounds—an increase of 3.5 percent over the 82,020 million pounds produced in 1956. Sales of synthetic organic chemicals and their raw materials in 1957 amounted to 45,375 million pounds, valued at \$6,077 million, compared with 45,518 million pounds, valued at \$5,831 million, in 1956. As these totals include data for chemical raw materials, as well as semifinished and finished products, they necessarily involve considerable duplication.

The report comprises three major sections—the first two on chemical raw materials and on cyclic intermediates and finished synthetic organic chemical products, and the third giving an alphabetical list of individual products and listing the names of manufacturers. The first section includes statistics on tars, tar crudes, and crude chemicals derived from petroleum and natural gas. Total production of coal tar, water-gas tar, and oil-gas tar in 1957 amounted to 916 million gallons—3.9 percent more than the 881 million gallons reported for 1956. Production in 1957 of all tar crudes amounted to 14,361 million pounds, compared with 14,560 million pounds in 1956. The most important individual products in this group are benzene, toluene, naphthalene, xylene, and creosote oil. The output of crude products from petroleum and natural gas in 1957 was 18,094 million pounds, compared with 17,898 million pounds in 1956. Included in this group are benzene, toluene, xylene, and other cyclic products, and aliphatic hydrocarbons such as ethylene, propane, and 1,3-butadiene, the latter being one of the basic raw materials for the manufacture of S-type synthetic rubbers.

Production of cyclic intermediates, which is covered in the second section of the report, amounted to 6,927 million pounds in 1957—representing an increase of 5 percent over the 6,600 million pounds produced in 1956. As in earlier years, more than 60 percent of the output of cyclic intermediates was used by the original manufacturers to produce more advanced products. The remainder was sold to other companies for further processing.

The total output of all intermediates and finished synthetic organic chemicals and chemical products amounted to 43,236 million pounds in 1957, compared with 40,752 million pounds in 1956. Of this total, cyclic intermediates and finished products accounted for 13,561 million pounds, and acyclic products for 29,675 million pounds. Of the 11 groups of finished synthetic organic chemicals, 8 were produced in greater quantities in 1957 than in 1956, and 3 were produced in smaller quantities. The groups for which production increased—in the order of the size of the percentage increase—were rubber-processing chemicals (11.2 percent), medicinals (10.5 percent), plastics and resin materials (9.1 percent), miscellaneous chemicals (6.8 per-

cent), plasticizers (6.1 percent), surface-active agents (5.0 percent), elastomers (1.7 percent), and flavor and perfume materials (1.4 percent). Groups for which production declined—in the order of the size of the percentage decrease—were pesticides and other organic agricultural chemicals (10.2 percent), toners and lakes (7.9 percent), and dyes (5.6 percent).

Specified synthetic organic chemicals: Monthly releases on production

During 1959 the Tariff Commission continued to conduct a monthly survey of U.S. production of a selected list of synthetic organic chemicals. The statistics, which are collected from about 160 companies, cover approximately 80 different chemical items. Upon request, the Commission furnishes the Business and Defense Services Administration with reported data that are necessary to its operations. The releases on production of selected synthetic organic chemicals, designated as Facts for Industry Series 6-2 and published jointly with those on production and sales of plastics and resins (described below), are obtainable from the Superintendent of Documents, U.S. Government Printing Office, on a subscription basis.

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

During 1959 the Tariff Commission also continued to issue monthly reports on U.S. production and sales of synthetic plastics and resin materials. This monthly report, Facts for Industry Series 6-10, which is issued in conjunction with the above-mentioned report on production of specified synthetic organic chemicals, covers production and sales of synthetic plastics and resins grouped according to chemical composition and broad end uses. The chemical classes for which statistics are given include cellulose plastics, phenolic and other tar-acid resins, styrene resins, urea and melamine resins, alkyd resins, vinyl resins, polyester resins, polyethylene resins, and miscellaneous plastics and resins. Data on epoxy and silicone resins were reported monthly for the first time during 1959. Some of the end uses covered in the monthly report are molding, extruding, casting, textile treating, and paper treating. Synthetic plastics and resins are also used for sheeting and film, adhesives, and protective coatings.

Imports of coal-tar products, 1957

In July 1958 the Tariff Commission released its annual report on U.S. imports of coal-tar intermediates entered under paragraph 27 of the Tariff Act of 1930, and on coal-tar dyes, medicinals, pharmaceuticals, flavor and perfume materials, and other coal-tar products entered under paragraph 28.⁴ The data in the report, which covers imports through all U.S. customs districts, were obtained from invoice analyses made by the Commission's New York office.

The report shows that general imports of coal-tar chemicals entered under paragraph 27 in 1957 totaled 11.9 million pounds, with a foreign invoice value of \$10.7 million, compared with imports in 1956

⁴ U.S. Tariff Commission, *Imports of Coal-Tar Products, 1957, 1958* [processed].

of 6.7 million pounds, valued at \$4.8 million—representing an increase of 78 percent in the quantity and 123 percent in the value of imports. Most of the intermediates imported in 1957 were declared competitive (duty based on “American selling price”). More than two-fifths of all the intermediates imported in 1957 came from West Germany; imports from that country in 1957 totaled 4.9 million pounds, compared with imports of 3.2 million pounds in 1956. In 1957 sizable quantities of intermediates also were imported from the United Kingdom (1.4 million pounds), Canada (1.2 million pounds), Denmark (1.1 million pounds), Italy (835,000 pounds), Belgium (816,000 pounds), Switzerland (780,000 pounds), the Netherlands (446,000 pounds), and France (359,000 pounds). Much smaller quantities came from Sweden (86,000 pounds) and Japan (7,000 pounds).

Imports in 1957 of all finished coal-tar products that are dutiable under paragraph 28 comprised 1,519 items, with a total weight of 6.6 million pounds and a foreign invoice value of \$13.3 million. In 1956 imports consisted of 1,515 items, with a total weight of 5.1 million pounds and a foreign invoice value of \$10.4 million. In 1957, for the first time on record, the value of imports of coal-tar medicinals and pharmaceuticals exceeded the value of imports of coal-tar dyes. Imports of medicinals and pharmaceuticals amounted to \$5.8 million (foreign invoice value), or 44 percent of the total value of all imports under paragraph 28, whereas imports of dyes were valued at \$5.6 million, or 42 percent of the total imports. In 1956 imports of medicinals and pharmaceuticals amounted to \$4.3 million, or 41 percent of the total value of imports under paragraph 28, and imports of dyes amounted to \$4.8 million, or 46 percent of total imports under paragraph 28. Imports of perfume and flavor materials in 1957 (\$392,000) were smaller than in 1956 (\$500,000). Imports of other coal-tar products entered under paragraph 28 in 1957 amounted to \$1.5 million, compared with \$844,000 in 1956.

Tariff Classification Study

Title I of the Customs Simplification Act of 1954, as amended, directed the Tariff Commission to make a comprehensive study of U.S. laws prescribing the tariff status of imported articles and to submit to the President and to the chairmen of the House Committee on Ways and Means and the Senate Committee on Finance a revision and consolidation of those laws, that, in the Commission's judgment, would accomplish to the extent practicable the following purposes:⁵

⁵ Public Law 768, 83d Cong. (68 Stat. 1136), which was approved on Sept. 1, 1954, directed the Commission to complete the study within 2 years. Public Law 934, 84th Cong. (70 Stat. 955), which was approved on Aug. 2, 1956, extended the time for completion of the study to Mar. 1, 1958. In response to a request from the Commission, the two congressional committees in August 1957 agreed that the Commission might have additional time—up to June 1, 1958—if such time were necessary to complete the study. Subsequently, Public Law 85-418 (72 Stat. 120), which was approved on May 19, 1958, extended the time for completion of the study to Jan. 1, 1959.

- (1) Establish schedules of tariff classifications that will be logical in arrangement and terminology and adapted to the changes that have occurred since 1930 in the character and importance of articles produced in and imported into the United States and in the markets in which they are sold;
- (2) Eliminate anomalies and illogical results in the classification of articles; and
- (3) Simplify the determination and application of tariff classifications.

On March 15, 1955, in accordance with section 101(d) of the Customs Simplification Act of 1954, as amended, the Commission submitted an interim progress report on the tariff classification study to the President and to the chairmen of the Senate Committee on Finance and the House Committee on Ways and Means.⁶ The interim report was confined to a treatment of the fundamental problems underlying the simplification of the tariff schedules, the principles that the Commission would follow in formulating the proposed revision of them, and methods for putting the proposed revision into force and effect.

During the fiscal year 1959 the Commission nearly completed the tariff classification study. By June 30, 1959, the close of the period covered by this report, the Commission had released to the public all of the proposed revised and consolidated tariff schedules prepared pursuant to title I of the Customs Simplification Act of 1954, as amended, and had held public hearings on all but one of them. The public hearing on the remaining schedule was scheduled to begin on July 14, 1959.

In the proposed revision, the existing tariff classification laws have been consolidated into the eight schedules listed below; seven of these schedules relate to specified groups of commodities, and one relates to special classification provisions. An appendix will embrace temporary tariff measures.

The final report to be submitted by the Commission pursuant to title I of the Customs Simplification Act of 1954, as amended, will consist of nine volumes. One volume will contain the Commission's interim report of March 15, 1955, general explanatory notes, an outline of the revised schedules, and the complete revised schedules, including the appendix thereto. Each of the other eight volumes will include material relating to a specific tariff schedule. Included in each volume will be (1) the proposed revised schedule to which the volume pertains; (2) explanatory notes for that schedule; (3) provisions of the Tariff Act of 1930, as amended and modified, and related provisions of law incorporated in that schedule; and (4) the text of the written statements received by the Commission with respect to that schedule,

⁶ U.S. Tariff Commission, *Tariff Simplification Study: Interim Report to the President and to the Chairmen of the Committee on Finance of the Senate and of the Committee on Ways and Means of the House Pursuant to Section 101(d) of the Customs Simplification Act of 1954, 1955* [processed].

and the transcript of the oral testimony presented at the public hearing.

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

<i>Schedule</i>	<i>Title</i>	<i>Date released to public</i>	<i>Date of public hearing</i>
1.	Animal and vegetable products-----	Jan. 20, 1958	Mar. 4, 1958.
2.	Wood and paper; printed matter---	Mar. 10, 1958	Apr. 10, 1958.
3.	Textile fibers and textile products--	Apr. 18, 1958	June 3-4, 1958.
4.	Chemicals and related products----	Feb. 7, 1958	Mar. 11-12, 1958.
5.	Nonmetallic minerals and products..	July 15, 1958	Sept. 16-19, 1958.
6.	Metals and metal products-----	June 17, 1959	Scheduled to begin July 14, 1959.
7.	Specified products; miscellaneous and nonenumerated products.	Apr. 18, 1958 July 15, 1958 Nov. 13, 1958 June 17, 1959	June 3-4, 1958. Sept. 16, 1958. Dec. 11-12, 1958. Scheduled to begin July 14, 1959.
8.	Special classification provisions-----	Mar. 10, 1958	Apr. 10, 1958.

Study of Changes in the Prices of Copper

Public Law 38 (82d Cong.),⁷ as amended by Public Law 91 (84th Cong.),⁸ suspended certain import taxes on copper until June 30, 1958. It provided, however, that the President must revoke the suspension of such taxes at an earlier date if the Tariff Commission determined that the average market price of electrolytic copper in standard shapes and sizes (delivered Connecticut Valley) had been below 24 cents per pound for any 1 calendar month during the period. When the market condition occurred the Commission was required to advise the President within 15 days after the conclusion of such calendar month, and the President was required to reimpose the taxes not later than 20 days after the Commission had so advised him. In 1951, upon the enactment of Public Law 38, the Commission established the necessary procedure for carrying out its responsibilities under the law.

Public Law 38, as amended, which provided for suspension of the import taxes on copper under specified conditions, expired on June 30, 1958. Effective July 1, 1958, therefore, copper again became subject to import taxes. Under the provisions of item 4541 (1), (2), and (3) of the U.S. schedule (schedule XX) of the General Agreement on Tariffs and Trade, the Tariff Commission is required to advise the Secretary of the Treasury of changes in the prices of copper in the same manner that it advised the President under Public Law 38, as amended. During 1959, as in previous years, the Commission kept informed on current copper prices and competitive conditions. Inasmuch as the price of copper did not fall below 24 cents per pound during the year, the Commission had no occasion to make a report to the Secretary of the Treasury.

⁷ 65 Stat. 44.

⁸ 69 Stat. 170.

Compilations of Information on Status of Investigations

During 1959 the Commission continued to issue a series of compilations showing the outcome or current status of the various investigations that the Commission is directed by law to conduct. These compilations, which are brought up to date from time to time, are as follows:

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

Trade-Agreement Activities

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

It is a matter of Commission policy that the Tariff Commission member of the Interdepartmental Committee on Trade Agreements shall not participate by voting in the making of any decisions of that Committee, and that members of the Commission's staff assigned to work in connection with the planning or conduct of trade-agreement negotiations shall act only as technical advisers or consultants in furnishing facts, statistics, and other information of a technical nature, and shall not participate by voting in any decision in any way connected with tariff or foreign-trade policy matters or the planning or conduct of trade-agreement negotiations, and that they shall not be named or constituted as members of negotiating teams.

During 1959, Commissioners and members of the Tariff Commission's staff assisted the Trade Policy Committee and the Interde-

partmental Committee on Trade Agreements as consultants and technical advisers in dealing with a variety of problems. Principal among these was the assistance the Commission gave to the Trade Agreements Committee and its "country" committees in connection with U.S. preparations for participation in a proposed round of tariff negotiations to be sponsored by the Contracting Parties to the General Agreement on Tariffs and Trade. The proposed negotiations, scheduled to begin in mid-1960, will involve the European Economic Community (the Common Market) and other contracting parties to the General Agreement.

In accordance with Executive Order 10082, and at the request of the Trade Agreements Committee, the Tariff Commission during 1959 prepared data sheets for all dutiable articles imported into the United States. These data sheets, which were for use by the Trade Agreements Committee and its "country" committees in preparing schedules of concessions that the United States might offer in the proposed round of negotiations mentioned above, included for each imported article its tariff status and statistics on production, imports, and exports. In all, the Commission prepared data sheets for more than 4,500 statistical classes of imports; the project was one of the most important that the Commission undertook during the fiscal year 1959.

During 1959 the Tariff Commission also assisted the Interdepartmental Committee on Trade Agreements in its preparations for U.S. participation in the annual sessions of the Contracting Parties to the General Agreement and in the meetings of the Intersessional Committee; in its preparations for trade-agreement negotiations between the United States and Brazil under article XXV of the General Agreement; and in its preparations for trade-agreement negotiations between the United States and a number of other contracting parties under article XXVIII of the General Agreement.

Report on Operation of the Trade Agreements Program

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

Before the passage of the Trade Agreements Extension Act of 1955, various Executive orders had directed the Commission to prepare similar reports annually and to submit them to the President and to the Congress. The latest of such orders—Executive Order 10082, of October 5, 1949—is still in effect. The 11 reports that the Commission has issued in compliance with these directives provide a detailed history of the trade agreements program since its inception in 1934. The Commission's first 10 reports on the operation of the trade agreements program cover developments from June 1934 through June 1957.

The 11th report covers the period from July 1957 through June 1958.⁹ During all or part of this period the United States had trade-agreement obligations in force with 43 countries. Of these, 35 countries were contracting parties to the General Agreement on Tariffs and Trade, and 8 were countries with which the United States had bilateral trade agreements.

During the period covered by the 11th report, the Contracting Parties to the General Agreement on Tariffs and Trade did not sponsor any multilateral tariff negotiations of the Geneva-Annecy-Torquay type. Shortly before the close of the period covered by the report, however, they commenced negotiations with Switzerland looking toward its provisional accession to the General Agreement. During the period covered by the report the United States engaged in limited trade-agreement negotiations, under articles XXV or XXVIII of the General Agreement, with Austria, Brazil, Canada, Ceylon, Greece, and the Union of South Africa. The report describes the initiation of the negotiations with these countries; the negotiations were not completed by June 30, 1958.

The 11th report also covers other important developments during 1957-58 with respect to the trade agreements program. These include the new legislation relating to the extension of the President's authority to conclude trade agreements, and the proposed legislation concerning U.S. participation in the Organization for Trade Cooperation; the major developments relating to the general provisions and administration of the General Agreement; the actions of the United States relating to its trade agreements program; and the changes made in tariffs, exchange controls, and quantitative trade restrictions by countries with which the United States has trade agreements.

Trade Agreements Manual

To assist other Government agencies, as well as private organizations and individuals, that are interested in data on the trade agreements that the United States has entered into under the authority of the Trade Agreements Act of 1934, as amended and extended, the Commission periodically issues a *Trade Agreements Manual*. The *Trade Agreements Manual* is designed to provide the answers to certain common questions about U.S. trade agreements. Part I of the *Manual* considers U.S. trade-agreement obligations, present and past. Part II is devoted to information about the General Agreement on Tariffs and Trade. To assist the reader, brief explanatory comments precede each tabulation, and various technical points are explained in the footnotes.¹⁰

⁹ First released in processed form, the report was subsequently printed as *Operation of the Trade Agreements Program: 11th Report, July 1957-June 1958*, Rept. No. 204, 2d ser.

¹⁰ The latest edition of this compilation is U.S. Tariff Commission, *Trade Agreements Manual: A Summary of Selected Data Relating to Trade Agreements Negotiated by the United States Since 1934*, 3d ed., misc. ser., 1959.

PART III. FURNISHING TECHNICAL INFORMATION AND ASSISTANCE

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

Work for the Congress

During 1959, as in previous years, the Commission's work in response to directives or requests from the Congress, congressional committees, and individual Members of Congress constituted an important part of its activities. This section of the report deals only with direct requests from congressional committees and from Members of Congress for information or comments on proposed legislation, and for assistance at congressional hearings. Other phases of the Commission's work, even though based directly or indirectly on congressional directives or requests, are discussed in other sections of this report.

Reports on proposed legislation to committees of the Congress

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

At the request of the Senate Committee on Finance or the House Committee on Ways and Means, the Commission during 1959 prepared analyses of an exceptionally large number of bills and resolutions.¹ These bills and resolutions related to a wide variety of subjects, as the following list of representative titles indicates:

To amend the Tariff Act of 1930 to provide for the free importation of wire which is used in automatic baling machines for baling hay and other farm products;

¹ During the period covered by this report, congressional committees requested the Commission to prepare analyses of, or comments on, 199 bills and resolutions.

- To provide that certain caps shall be dutiable under paragraph 1504 of the Tariff Act of 1930;
- To amend the Tariff Act of 1930 to allow containers for certain petroleum products and derivatives to be temporarily imported without payment of duty;
- To suspend temporarily the tax on the processing of palm oil; palm-kernel oil; and fatty acids, salts, and combinations or mixtures thereof;
- To amend the Tariff Act of 1930 with respect to the marking of imported articles and containers;
- To stabilize the tuna-fishing industry;
- To amend the Tariff Act of 1930 to provide for the free importation of amorphous graphite;
- To regulate the foreign commerce of the United States by establishing quantitative restrictions on the importation of hardwood plywood;
- To amend the Tariff Act of 1930 with respect to exemption from duties and taxes of supplies for certain vessels and aircraft engaged in trade between the United States and Alaska;
- To amend paragraph 1629 of the Tariff Act of 1930 to provide for the free importation of tourist literature;
- To suspend for 3 years the import duties on certain classifications of spun-silk yarn;
- To facilitate the application and operation of the Fish and Wildlife Act of 1956;
- To provide for the free importation of articles for exhibition at fairs, exhibitions, or expositions;
- To continue until the close of June 30, 1960, the suspension of duties on metal scrap;
- To provide a 5-year program of assistance to enable depressed segments of the fishing industry in the United States to regain a favorable economic status;
- To make permanent the provisions of the Sugar Act of 1948;
- To permit the importation of a trademarked article, without the consent of the owner of the trademark, when such article is for the personal use of the person importing such article;
- To amend the Tariff Act of 1930 to place certain pumice stone on the free list;
- To amend the Tariff Act of 1930 with respect to the dutiable status of wood moldings;
- To transfer to the free list of the Tariff Act of 1930 book bindings or covers imported by certain institutions;
- To provide for the temporary free entry of religious sceneramas and other articles imported for exhibition by religious societies or institutions;
- To amend the Tariff Act of 1930 to prevent undue relaxation of customs supervision as a safeguard against smuggling and for the protection of the revenue;
- To liberalize the tariff laws for works of art and other exhibition material;
- To make certain frozen-fish blocks classifiable under paragraph 717 of the Tariff Act of 1930;
- To establish reciprocal import quotas upon the importation of confectionery and chocolate into the United States from for-

- eign countries which impose quotas upon imports of confectionery and chocolate from the United States;
- To amend the Tariff Act of 1930 to place ground, powdered, or granulated seaweeds on the free list;
- To clarify the application of section 7(c) of the Trade Agreements Extension Act of 1951;
- To reduce the import duty on cigars;
- To amend paragraph 1529(a) of the Tariff Act of 1930 to clarify the meaning of the term "braid";
- To amend the Tariff Act of 1930 to provide for the temporary free importation of extracts, decoctions, and preparations of hemlock suitable for use in tanning; and
- To rescind the action of the President imposing quotas on petroleum and petroleum products.

Special services to committees of the Congress

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

During 1959, at the request of the House Committee on Ways and Means, members of the Commission's staff appeared before the committee to supply technical assistance during consideration of proposed legislation on a number of subjects mentioned in the immediately preceding section of this report.

Services to individual Senators and Representatives

Each year the Commission receives many requests from individual Senators and Representatives for various types of information.² 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 1959 the Commission continued to furnish to several Members of Congress, at their request, tabulations prepared by its Ceramics Division on a quarterly basis showing U.S. imports (for consumption) of glassware and pottery, by kinds and by principal sources. During the year the Commission also continued to furnish to Members of Congress, at their request, monthly and cumulative monthly statistics, prepared by its Textiles and Statistical Divisions, on imports of wool tops, yarns of wool, and woolen and worsted fabrics.

² During the period covered by this report, the Commission received 545 congressional letters requesting information on various matters. In addition, the Commission received a large number of congressional telephone requests for information. Many of these requests, like those contained in congressional letters, involved considerable work by the Commission and its staff.

The Commission also regularly furnishes information to the interdepartmental Committee for Reciprocity Information (CRI) to help that Committee in responding to inquiries by Members of Congress.³

Cooperation With Other Government Agencies

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

During 1959 the Commission carried on various kinds of work in cooperation with a score of other Government agencies. Including the various trade-agreement committees, Commissioners and staff members serve on about 25 interdepartmental committees. The assistance that the Commission gives to other Government agencies ranges from handling simple requests for factual information to undertaking projects that require considerable research and sometimes as much as several hundred man-hours of staff work. At times, cooperation with other Government agencies involves detailing members of the Commission's staff to those agencies for short periods.

Selected aspects of the work that the Commission conducted in cooperation with other Government agencies during 1959 are reviewed below.

Work for defense and emergency agencies

During 1959 the U.S. Government agencies concerned with the problems of defense continued to call upon the Tariff Commission for needed information on strategic and critical materials. All the technical divisions of the Commission supplied such information.

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

³ The primary functions of the Committee for Reciprocity Information, which was created by Executive Order 6750 in 1934, are (1) to hold hearings to provide an opportunity for all interested parties to present their views on proposed trade agreements, and (2) to see that those views are brought to the attention of the Interdepartmental Committee on Trade Agreements. The latest Executive order prescribing the duties and functions of the CRI is Executive Order 10082 of Oct. 5, 1949.

mittees established by the interdepartmental commodity advisory committees.

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

Work for other Government agencies

Besides assisting the Department of State in trade-agreement matters, the Commission during 1959 furnished that Department with a wide range of data on U.S. tariffs and trade. A member of the Sundries Division served on the Rubber Panel, which is under the chairmanship of the Department of State.

During the year the Commission supplied the Department of Agriculture with considerable information on agricultural, chemical, and forest products, and exchanged information in connection with investigations that the Commission conducted under section 22 of the Agricultural Adjustment Act, as amended. During the year members of the Commission's Agricultural and Economics Divisions served as members of the interdepartmental sugar committee.

The Commission during 1959 furnished assistance to the following bureaus of the Department of Commerce: The National Bureau of Standards, the Bureau of the Census, and the Bureau of Foreign Commerce (besides the Business and Defense Services Administration, mentioned in the preceding section of this report). The Commission's commodity divisions assisted the Bureau of the Census in the analysis of "basket" classifications of import statistics and in matters concerning the proper coding and classification of imported articles for statistical purposes. The Agricultural, Ceramics, and Chemicals Divisions supplied the Bureau of Foreign Commerce with market and consumption data on certain articles of commerce for which they had unique information.

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

Work on statistical classification of imports and exports

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

Many factors—such as changes in description and rates of duty by reason of trade agreements, changes in the character of various products, the appearance of new products, and the need for recording separate statistics for some products previously included in groups of loosely related articles—make advisable the frequent revision of the enumeration known as *Schedule A—Statistical Classification of Commodities Imported Into the United States*. Supplementing this schedule is a publication entitled *Statistical Requirements for Reporting Imports of Cotton Manufactures*, the first edition of which was issued on July 1, 1957. This enumeration of statistical requirements, which was prepared by the U.S. Department of Commerce with the cooperation of the Bureau of Customs and the Tariff Commission, enables those agencies to follow in the resulting reports the implementation of Japan's 5-year program for controlling its exports of cotton textiles to the United States.

During the first half of the fiscal year 1959, members of the Tariff Commission's staff continued to assist in the preparation of *Schedule A* and the bulletins that authorize changes since its publication. In addition, the Commission's representative on the interdepartmental Advisory Committee reviewed, in terms of *Schedule A*, the proposals for changes in tariff classifications under the Customs Simplification Act of 1954, as amended. This review was made in an effort to evaluate the effect that the proposed revisions would have on the 5,000 statistical items set forth in the existing *Schedule A*.

In April 1959 the Chairman of the interdepartmental Advisory Committee decided that consideration should be given to making a limited number of changes in the present import commodity classifications in *Schedule A*, effective January 1, 1960. Members of the Tariff Commission's staff are currently engaged in reexamining the detailed commodity enumeration set forth in *Schedule A* with a view to making combinations of "inactive" classes and establishing specific categories for new and important products. This reexamination may result in the elimination of approximately one-third of the statistical detail now contained in *Schedule A*.

Besides making changes in commodity classifications, the Advisory Committee plans to prepare, for the use of importers and their agents, a publication that will present the statistical commodity classifications

in tariff classification arrangement. This "reporting manual" would assist importers in determining the proper statistical classifications applicable to any importation. It would also serve to improve the accuracy of the reporting and, as a result, should improve the accuracy of the published import statistics. The Commission's staff will be called upon to review this publication in its manuscript form.

During 1959 the Commission continued to cooperate with the Department of Commerce in revising *Schedule B—Statistical Classification of Domestic and Foreign Commodities Exported from the United States*. Since the Department of Commerce had published a revised edition of *Schedule B*, effective January 1, 1958, only limited changes were authorized during 1959. Members of the Commission's staff who are members of the Advisory Committee's subcommittees for chemical and textile products served in an advisory capacity with respect to these changes.

The chief of the Statistical Division, who serves on the interdepartmental Advisory Committee, assisted in coordinating all revisions in statistical classifications, and acted as liaison between the Commission and the Advisory Committee. In order to maintain convertibility of the import and export statistical schedules to other coding manuals such as the *Standard International Trade Classification* issued by the Statistical Office of the United Nations, and the *Numerical List of Manufactured Products* prepared by the Bureau of the Census, the Commission's representative on the Advisory Committee periodically reviews all changes in the statistical commodity code.

Assistance to Nongovernmental Research Agencies

During 1959 the Commission also assisted certain quasi-official organizations by providing information on trade and tariff matters. For example, a member of the Ceramics Division served during the year on a committee of the American Society for Testing Materials, a national technical society composed of representatives of industry, the Federal Government, and engineering schools. The assistance given this society related chiefly to nomenclature and classification of ceramic products.

Assistance to Business Concerns and the Public

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

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

⁴The latest edition of this compilation is U.S. Tariff Commission, *List of Selected Publications Relating to the United States Tariff and Commercial Policy and the General Agreement on Tariffs and Trade*, 5th ed., 1958 [processed].

PART IV. OTHER ACTIVITIES

General Research and Assembling of Basic Data

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

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

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

Fieldwork

Fieldwork by the Commission's commodity and economics experts is essential to the gathering of information for the investigations that the Commission is charged with conducting. A substantial part of

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

In 1959, as in the past several years, the Commission found it necessary to devote an exceptionally large amount of time to fieldwork. During 1959 the Commission's experts made field trips in connection with the investigations that the Commission conducted under the escape-clause provision; under sections 332 and 337 of the Tariff Act of 1930; under section 201(a) of the Antidumping Act, 1921, as amended; and under section 22 of the Agricultural Adjustment Act, as amended. To keep abreast of technical and trade developments, the Commission's experts visited representative manufacturing and importing firms in their fields of specialization. Representatives of the Commission also attended several conferences of trade and technical associations in order to follow developments affecting competition in domestic markets.

Work of the Invoice Analysis Section and the New York Office

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

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

In its analysis of imports entered through the customs district of New York, the New York office uses the original customhouse documents, to which are attached invoices that have been reviewed and

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

During 1959 the New York office and the Invoice Analysis Section analyzed the data on about 550 commodity classifications of imports. In addition, the New York office and the Invoice Analysis Section made special analyses for use in the Commission's investigations under section 7 of the Trade Agreements Extension Act of 1951, as amended; under sections 332 and 337 of the Tariff Act of 1930; under section 22 of the Agricultural Adjustment Act, as amended; and under Executive Order 10401. It also made, for the defense agencies, several analyses of imports of certain critical and strategic materials, as well as special analyses for the use of other Government agencies.

PART V. ADMINISTRATION AND FINANCES

Membership of the Commission

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

Members of the Commission on June 30, 1959

On June 30, 1959, the close of the period covered by this report, the members of the Commission and the dates on which their respective terms expire were as follows:

Chairman-----	Joseph E. Talbot, Republican from Connecticut (June 16, 1965).
Vice Chairman-----	J. Allen Overton, Jr., Republican from West Virginia (June 16, 1962).
Commissioner-----	Walter R. Schreiber, Republican from Mary- land (June 16, 1964).
Commissioner-----	Glenn W. Sutton, Democrat from Georgia (June 16, 1960).
Commissioner-----	J. Weldon Jones, Democrat from Texas (June 16, 1961).
Commissioner-----	William E. Dowling, Democrat from Michigan (June 16, 1963).

Appointments and changes during 1959

On May 5, 1959, the President designated Joseph E. Talbot as Chairman of the Commission for the remainder of the year ending June 16, 1959. In this post he succeeded Edgar B. Brossard, who retired on April 30, 1959. On June 8, 1959, the President designated Mr. Talbot as Chairman of the Commission for the year ending June 16, 1960.

On May 12, 1959, the President designated J. Allen Overton, Jr., as Vice Chairman of the Commission for the remainder of the year ending June 16, 1959. In this post he succeeded Joseph E. Talbot, who was designated as Chairman on May 5, 1959. On June 8, 1959, the President designated Mr. Overton as Vice Chairman of the Commission for the year ending June 16, 1960.

Edgar B. Brossard, Republican from Utah, retired on April 30, 1959. Mr. Brossard had served as a member of the Commission from July 22, 1925, to June 16, 1950, and from September 20, 1950, to April 30, 1959. He served as Chairman of the Commission from January 15 to September 16, 1930, and from March 5, 1953, until the date of his retirement.

On March 10, 1959, the President nominated J. Allen Overton, Jr., Republican from West Virginia, as a member of the Commission for the remainder of the 6-year term that will expire on June 16, 1962. The Senate confirmed the nomination on March 23, 1959. Mr. Overton, who entered on duty on May 1, 1959, served in the U.S. Department of Commerce as Special Assistant to the General Counsel during 1955 and 1956, and as Deputy General Counsel from 1956 to 1959.

On April 17, 1959, the President nominated Joseph E. Talbot, Republican from Connecticut, to succeed himself as a member of the Commission for the 6-year term that will expire on June 16, 1965. The Senate confirmed the nomination on May 11, 1959. Mr. Talbot, who entered on duty under his new appointment on June 17, 1959, had served as a member of the Commission since April 15, 1953, under previous appointments. He had served as Vice Chairman of the Commission from August 8, 1953, to May 4, 1959.

Staff of the Commission

On June 30, 1959, the personnel of the Tariff Commission consisted of 6 Commissioners and 228 staff members. The total of 234 persons consisted of 131 men and 103 women.

The following tabulation shows the average size of the Commission's staff during successive 5-year periods from 1931 to 1955 and the number of persons on its staff on June 30 of the years 1956 through 1959:

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

Finances and Appropriations, Fiscal Year 1959

The appropriated funds available to the U.S. Tariff Commission during the fiscal year 1959 amounted to \$1,959,100. Reimbursements received amounted to \$9,281, making a grand total available of \$1,968,381. The unobligated balance as of June 30, 1959, was \$265.

Expenditures for the fiscal year 1959 were as follows:

Salaries:	
Commissioners.....	\$124, 640
Employees:	
Departmental	1, 571, 726
Field.....	38, 574
Overtime.....	3, 027
Federal Insurance Contributions Act tax.....	119
Federal Employees' Group Life Insurance Act	
contributions.....	5, 331
Federal employees' retirement contributions.....	111, 572
Travel expense.....	21, 377
Transportation of things.....	410
Books of reference and other publications.....	6, 334
Communications service.....	9, 854
Penalty mail.....	7, 819
Contractual services.....	6, 995
Office supplies and equipment.....	44, 947
Printing and reproduction.....	15, 391
	<hr/>
Total	1, 968, 116

The Commission does not own or operate any motor vehicles.



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

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

**Synthetic Organic Chemicals, United States Production and Sales, 1958
(Rept. No. 205, 2d ser., 1959), \$1.00**

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

OTHER RECENT REPORTS

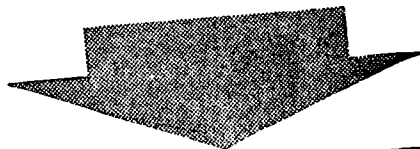
United States Import Duties (1958), \$3.00 (subscription price); \$1.00 additional for foreign mailing

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

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

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