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*Forty-eighth*  
**Annual Report**  
*of the*  
**United States Tariff Commission**

◆  
*Fiscal Year Ended June 30*  
**1964**

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**TC Publication 146**

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

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

\*Part I. Summary

\*Part II. History of the Trade Agreements Program

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Operation of the Trade Agreements Program: 13th Report, July 1959-June  
1960 (TC Publication 51, 1962), 45¢

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

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

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

*Fiscal Year Ended June 30*  
**1964**



**U.S. GOVERNMENT PRINTING OFFICE**  
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**UNITED STATES TARIFF COMMISSION**

**BEN DORFMAN, *Chairman***

**DAN H. FENN, Jr., *Vice Chairman***

**JOSEPH E. TALBOT**

**GLENN W. SUTTON**

**JAMES W. CULLITON**

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

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**Address all communications**  
**UNITED STATES TARIFF COMMISSION**  
**Washington, D.C. 20436**

**LETTER OF TRANSMITTAL**

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UNITED STATES TARIFF COMMISSION,  
*Washington, December 7, 1964.*

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

Respectfully,

BEN DOREFMAN,  
*Chairman.*

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



## PREFACE

This, the *Forty-eighth Annual Report of the United States Tariff Commission*,<sup>1</sup> covers the period July 1, 1963, through June 30, 1964; it was prepared in accordance with the provisions of section 332(g) of the Tariff Act of 1930.<sup>2</sup> References in the report to fiscal 1964 are to the fiscal year that ended June 30, 1964.

During fiscal 1964 the principal activities of the Tariff Commission stemmed from its obligation to assist in U.S. preparations for the sixth (Kennedy) round of tariff negotiations sponsored by the Contracting Parties to the General Agreement on Tariffs and Trade (GATT). Its primary duty in this phase of its work was to advise the President regarding the probable economic effect of prospective trade-agreement concessions on nearly every item in the tariff schedules. In this endeavor the Commission's staff prepared extensive studies and the Commission held public hearings from early December to late March. The Commission's advice to the President was submitted in confidence in late April. For use in the GATT negotiations, the Commission also prepared a large volume of statistical and other data requested by the President or the Special Representative for Trade Negotiations. In addition, staff members served as technical advisers to interdepartmental committees concerned with the negotiations.

The emphasis of the Commission's investigatory activities shifted substantially in fiscal 1964. In the preceding decade, investigations under the so-called escape clause of trade agreements legislation (now the tariff adjustment provisions of the Trade Expansion Act) and section 22 of the Agricultural Adjustment Act had constituted major elements of the Commission's workload. In the year under review, however, the Commission was called upon to institute only two escape-clause investigations; it was not called upon to institute any section 22 investigations. On the other hand, it conducted more investigations under the Antidumping Act than in any previous year. Under new statutory obligations, it acted on a number of petitions from firms or groups of workers seeking eligibility for nontariff adjustment assistance under the Trade Expansion Act. It completed a comprehensive study of beef and beef products—a project undertaken at the request

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<sup>1</sup>The 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.

<sup>2</sup>19 U.S.C. 1332. Section 332(g) requires that this report include summaries of all reports made by the Commission during 1964; they appear under the appropriate headings in parts I and II.

of the Senate Committee on Finance. As in other years, the Commission reported to the Congress on the operation of the trade agreements program, kept current the Tariff Schedules of the United States, reported on production and imports of synthetic organic chemicals, and responded to requests from the Congress, the President, and the public for a variety of data pertaining principally to tariffs and trade.



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## PART I. PUBLIC INVESTIGATIONS

Specific provisions of law direct the U.S. Tariff Commission to conduct various investigations. The directives in effect on July 1, 1963, were set forth in sections 221, 225, 301(b), 301(c)(1), 301(c)(2), 351(d)(1), and 351(d)(2) of the Trade Expansion Act of 1962;<sup>1</sup> sections 332, 336, and 337 of the Tariff Act of 1930,<sup>2</sup> as amended; section 22 of the Agricultural Adjustment Act, as reenacted and amended; and section 201(a) of the Antidumping Act, 1921, as amended.

During fiscal 1964 the Commission conducted investigations under all of these statutes except sections 336 and 337 of the Tariff Act of 1930, as amended,<sup>3</sup> and section 22 of the Agricultural Adjustment Act, as reenacted and amended.

### Trade Expansion Act of 1962

#### Section 221

The Tariff Commission devoted much time during fiscal 1964 to work under section 221 of the Trade Expansion Act of 1962.<sup>4</sup> Under this section, the Commission on April 22, 1964, submitted to the President its advice concerning each article in the President's list of articles that might be considered for trade-agreement concessions.

Section 221 requires the Tariff Commission to advise the President regarding the economic effects of possible trade-agreement concessions that might be offered by the United States. Before the President may offer concessions, he must publish and furnish the Commission with lists of articles which may be considered for U.S. concessions. Within 6 months after receipt of a list, the Commission must advise the President of its judgment of the probable economic effect that a reduction in the import duty on any of these articles would have on industries producing like or directly competitive articles. The Commission's advice is intended to assist the President in making an informed judgment of the impact that the concessions under consideration might have on U.S. industry, agriculture, and labor.

In preparing its advice to the President, the Commission is directed by section 221(c) to (1) investigate the conditions, causes, and effects of competition between the foreign industries producing the articles in question and the domestic industries producing the like or directly

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<sup>1</sup> 19 U.S.C. 1801 et seq.

<sup>2</sup> 46 Stat. 590.

<sup>3</sup> The Commission on Apr. 22, 1964, instituted a preliminary inquiry under sec. 337 with respect to watches and watch movements.

<sup>4</sup> 19 U.S.C. 1841.

competitive articles; (2) analyze the production, trade, and consumption of each like or directly competitive article, taking into consideration employment, profit levels, the use of U.S. productive facilities, and such other economic factors in those industries as the Commission considers relevant (such as prices, wages, sales, inventories, patterns of demand, capital investment, obsolescence of equipment, and diversification of production); (3) describe in its report the probable nature and extent of any significant change that trade-agreement concessions on the listed articles would cause in employment, profit levels, use of productive facilities, and such other conditions as it deems relevant to the domestic industries concerned; and (4) make special studies of particular proposed concessions whenever it deems such studies are warranted, including within the scope of these studies data on the real wages paid in foreign supplying countries. In connection with preparing its advice, the Commission is required by section 221(d) to hold public hearings.

The President may not offer a trade-agreement concession on any article until he has received the Tariff Commission's advice concerning the effect of granting a concession on the article, or until 6 months after the Commission has received from him the list of articles to be considered for trade-agreement concessions, whichever occurs first. In addition to the articles mandatorily reserved from negotiations for the reduction of duty or other import restriction or for the elimination of duty, the President may reserve from trade-agreement negotiations any of the articles included in the list he furnished to the Commission after taking into consideration, among other things, the Commission's advice submitted under section 221(b). After concluding a trade agreement, the President must promptly transmit to each House of Congress a copy of the agreement, together with a statement of his reasons for entering into the agreement. The statement is to be made in the light of the Tariff Commission's advice under section 221(b) and of other relevant considerations.

In conformity with section 221 of the Trade Expansion Act, the President submitted to the Tariff Commission on October 22, 1963, a list of articles that would be considered for concessions at the sixth round of tariff negotiations planned by the Contracting Parties to the General Agreement on Tariffs and Trade (GATT). The list included all the articles provided for in the Tariff Schedules of the United States, with the exception of those articles which were statutorily reserved from negotiation.

In anticipation of receiving such a list, the Tariff Commission in late 1962 had begun compiling and analyzing data on articles covered by the Tariff Act, and in April 1963 had begun incorporating that information in more than 1,500 digests. During the period December 2, 1963–March 27, 1964, the Commission held public hearings for

the purpose of obtaining additional information, at which all interested parties were given an opportunity to be present and to be heard. Included in the digests was information on the use, tariff status, consumption, U.S. production and producers, exports, and imports of the products involved. On April 22, 1964, the Commission submitted to the President its advice regarding the probable economic effects of reductions in the import duties, and included for reference the digests that had been prepared.

#### Section 225(b)

During fiscal 1964 the Tariff Commission undertook 15 investigations under section 225(b) of the Trade Expansion Act of 1962;<sup>5</sup> 14 of these investigations were completed and 1 was dismissed. The Commission reported the results of the 14 investigations to the President on April 22, 1964.

Section 225(b) requires the President to reserve from negotiations (under title II of the Trade Expansion Act) for the reduction of any duty or other import restriction or for the elimination of any duty an article included for the first time in a list furnished the Tariff Commission under section 221 of the act where (1) the Commission, as a result of an escape-clause investigation, found by majority vote before October 11, 1962, that such article was being imported in such increased quantities as to cause or threaten serious injury to a domestic industry; (2) no escape action taken under section 7 of the Trade Agreements Extension Act of 1951 was in effect on October 11, 1962; (3) a request for reservation on behalf of the industry had been filed with the Commission not later than 60 days after the date of the publication of the President's list of articles; and (4) the Commission found and advised the President that the economic conditions in the industry had not improved substantially since the date of its report to the President of its escape-clause finding. An article which meets all four of the foregoing conditions must be reserved from negotiation during the 5-year period ending on October 10, 1967.

On October 22, 1963, the Tariff Commission published a list of 18 articles that were subject to request for reservation under section 225(b). The Commission received, within the allotted 60 days, requests for reservation of 15 of these articles,<sup>6</sup> and in response thereto it instituted an investigation, including a public hearing, with respect to each of them, in order to determine whether economic conditions in each of the respective industries had improved substantially since the Commission reported its escape-clause findings of serious injury

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<sup>5</sup> 19 U.S.C. 1845.

<sup>6</sup> No requests were made for reservation of alsike clover seed, screen-printed scarves of silk, and violins and violas valued not over \$25 each.

or threat thereof. The findings of the Commission, reported to the President on April 22, 1964, are shown in the following tabulation:

Commodity	Findings of the Commission <sup>1</sup>	
	Improved	Not improved
Garlic.....	6	0
Groundfish fillets.....	0	6
Tartaric acid.....	(2)	(2)
Cream of tartar.....	0	6
Umbrella frames.....	0	6
Baseball and softball gloves and mitts.....	0	6
Hatters' fur.....	0	6
Ceramic mosaic tile.....	0	6
Scissors and shears valued over \$1.75 per dozen.....	0	6
Ferrocium and other cerium alloys.....	6	0
Spring-type clothespins.....	3	3
Bicycles.....	4	2
Brier tobacco pipes and bowls, valued not over \$5 per dozen.....	0	6
Dressmakers' or common pins.....	0	6
Velveteens of cotton.....	2	4

<sup>1</sup> "Improved" indicates a finding that economic conditions in the industry concerned had substantially improved since the date of the escape-clause finding; "Not improved" identifies a finding that such conditions had not substantially improved.

<sup>2</sup> During the course of the investigation it was ascertained that no industry in the United States was engaged in the production of tartaric acid; therefore, the request for reservation "on behalf of the industry" could not have been made as required by sec. 225(b).

None of the items which the Commission found were produced by an industry in which the economic conditions had not improved were eligible for negotiation for the reduction of any duty or other import restriction or the elimination of any duty at the sixth round of tariff negotiations sponsored by the Contracting Parties to the General Agreement on Tariffs and Trade. Items with respect to which economic conditions were found to have improved were subject to negotiation and were therefore included among the articles on which the Commission advised the President in accordance with section 221(b) of the Trade Expansion Act.

#### Section 301(b)

During the year ending June 30, 1964, the Tariff Commission instituted two investigations of industries under section 301(b) of the Trade Expansion Act of 1962.<sup>7</sup> Neither investigation was completed during this period.

Section 301(b) provides that the Tariff Commission—upon request of the President, upon resolution of either the Committee on Finance

<sup>7</sup> 19 U.S.C. 1901(b).

of the Senate or the Committee on Ways and Means of the House of Representatives, upon the Commission's own motion, or upon the filing of a petition by a trade association, firm, certified or recognized union, or other representative of an industry—must promptly make an investigation to determine whether, as a result in major part of concessions granted under trade agreements, an article is being imported into the United States in such increased quantities as to cause, or threaten to cause, serious injury to the domestic industry producing an article which is like or directly competitive with the imported article. The Commission is required to hold public hearings in the course of each investigation. In making its determination, the Commission is directed to take into account all economic factors which it considers relevant, including the idling of productive facilities, the inability to operate at a level of reasonable profit, and unemployment or underemployment. Increased imports are to be considered as having caused or threatened serious injury to the domestic industry, if the Commission finds that such increased imports have been the major factor in causing or threatening such injury.

The Commission is required to make a report of its determination under section 301(b) not later than 6 months after the date on which the petition was filed (or the date on which the request by the President or congressional resolution was received, or the date on which the Commission instituted the investigation on its own motion, as the case may be). Should the Commission, as a result of its investigation, make a finding under section 301(b) of the existence or threat of serious injury as a result of increased imports due in major part to concessions granted under trade agreements, it must find the duty or other import restriction on such imports that is necessary to prevent or remedy the injury and must include this finding in its report to the President.

The Commission is directed to report to the President the results of each of its investigations under section 301(b) and include in each report any dissenting or separate views of the Commission. The Commission is also required to furnish the President a transcript of the hearings and any briefs submitted in connection with the investigation. After making its report to the President, the Commission must promptly make its report public and publish a summary thereof in the *Federal Register*.

*Umbrellas and parts of umbrellas.*—On petition of Umbrella Manufacturers & Suppliers, Inc., and the Umbrella Frame Association of America, Inc., the Tariff Commission on March 5, 1964, instituted an investigation under section 301(b) (1) of the Trade Expansion Act of 1962 to determine whether, as a result in major part of concessions granted under trade agreements, umbrellas and parts of umbrellas (except handles) are being imported into the United States in such increased quantities as to cause, or threaten to cause, serious injury to the domestic industry or industries producing like or directly competitive products. At the close of the period covered by this report—June 30, 1964—this investigation was in process.

*Watches, watch movements, and parts of watch movements.*—On petition of the Bulova Watch Co., Elgin National Watch Co., and Hamilton Watch Co., the Tariff Commission on May 19, 1964, instituted an investigation under section 301(b)(1) of the Trade Expansion Act of 1962 to determine whether—as a result in major part of concessions granted under trade agreements—watches, watch movements, and parts of watch movements are being imported into the United States in such increased quantities as to cause, or threaten to cause, serious injury to the domestic industry or industries producing like or directly competitive products. At the close of the period covered by this report—June 30, 1964—this investigation was in process.

Within 60 days after the date the President receives from the Commission a finding of injury or threat thereof under section 301(b), he may request additional information from the Tariff Commission under section 351(a) of the act. The latter section requires that the Commission furnish the President a supplemental report containing the additional information as soon as possible, but in no event more than 120 days after the date it received the President's request. Inasmuch as the Commission had made no affirmative finding under section 301(b) by the close of the year under review, the President had not had occasion to request additional information under section 351(a).

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

During fiscal 1964 two investigations under section 301(c)(1) of the Trade Expansion Act of 1962<sup>8</sup> were conducted by the Tariff Commission; one investigation was completed by the end of the year.

Section 301(c)(1) requires the Commission, upon petition by a firm or its representative, to determine whether the firm is eligible to apply for assistance in adjusting to competition from imports. The Commission must make an investigation to determine whether, as a result in major part of concessions granted under trade agreements, an article like or directly competitive with an article produced by the firm is being imported into the United States in such increased quantities as to cause, or threaten to cause, serious injury to that firm. In making its determination the Commission is directed to take into account all economic factors which it considers relevant, including idling of productive facilities of the firm, inability of the firm to operate at a level of reasonable profit, and unemployment or underemployment in the firm. Increased imports are to be considered to cause or threaten to cause serious injury to the firm if the Commission finds that such increased imports have been the major factor in causing, or threatening to cause, such injury.

The Commission is required to make a report to the President on its investigation, including any dissenting or separate views, not later than 60 days after the date on which the petition was filed. As a part

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<sup>8</sup> 19 U.S.C. 1901(c)(1).



of the investigation, the Commission must hold a public hearing if one is requested by the petitioner, or if, within 10 days after notice of the filing of the petition, a hearing is requested by any other party showing a proper interest. In addition, the Commission must furnish the President with a transcript of the hearings and any briefs submitted in connection with the investigation.

*Industrial Biochemicals, Inc.*—On petition by Industrial Biochemicals, Inc., located at Edison, N.J., the Tariff Commission on May 29, 1963, instituted under section 301(c) (1) an investigation of the effect on that firm of imported sodium gluconate, technical, provided for in paragraph 5 of the Tariff Act of 1930. A public hearing was neither requested nor held.

On July 23, 1963, the Commission submitted to the President a report on its investigation.<sup>9</sup> The Commission unanimously found that sodium gluconate, technical, was not, as a result in major part of concessions granted under trade agreements, being imported in such increased quantities as to cause, or threaten to cause, serious injury to Industrial Biochemicals, Inc., of Edison, N.J. The Commission based its decision on the fact that domestic production of sodium gluconate had increased steadily, and imports had never been substantial and had actually declined since 1961. The Commission found that increased imports were not the major factor causing the difficulties of the petitioner.

*Danaho Refining Co.*—On petition by the Danaho Refining Co., located at Houston, Tex., the Tariff Commission on June 29, 1964, instituted an investigation under section 301(c) (1) of the Trade Expansion Act of 1962 to determine the effect on that firm of imported crude petroleum. At the close of the period covered by this report—June 30, 1964—this investigation was in process.

#### Section 301(c) (2)

During the period covered by this report, the Tariff Commission conducted two investigations under section 301(c) (2)<sup>10</sup> of the Trade Expansion Act of 1962; both investigations were completed by the end of the year.

Section 301(c) (2) requires the Commission, upon petition by a group of workers or by their certified or recognized union or other duly authorized representative, to determine whether the group is eligible to apply for assistance in adjusting to competition from imports. The Tariff Commission must promptly make an investigation to determine whether, as a result in major part of concessions granted under trade agreements, an article like or directly competitive with an article produced by such workers' firm, or an appropriate sub-

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<sup>9</sup> *Tariff Commission Report to the President on Petition for Adjustment Assistance by Industrial Biochemicals, Inc.*, (TEA-F-2), TC Publication 101, 1963 [processed]. The whole of the Commission's report was not made public because it contained certain information received in confidence.

<sup>10</sup> 19 U.S.C. 1901(c) (2).

division thereof, is being imported into the United States in such increased quantities as to cause, or threaten to cause, unemployment or underemployment of a significant number or proportion of the workers of such firm or subdivision. Increased imports are to be considered to cause or threaten to cause such unemployment or underemployment if the Commission finds that such increased imports have been the major factor in causing, or threatening to cause, such unemployment or underemployment.

The Commission is required to make a report to the President on its investigation, including any dissenting or separate views, not later than 60 days after the date on which the petition was filed. As a part of the investigation the Commission is required to hold a public hearing if one is requested by the petitioner, or if, within 10 days after notice of the filing of the petition, a hearing is requested by any other party showing a proper interest. In addition to making its report to the President, the Commission must furnish him with a transcript of the hearings and any briefs submitted in connection with the investigation.

*Cotton sheeting workers.*—On petition by the Textile Workers Union of America on behalf of a group of workers from the plant in Cordova, Ala., owned and operated by Indian Head Mills, Inc., the Tariff Commission on May 22, 1963, instituted under section 301 (c) (2) of the 1962 act an investigation of the effect of imported carded cotton sheeting on the employment of those workers. A public hearing was held on June 27, 1963.

The Commission submitted its report to the President on July 19, 1963.<sup>11</sup> It unanimously found that carded cotton sheeting was not, as a result in major part of concessions granted under trade agreements, being imported in such increased quantities as to cause the unemployment of a significant number or proportion of the workers of the Cordova, Ala., mill of Indian Head Mills, Inc. The Commission based its decision on the fact that any increase that may have occurred in imports of sheeting was not due in major part to a trade-agreement concession, and that any such increase in imports, whatever its cause, was not the major factor that led to the unemployment of the workers at the Cordova plant.

*Ceramic mosaic tile workers.*—On petition of a group of workers from the Winburn Tile Manufacturing Co., of Little Rock, Ark., a subsidiary of the Mosaic Tile Co. of Cleveland, Ohio, the Tariff Commission on September 27, 1963, instituted under section 301 (c) (2) an investigation of the effect of imported ceramic mosaic tile on the employment of those workers. No public hearing was requested or held.

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<sup>11</sup> *Tariff Commission Reports to the President on Cotton Sheeting Workers' Petition for Adjustment Assistance*, (TEA-W-4), TC Publication 100, 1963 [processed]. The whole of the Commission's report was not made public because it contained data received in confidence.

The Commission submitted a report to the President on November 25, 1963.<sup>12</sup> It unanimously found<sup>13</sup> that ceramic mosaic tile was not, as a result in major part of concessions granted under trade agreements, being imported in such increased quantities as to cause, or threaten to cause, the unemployment of a significant number or proportion of the workers of the Winburn Tile Manufacturing Co., of Little Rock, Ark. The Commission based its decision on the fact that such reduction in employment as may have occurred in the Winburn establishment in recent years must be attributed to causes other than reduced production and sales by that establishment and hence was attributable to causes other than increased imports.

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

During the period covered by this report the Tariff Commission submitted to the President eight reports on its annual reviews under section 351(d)(1) of the Trade Expansion Act of 1962.<sup>14</sup>

Section 351(d)(1) directs the Tariff Commission, as long as increased import restrictions proclaimed pursuant to section 7 of the 1951 act or section 351(a) of the 1962 act remain in effect, to keep under review developments relating to the industry concerned and to make annual reports to the President concerning these developments. The reports submitted to the President under section 351(d)(1) during the period covered by this report are discussed briefly below.

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

As required by section 351(d)(1), the Commission on July 25, 1963, submitted to the President its eighth annual report on developments relating to the watch movements involved in the escape-clause action.<sup>15</sup> The report presented statistical data and other information concerning watch movements, with emphasis on developments in the period following that covered by the Commission's report submitted to the President in July 1962 under Executive Order 10401.

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<sup>12</sup> *Tariff Commission Reports to the President on Ceramic Mosaic Tile Workers' Petition for Adjustment Assistance*, (TEA-W-5), TC Publication 115, 1963 [processed]. The whole of the Commission's report to the President was not made public because it contained certain information that would disclose the operations of an individual concern.

<sup>13</sup> Commissioner Dan H. Fenn, Jr., who entered on duty on Oct. 18, 1963, did not participate in the investigation or the finding.

<sup>14</sup> 19 U.S.C. 1981(d)(1).

<sup>15</sup> *Watch Movements: Report to the President (No. TEA-IR-4-63) Under Section 351(d)(1) of the Trade Expansion Act of 1962*, TC Publication 102, 1963 [processed].

*Wilton, Brussels, velvet, and tapestry carpets and rugs.*—In 1962, following an escape-clause investigation and report by the Tariff Commission, the President withdrew the concession that the United States had granted in the General Agreement on Tariffs and Trade and increased the rate of duty on Wilton, Brussels, velvet, and tapestry carpets and rugs. The increased rate of duty was to have become effective after the close of business on April 18, 1962, but the President, by proclamation dated March 27, 1962, deferred the effective date of the increased rate to after the close of business on June 17, 1962.

As required by section 351 (d) (1), the Commission on September 13, 1963, submitted to the President its first periodic report concerning Wilton, Brussels, velvet, and tapestry carpets and rugs that were the subject of the escape-clause action.<sup>16</sup> The report presented statistical data and other information, with emphasis on developments that had occurred since the Commission reported to the President in August and December 1961 on its escape-clause investigation of such carpets and rugs.

*Cotton typewriter-ribbon cloth.*—In 1960, after an escape-clause investigation and report by the Tariff Commission, the President modified the concession that the United States had granted on broadwoven cotton typewriter-ribbon cloth in the General Agreement on Tariffs and Trade, and restored the higher statutory rates of duty on such cloth. The modification of the concession became effective on September 23, 1960.

As required by section 351 (d) (1), the Commission on September 23, 1963, submitted to the President its second annual report on developments concerning cotton typewriter-ribbon cloth involved in the escape-clause action.<sup>17</sup> The report presented statistical data and other information with respect to typewriter-ribbon cloth, with emphasis on developments that had occurred since the Commission's report in September 1962 under Executive Order 10401.

*Cylinder, crown, and sheet glass.*—In 1962, following an escape-clause investigation and report by the Tariff Commission, the President withdrew the concession that the United States had granted in the General Agreement on Tariffs and Trade, and increased the duties applicable to certain cylinder, crown, and sheet glass. The increased duties were to have become effective after April 18, 1962, but by proclamation dated March 27, 1962, the President deferred the effective date of the increased duties to after the close of business on June 17, 1962.

As required by section 351 (d) (1), the Commission on September 27, 1963, submitted to the President its first annual report on develop-

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<sup>16</sup> *Wilton, Brussels, Velvet, and Tapestry Carpets and Rugs: Report to the President (No. TEA-IR-5-63) Under Section 351 (d) (1) of the Trade Expansion Act of 1962*, TC Publication 107, 1963 [processed].

<sup>17</sup> *Cotton Typewriter-Ribbon Cloth: Report to the President (No. TEA-IR-6-63) Under Section 351 (d) (1) of the Trade Expansion Act of 1962*, TC Publication 108, 1963 [processed].

ments regarding cylinder, crown, and sheet glass involved in the escape-clause action.<sup>18</sup> The report presented statistical data and other information concerning cylinder, crown, and sheet glass, with emphasis on developments that had occurred since the Commission reported to the President in May 1961 on its escape-clause investigation of such glass.

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

As required by section 351(d)(1), the Commission on October 1, 1963, submitted to the President its fourth periodic report on developments relating to unmanufactured lead and zinc.<sup>19</sup> The report presented statistical data and other information concerning lead and zinc, with emphasis on developments that had occurred since the Commission reported to the President in October 1962 under Executive Order 10401.

*Stainless-steel table flatware.*—In 1959, after an escape-clause investigation and report by the Tariff Commission, the President modified the concession that the United States had granted in the General Agreement on Tariffs and Trade on certain stainless-steel table flatware. By Proclamation 3323, effective November 1, 1959, he established an annual tariff quota on imports of table spoons, table knives, and table forks, wholly of metal and in chief value of stainless steel, not over 10.2 inches in overall length and valued under \$3 per dozen pieces. The tariff quota was fixed at 69 million single units (aggregate quantity); the duties on imports within the quota were not changed, but the duties on imports in any quota year in excess of that quantity were increased.

As required by section 351(d)(1), the Commission on November 1, 1963, submitted to the President its third annual report on developments in the trade in stainless-steel table flatware involved in the escape-clause action.<sup>20</sup> The report presented statistical data and other information concerning stainless-steel table flatware, with emphasis

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<sup>18</sup> *Cylinder, Crown, and Sheet Glass: Report to the President (No. TEA-IR-7-63) Under Section 351(d)(1) of the Trade Expansion Act of 1962*, TC Publication 110, 1963 [processed].

<sup>19</sup> *Lead and Zinc: Report to the President (No. TEA-IR-8-63) Under Section 351(d)(1) of the Trade Expansion Act of 1962*, TC Publication 111, 1963 [processed].

<sup>20</sup> *Stainless-Steel Table Flatware: Report to the President (No. TEA-IR-1-63) Under Section 351(d)(1) of the Trade Expansion Act of 1962*, TC Publication 113, 1963 [processed].

on developments that had occurred since the Commission's report to the President in November 1962.

*Safety pins.*—In 1957, following an escape-clause investigation and report by the Tariff Commission, the President increased the rate of duty applicable to safety pins, effective on December 31, 1957.

As required by section 351(d)(1), the Commission on December 31, 1963, submitted to the President its fifth periodic report on developments relating to the safety pins involved in the escape-clause action.<sup>21</sup> The report presented statistical data and other information concerning safety pins, with emphasis on developments in the period following that covered by the Commission's report submitted to the President in December 1962. Much of the report to the President was not made public since it contained information that would reveal the operations of individual firms.

*Clinical thermometers.*—In 1958, pursuant to an escape-clause investigation and report by the Tariff Commission, the President withdrew the concession that the United States had granted in the General Agreement on Tariffs and Trade on clinical thermometers, finished or unfinished, wholly or in chief value of glass. The duty on such thermometers was increased from 42½ percent ad valorem to 85 percent ad valorem, effective on May 22, 1958.

As required by section 351(d)(1), the Commission on May 1, 1964, submitted to the President its fourth periodic report on developments in the trade in clinical thermometers.<sup>22</sup> The report presented statistical data and other information relating to clinical thermometers, with emphasis on developments that had occurred since the Commission's report in May 1963.

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

During fiscal 1964 the Commission instituted investigations under section 351(d)(2)<sup>23</sup> relating to watch movements, unmanufactured lead and zinc, drawn or blown flat glass (sheet glass), and stainless-steel table flatware, none of which were completed by June 30, 1964.

Section 351(d)(2) directs the Commission to advise the President, either at his request or on its own motion, of its judgment as to the probable economic effect on the industry concerned of the reduction or termination of the increased restrictions proclaimed pursuant to either section 7 of the 1951 act or section 351(a) of the 1962 act.<sup>24</sup>

<sup>21</sup> *Safety Pins: Report to the President (No. TEA-IR-2-63) Under Section 351(d)(1) of the Trade Expansion Act of 1962*, TC Publication 118, 1963 [processed].

<sup>22</sup> *Clinical Thermometers: Report to the President (No. TEA-IR-3-64) Under Section 351(d)(1) of the Trade Expansion Act of 1962*, TC Publication 127, 1964 [processed].

<sup>23</sup> 19 U.S.C. 1901(c)(2).

<sup>24</sup> Under sec. 351(c) of the 1962 act, increased import restrictions proclaimed pursuant to sec. 7 of the Trade Agreements Extension Act of 1951 will automatically terminate on Oct. 11, 1967, and those proclaimed pursuant to sec. 351(a) of the 1962 act will automatically terminate 4 years after such actions are proclaimed, unless action under sec. 351(d)(3) is taken to extend them.

Upon receiving the Commission's advice, the President may reduce or terminate these restrictions prior to the date on which they would automatically terminate.

The Tariff Commission, in advising the President under section 351(d)(2) as to the probable economic effect on the industry concerned, is directed to take into account all economic factors which it considers relevant, including idling of productive facilities, inability to operate at a level of reasonable profit, and unemployment or underemployment. The advice is to be given on the basis of an investigation during the course of which the Commission must hold a public hearing at which interested persons are given an opportunity to present evidence and to be heard.

The status (on June 30, 1964) of the four investigations initiated under section 351(d)(2) of the Trade Expansion Act of 1962 during the period July 1, 1963-June 30, 1964, is shown in the following compilation:

Commodity	Origin of investigation	Investigation initiated
Watch movements.....	Motion of Tariff Commission.	Dec. 5, 1963
Unmanufactured lead and zinc.....	Request of President.....	Mar. 4, 1964
Drawn or blown flat glass (sheet glass).	Request of President.....	Mar. 30, 1964
Stainless-steel table flatware.....	Request of President.....	June 24, 1964

None of these investigations were completed by the close of the period covered by this report.

#### Section 351(d)(3)

No investigations under section 351(d)(3) were conducted during fiscal 1964. This section of the act directs the Tariff Commission, when petitioned on behalf of the industry concerned, to advise the President of the Commission's judgment as to the probable economic effect on that industry of the automatic termination of the increase in import restrictions. The petition on behalf of the industry must be filed with the Commission not earlier than 9 months nor later than 6 months before the increased import restrictions would otherwise terminate automatically. The President can extend the restrictions for such periods (not in excess of 4 years at any one time) as he may designate. Inasmuch as none of the import restrictions concerned are due to terminate automatically until 1967, the Tariff Commission will have no occasion to submit advice to the President under section 351(d)(3) before that time.

#### Agricultural Adjustment Act, Section 22

At no time during fiscal 1964 were investigations pending before the Tariff Commission under section 22 of the Agricultural Adjust-

ment Act, as amended.<sup>25</sup> This section authorizes the President to restrict imports of any commodity, by imposing either fees or quotas (within specified limits), whenever such imports render or tend to render ineffective, or materially interfere with, programs of the U.S. Department of Agriculture relating to agricultural commodities or products thereof. It requires the Tariff Commission, when so directed by the President, to conduct an investigation of the specified commodity, including a public hearing, and to submit a report with 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.

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

### **Tariff Act of 1930**

#### **Section 332**

During the period covered by this report, the Tariff Commission instituted and completed one investigation under section 332 of the Tariff Act of 1930.<sup>26</sup> This section of the act directs the Commission to place at the disposal of the President, the House Committee on Ways and Means, and the Senate Committee on Finance all information at its command whenever requested to do so. 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.

On June 30, 1964, the Commission issued a report on its investigation of the conditions of competition in the United States between imported and domestic beef and beef products. The report was submitted in response to a resolution adopted by the Senate Committee on Finance on November 20, 1963. It describes the operations of U.S. producers of cattle and beef and includes statistical data and other information on U.S. consumption of beef and beef products, U.S. production, channels and methods of distribution, U.S. exports, foreign production and trade, U.S. imports, prices, income received by domestic cattle growers, and U.S. customs treatment. In connection

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<sup>25</sup> 7 U.S.C. 624.

<sup>26</sup> 19 U.S.C. 1332.



with the investigation, a public hearing at which interested parties were given an opportunity to appear and to be heard was held April 28-30, and May 1, 5, and 6, 1964.

#### **Section 336**

At no time during fiscal 1964 were investigations pending before the Tariff Commission under the provisions of section 336 of the Tariff Act of 1930,<sup>27</sup> the so-called flexible-tariff provision. This section provides that 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. Such action may be taken only 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 provisions of section 336 are 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.

#### **Section 337**

No investigations under section 337 of the Tariff Act of 1930<sup>28</sup> were completed by the Tariff Commission during fiscal 1964. During this period, however, the Commission initiated a preliminary inquiry into the allegations of a complaint concerning watches and watch movements to determine whether to undertake a full investigation under section 337.

Section 337 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.

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

At one time or another during the period July 1, 1963-June 30, 1964, 11 investigations were in process before the Tariff Commission under the provisions of section 201(a) of the Antidumping Act, 1921, as amended.<sup>29</sup> Of these investigations, 8 were completed during fiscal 1964, and 3 were in process at the close of the period.

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<sup>27</sup> 19 U.S.C. 1336, 1352.

<sup>28</sup> 19 U.S.C. 1337, 1337a.

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

Section 201(a) of the Antidumping Act, 1921, as amended, 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 in the United States 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 prevented from being established, by reason of the importation of such merchandise. On completion of its investigation the Commission notifies the Secretary of the Treasury of its determination. If the determination is affirmative, the Secretary issues a "finding" of dumping, and dumping duties are thenceforth applicable. The law provides that an evenly divided vote of the Commission shall be deemed to be affirmative.

The Secretary of the Treasury, upon determining whether foreign merchandise is being, or is likely to be, sold in the United States at less than its fair value, and the Tariff Commission, upon making its determination, shall each publish such determination in the *Federal Register*, with a statement of the reasons therefor, whether such determination is affirmative or negative.

#### **Hot-rolled carbon steel wire rods from France**

On May 29, 1963, the Tariff Commission instituted an investigation—under the provisions of section 201(a)—of hot-rolled carbon steel wire rods from France. No public hearing was requested or held, but written statements from interested parties were received and considered.

On July 15, 1963, the Commission announced that it had unanimously determined that an industry in the United States was not being, and was not likely to be, injured, or prevented from being established, by reason of the importation of hot-rolled carbon steel wire rods from France, sold at less than fair value, within the meaning of the Antidumping Act, 1921, as amended.<sup>30</sup>

#### **Titanium dioxide from France**

On June 25, 1963, the Tariff Commission instituted an investigation—under the provisions of section 201(a)—of titanium dioxide from France. A public hearing was held on July 31, 1963.

On September 24, 1963, the Commission announced that it had unanimously determined that an industry in the United States was not being, and was not likely to be, injured, or prevented from being established, by reason of the importation of titanium dioxide from France, sold at less than fair value within the meaning of the Antidumping Act, 1921, as amended.<sup>31</sup>

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<sup>30</sup> U.S. Tariff Commission, *Hot-Rolled Carbon Steel Wire Rods From France: Determination of No Injury or Likelihood Thereof*, TC Publication 99, 1963 [processed]; 28 F.R. 7368.

<sup>31</sup> U.S. Tariff Commission, *Titanium Dioxide From France: Determination of No Injury or Likelihood Thereof*, TC Publication 109, 1963 [processed]; 28 F.R. 10467.

**Chromic acid from Australia**

On November 26, 1963, the Tariff Commission instituted an investigation—under the provisions of section 201(a)—of chromic acid from Australia. No public hearing was requested or held, but written statements from interested parties were received and considered.

On February 26, 1964, the Commission (Commissioners Dorfman and Talbot dissenting)<sup>32</sup> announced that it had determined that an industry in the United States was being injured by reason of the importation of chromic acid from Australia, sold at less than fair value, within the meaning of the Antidumping Act, 1921, as amended.<sup>33</sup>

**Steel reinforcing bars from Canada**

On December 24, 1963, the Tariff Commission instituted an investigation—under the provisions of section 201(a)—of steel reinforcing bars from Canada. A public hearing was held on February 11, 1964.

On March 23, 1964, the Commission (Commissioners Dorfman, Talbot, and Fenn dissenting) announced that it had determined that an industry in the United States was likely to be injured by reason of the importation of steel reinforcing bars from Canada, sold at less than fair value, within the meaning of the Antidumping Act, 1921, as amended.<sup>34</sup>

**Peat moss from Canada**

On January 16, 1964, the Tariff Commission instituted an investigation—under the provisions of section 201(a)—of peat moss from Canada. A public hearing was held on March 16, 1964.

On March 31, 1964, the Commission announced that it had unanimously determined that an industry in the United States was not being, and was not likely to be, injured, or prevented from being established, by reason of the importation of peat moss, horticultural and poultry grades, from Atkins & Durbrow Ltd., Vancouver, British Columbia, and Western Peat Co. Ltd., New Westminster, British Columbia, Canada, which was sold at less than fair value within the meaning of the Antidumping Act, 1921, as amended.<sup>35</sup>

**Cast iron soil pipe from Australia**

On January 16, 1964, the Tariff Commission instituted an investigation—under the provisions of section 201(a)—of cast iron soil pipe from Australia. No public hearing was requested or held, but written statements from interested parties were received and considered.

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<sup>32</sup> Commissioner Culliton did not participate in the determination because of absence.

<sup>33</sup> U.S. Tariff Commission, *Chromic Acid From Australia: Determination of Injury*, TC Publication 121, 1964 [processed]; 29 F.R. 2919.

<sup>34</sup> U.S. Tariff Commission, *Steel Reinforcing Bars From Canada: Determination of Likelihood of Injury*, TC Publication 122, 1964 [processed]; 29 F.R. 3840.

<sup>35</sup> U.S. Tariff Commission, *Peat Moss From Canada: Determination of No Injury or Likelihood Thereof*, TC Publication 123, 1964 [processed]; 29 F.R. 4843.

On April 13, 1964, the Commission announced that it had unanimously determined that an industry in the United States was not being, and was not likely to be, injured, or prevented from being established, by reason of the importation of cast iron soil pipe from Australia, sold at less than fair value, within the meaning of the Antidumping Act, 1921, as amended.<sup>36</sup>

#### **Titanium dioxide from Japan**

On January 24, 1964, the Tariff Commission instituted an investigation—under the provisions of section 201(a)—of titanium dioxide from Japan. A public hearing was held on March 23, 1964.

On April 21, 1964, the Commission announced that it had unanimously determined that an industry in the United States was not being, and was not likely to be, injured, or prevented from being established, by reason of the importation of titanium dioxide from Japan, sold at less than fair value, within the meaning of the Antidumping Act, 1921, as amended.<sup>37</sup>

#### **Vital wheat gluten from Canada**

On February 3, 1964, the Tariff Commission instituted an investigation—under the provisions of section 201(a)—of vital wheat gluten from Canada. A public hearing was held on March 31, 1964.

On April 30, 1964, the Commission announced that it had unanimously determined that an industry in the United States was not being, and was not likely to be, injured, or prevented from being established, by reason of the importation of vital wheat gluten from Canada, sold at less than fair value, within the meaning of the Antidumping Act, 1921, as amended.<sup>38</sup>

#### **White portland cement from Japan**

On April 10, 1964, the Tariff Commission instituted an investigation—under the provisions of section 201(a)—of white portland cement from Japan. At the close of the period covered by this report, June 30, 1964, the investigation was in process.

#### **Carbon steel bars and shapes from Canada**

On June 2, 1964, the Tariff Commission instituted an investigation—under the provisions of section 201(a)—of carbon steel bars and shapes from Canada. At the close of the period covered by this report the investigation was in process.

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<sup>36</sup> U.S. Tariff Commission, *Cast Iron Soil Pipe From Australia: Determination of No Injury or Likelihood Thereof*, TC Publication 124, 1964 [processed]; 29 F.R. 5253.

<sup>37</sup> U.S. Tariff Commission, *Titanium Dioxide From Japan: Determination of No Injury or Likelihood Thereof*, TC Publication 125, 1964 [processed]; 29 F.R. 5522.

<sup>38</sup> U.S. Tariff Commission, *Vital Wheat Gluten From Canada: Determination of No Injury or Likelihood Thereof*, TC Publication 126, 1964 [processed]; 29 F.R. 5921.

**Window glass from the U.S.S.R.**

On June 29, 1964, the Tariff Commission instituted an investigation—under the provisions of section 201(a)—of window glass from the U.S.S.R. At the close of the period covered by this report the investigation was in process.



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

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

Before concluding trade agreements with foreign countries, the President regularly seeks information from the Commission. Under various laws and Executive orders the Commission supplies the interdepartmental trade agreements organization with factual data on articles on which the United States proposes to consider granting concessions in trade agreements. The Commission is also required to keep informed concerning the operation and effect of the provisions of trade agreements relating to duties and other import restrictions of the United States, and to submit a factual report to the Congress, at least once each year, on the operation of the trade agreements program.

Section 332 of the Tariff Act of 1930, which sets forth the general powers of the Commission, directs it 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 law; the effect of various types of import duties; tariff relations between the United States and foreign countries; commercial treaties; the volume of imports compared with domestic production and consumption; and the competition of foreign industries with those of the United States. Over the years the Commission, under the provisions of section 332, has issued its *Summaries of Tariff Information*, 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.

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

#### **GATT tariff negotiations**

The Commission's activities in supplying trade agreements information to the President and in assisting those administering the trade agreements program clearly constituted its principal work during fiscal 1964. The Commission's aforementioned responsibilities under section 221 of the Trade Expansion Act of 1962 were particularly time consuming.<sup>1</sup>

<sup>1</sup> See section on public investigations, p. 1.

Much of the Commission's trade agreements work was carried out at the direction of the Special Representative for Trade Negotiations, Christian A. Herter. The President, under section 241 of the Trade Expansion Act, had appointed the Special Representative to be the chief representative of the United States for each negotiation under the act and to be chairman of the interagency trade organization created by the President to assist the Special Representative. This organization, the Trade Expansion Act Advisory Committee, is comprised of the Special Representative and the Secretaries of State, Treasury, Defense, Interior, Agriculture, Commerce, and Labor. The Special Representative subsequently created (1) the Trade Executive Committee, comprised of assistant secretaries of the aforementioned agencies, (2) the Trade Staff Committee, and (3) the Trade Information Committee. The Tariff Commission is represented only on the Trade Staff Committee. The Commission member of that committee is a nonvoting member and does not participate in the Committee's discussion of policy matters. These limitations are similar to those which the Commission had previously imposed on its staff under the Trade Agreements Extension Act of 1951.

Under section 332(g) of the Tariff Act of 1930—which states that the Commission shall put at the disposal of the President, whenever requested, all information at its command—the President and his Special Representative requested the Tariff Commission on numerous occasions during the year to assist in preparations for the sixth round of GATT tariff negotiations, which opened on May 4, 1964. Other preparatory work for the sixth round was required of the Commission by the Trade Expansion Act of 1962 or was delegated to the Commission by the President and the Special Representative under various provisions of that act. The negotiations, conducted on the basis of reciprocity and the most-favored-nation principle, are aimed at reducing tariff and nontariff barriers to trade in both industrial and agricultural products.

In addition to work under section 221 of the Trade Expansion Act, the Commission was assigned the responsibility of identifying certain articles that were exempt from the 50-percent limitation on duty reductions specified in section 201(b)(1) of the act, i.e., articles on which the President could reduce duties by more than 50 percent, or reduce them to zero. Four groups of such articles were specified in separate provisions of the act:

- (1) Articles for which the rate of duty existing on July 1, 1962, was not more than 5 percent ad valorem or its equivalent (sec. 202);
- (2) Articles in any category for which the United States and all the countries of the European Economic Community (EEC) together accounted for 80 percent or more of the free-world export value of all the articles in that category (sec. 211);



- (3) Articles listed in Agriculture Handbook No. 143, published by the U.S. Department of Agriculture (sec. 212); and
- (4) Certain tropical agricultural and forestry articles (sec. 213).

Identification of the exempt items was needed by the President before he could submit his list of articles to the Commission for its consideration under section 221.

On June 18, 1963, the President, by letter, requested the Commission to prepare a list of all articles for which the U.S. rate of duty existing on July 1, 1962, was not more than 5 percent ad valorem or the equivalent thereof. The President had already delegated to the Commission the authority to determine ad valorem equivalents. On October 11, 1963, the Commission submitted to the President a list of those articles that it had determined met the "5 percent" criterion.

By the same letter of June 18, 1963, the Commission was requested to make findings and advise the President (1) whether any article is an agricultural or forestry commodity of which more than one-half of the world production is in the area of the world between 20° north latitude and 20° south latitude, and (2) whether the like article is produced in significant quantities in the United States. The Commission submitted its findings to the President on September 17, 1963.

On July 12, 1963, the Commission was requested by the Office of the Special Representative for Trade Negotiations to identify by TSUS item number the articles listed in the agriculture handbook, inasmuch as the classification system of the articles in the handbook did not correspond to U.S. tariff classifications. This work was completed and submitted to the Office of the Special Representative on September 24, 1963.

During fiscal 1964 the Tariff Commission did not undertake any work under section 211 of the act, which exempts from the 50-percent limitation on duty reductions all articles in a category in which the United States and all countries of the European Economic Community together supplied 80 percent of the aggregate value of free-world exports.<sup>2</sup> Section 211(d) directs the Commission, upon the request of the President, to make findings and advise him concerning (1) the representative period for each category of articles, (2) the aggregated free-world export value of the articles included within each category, and (3) the percentage of the aggregated free-world export value of such articles accounted for by the United States and the countries of the EEC.

In addition to the other work of the Commission preparatory to the sixth round of GATT negotiations, the Commission began work during fiscal 1964 on a concordance between the *TSUS Annotated* and

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<sup>2</sup> The work by the Commission under sec. 211 depends upon the President's selection of a system of comprehensive classification of articles by category. By the close of the fiscal year, the President had not made public his selection of a system.

the Brussels Tariff Nomenclature.<sup>3</sup> The cross-reference, requested by the Office of the Special Representative on December 4, 1963, was needed particularly for use in discussions of tariff disparities. At the end of the period covered by this report, this work had not been completed.

During fiscal 1964 the Office of the Special Representative requested the Tariff Commission to appoint members of its staff to eight "country committees." These committees, which are subcommittees of the Trade Staff Committee, are to make a comprehensive survey of the trade between the United States and each country concerned in order to draw up preliminary lists of the articles which might be considered in the sixth round of GATT tariff negotiations. At the close of the period covered by this report, June 30, 1964, the Tariff Commission members of these committees had not yet been appointed.<sup>4</sup>

At the request of the President's Special Representative for Trade Negotiations, the Chairman of the Tariff Commission attended the GATT Ministerial Conference in Geneva, Switzerland, May 1-9, 1964, as a special adviser to the U.S. delegation. The major purpose of the meeting was to prepare for the sixth round of GATT negotiations.

#### **Report on the operation of the trade agreements program**

On March 5, 1964, the Tariff Commission issued its 14th report on the operation of the trade agreements program. The report, covering the period from July 1, 1960, through June 30, 1962, includes material relating to the fifth general round of GATT tariff negotiations and an analysis of the concessions granted by the United States in connection with those negotiations. Also discussed are the major developments pertaining to the general provisions and administration of the General Agreement, the actions of the United States relating to its trade agreements program, and the major commercial policy developments in countries with which the United States had trade agreements. By June 30, 1964, the Commission was in the process of preparing the 15th and 16th annual reports on the trade agreements program, covering the fiscal years ending June 30, 1963, and June 30, 1964, respectively.

The 14th report was prepared in conformity with the provisions of section 402(b) of the Trade Expansion Act of 1962, which, like earlier trade agreements legislation, requires the Tariff Commission to submit to the Congress, at least once a year, a factual report on the operation of the trade agreements program.

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<sup>3</sup> A standardized system for classifying commodities for customs purposes. The common external tariff of the European Economic Community and the tariffs of other major trading nations, except the United States, are based on this nomenclature.

<sup>4</sup> The Commission appointed its members of the country committees on July 24, 1964.

### Classification of U.S. Foreign Trade

During fiscal 1964 the Commission continued to work on a complete revision of the tariff and statistical classifications of imports. Over the years the Commission has devoted considerable effort to these projects. Periodically it has brought up to date a compilation of the U.S. tariff provisions in a readily usable form. It has also assisted in the continuing work of revising the statistical classifications under which official U.S. foreign trade statistics have been published. As a part of its work in connection with improving statistical reporting, the Commission has assisted in publishing and keeping up to date compilations of the U.S. tariff provisions annotated for use in reporting import data on customs documents.

Under the provisions of the Tariff Classification Act of 1962, a revision of the U.S. tariff schedules that had been proposed by the Commission became effective on August 31, 1963.<sup>5</sup> The new schedules, identified as the Tariff Schedules of the United States (TSUS), became title I of the Tariff Act of 1930, as amended.<sup>6</sup> In conjunction with adoption of the new schedules, the Commission issued a legal text of the TSUS—*Tariff Schedules of the United States, Effective August 31, 1963*. The Commission also published the *Tariff Schedules of the United States Annotated* (TSUS Annotated), which contains the legal text of the TSUS and identifies the information required of importers for customs and statistical reporting purposes. The TSUS replaced the system previously appearing in *United States Import Duties* (USID) and *USID Annotated* and the statistical classifications previously appearing in *Schedule A—Statistical Classification of Commodities Imported Into the United States*.

During fiscal 1964 members of the Commission's staff furnished technical assistance to the House Committee on Ways and Means in conjunction with its consideration of suggested revisions in the TSUS. The revisions considered by the Committee were limited to those provisions in the TSUS for which it appeared that clarifying language was necessary, or in which, through oversight or lack of information, errors had been made.

Also during the period covered by this report, the Commission did work in conjunction with the President's actions under section 102 of the Tariff Classification Act of 1962. That section required that the President take such action as he deemed necessary to bring the U.S. schedules of concessions annexed to foreign trade agreements into conformity with the revised schedules and that such action be completed before he placed the revised schedules in effect by proclamation. During fiscal 1964 these actions involved principally (1) obtaining a waiver<sup>7</sup> by the Contracting Parties to the General Agreement on

<sup>5</sup> Presidential Proclamation No. 3548, dated Aug. 21, 1963.

<sup>6</sup> They replaced "Title I—Dutiable List" and "Title II—Free List" of the 1930 act.

<sup>7</sup> The waiver granted on July 20, 1963, was to be effective until June 30, 1964. It was extended on June 26, 1964, for the period ending June 30, 1965.

Tariffs and Trade (GATT) of certain U.S. obligations that would enable the United States to place the revised schedules in effect before completing the negotiations required by article XXVIII, and (2) preparing for and participating in negotiations with the contracting parties primarily affected by the changes in U.S. concessions granted under GATT required to bring these concessions into conformity with the new schedules.

In conjunction with these actions, the Commission prepared a consolidation of the existing U.S. concessions granted under GATT and a draft consolidated schedule of U.S. concessions that conformed with the new schedules. It also compiled supporting material for use in negotiations with individual countries to bring commitments in existing bilateral trade agreements into conformity with the new schedules. Between October 10 and December 14, 1963, four members of the Commission's staff served in Geneva with the U.S. delegation participating in these negotiations.

During fiscal 1964 the Commission prepared a concordance of the TSUS and *Schedule A* to enable the Bureau of the Census to reclassify trade data already published in *Schedule A* form in terms of the TSUS. Reclassified data for years prior to August 1963 were needed by the United States for the sixth round of GATT tariff negotiations. At the end of the period covered by this report, a concordance for 1961 and much of the work on another for 1962 and for January-August 1963 had been completed.

In connection with the Commission's continuing work on *TSUS Annotated*, a member of the Commission's staff is the chairman of the interdepartmental Committee for Statistical Annotation of Tariff Schedules, which is comprised of staff members of the Bureau of Customs and the Bureau of the Census. The committee was established to decide, subject to approval by the Commission, the Treasury Department, and the Department of Commerce, all questions relating to the statistical annotation of the TSUS.

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*, and to assist in coordinating all revisions of its statistical classifications. Also, the Commission periodically reviewed changes in the U.S. statistical commodity code to assure convertibility of the import and export statistical schedules to other coding manuals, such as the *Standard International Trade Classification*.

### **Reports on Synthetic Organic Chemicals**

During fiscal 1964 the Tariff Commission released various reports on the U.S. production, sales, and imports of synthetic organic chemicals. These reports continue the annual series on production and sales that the Commission has published since 1918. The reports, which are made under the Commission's general powers, are an out-

growth of the continuing requests for this information by various Government agencies, industry, and the general public.

#### **Preliminary monthly reports**

During 1964 the Tariff Commission continued to issue preliminary monthly reports on the U.S. production and sales of plastics and resin materials and on the U.S. production of selected synthetic organic chemicals. These two series of reports include preliminary data for most domestic producers of the more important synthetic organic chemicals and plastics materials.<sup>8</sup>

The monthly reports on plastics and resin materials present data obtained from 237 companies and cover 96 different items. The materials included in this series are classified as thermosetting resins—such as alkyd, epoxy, polyester, phenolic, urea, and melamine resins; as thermoplastic resins—such as styrene and polyolefin plastics, vinyl resins, and polypropylene; and as cellulose plastics. The monthly reports on selected synthetic organic chemicals present data obtained from 193 firms and cover 72 different organic chemicals. The chemicals selected are grouped as coal-tar crudes, intermediates, bulk medicinal chemicals, pesticides and other organic agricultural chemicals, and miscellaneous chemicals and products.

#### **Annual report on production and sales in 1962**

On November 18, 1963, the Tariff Commission issued its final annual report on U.S. production and sales of synthetic organic chemicals in 1962.<sup>9</sup> This report combines in one volume revised data on the 14 segments of the synthetic organic chemicals industry which the Commission included in separate preliminary annual reports on production and sales in 1962. The statistics on production and sales included in the final report were compiled from data supplied by 776 primary manufacturers of synthetic organic chemicals. The report covers the production and sales of more than 6,000 individual chemicals and chemical products, supplies statistics for many of them separately, and lists the manufacturers of each item for which production and sales data were reported in 1962. Also included in the report are statistics on U.S. general imports in 1962 of such products, entered under paragraphs 27 and 28 of the Tariff Act of 1930, as coal-tar intermediates, dyes, medicinal chemicals, and other finished coal-tar products, classified by end use.

According to the report, production in 1962 of synthetic organic chemicals and their raw materials was 112.5 billion pounds, which was 11.7 percent more than in 1961. Sales of synthetic organic chemicals and their raw materials in 1962 amounted to 63.4 billion pounds, val-

<sup>8</sup> The reports on plastics and resins are designated S.O.C. (Synthetic Organic Chemicals) Series P; the reports on selected synthetic organic chemicals are designated S.O.C. Series C.

<sup>9</sup> *Synthetic Organic Chemicals, United States Production and Sales, 1962*, TC Publication 114, 1963.

ued at \$8.3 billion, compared with 58.4 billion pounds, valued at \$8.0 billion, in 1961. The report divides production and sales into two major sections—chemical raw materials and synthetic organic chemicals (cyclic intermediates and finished synthetic organic chemical products). Included in the first section are statistics on the production and sales of tars, tar crudes, and crude products derived from petroleum and natural gas; in the second section are data on cyclic intermediates and finished synthetic organic chemicals and chemical products. Detailed statistics are given in both sections.

#### **Preliminary annual reports on production and sales in 1963**

In order to make the information on the production and sales of synthetic organic chemicals in 1963 available to industry and Government agencies at the earliest possible date, the Tariff Commission during 1964 issued a preliminary annual report on each of the 14 segments of the industry as soon as the statistics were substantially complete for the calendar year 1963. The 14 preliminary annual reports covered production and sales of tars and tar crudes, crude products from petroleum and natural gas for chemical conversion, cyclic intermediates, coal-tar dyes, synthetic organic pigments (lakes and toners), bulk medicinal chemicals, flavor and perfume materials, plastics and resin materials, rubber-processing chemicals, elastomers (synthetic rubbers), plasticizers, surface-active agents, pesticides and other organic agricultural chemicals, and miscellaneous chemicals.

#### **Annual report on imports of coal-tar products in 1962**

In July 1963 the Tariff Commission issued its annual report on U.S. imports of coal-tar intermediates entered in 1962 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.<sup>10</sup> The data on these coal-tar products (which are synthetic organic chemicals), covering imports through all U.S. customs districts, were obtained by analyzing customs invoices covering general imports of coal-tar products entering the United States during 1962.

The report shows that general imports of coal-tar chemicals entered under paragraph 27 in 1962 totaled 21.3 million pounds, with a foreign invoice value of \$14.2 million. Most of the coal-tar chemicals imported were declared to be "competitive" (the duty was therefore based on "American selling price"). About 54 percent of total imports of these products in 1962 came from West Germany; other principal sources were the United Kingdom, Switzerland, and Japan. Imports of all finished coal-tar products that were dutiable under paragraph 28 totaled 12.8 million pounds, with a foreign invoice value of \$24.9 million, in 1962. Coal-tar dyes were the most important group of imported finished coal-tar products, accounting for 44.1 percent of

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<sup>10</sup> *Imports of Coal-Tar Products, 1962*, TC Publication 98, 1963 [processed].

the total value of all such imports in 1962. Imports of medicinals and pharmaceuticals were the next most important group of such imports.

#### **Study of Changes in the Prices of Copper**

At the GATT tariff negotiations in 1956 the U.S. Government, in granting a reduction in the import tax on copper, provided <sup>11</sup> that the reduction is to be effective only when the average market price of electrolytic copper (delivered Connecticut Valley) is 24 cents or more per pound. Under the terms of the concession the Tariff Commission is required to advise the Secretary of the Treasury when the price of copper falls below 24 cents per pound. Inasmuch as the price of copper did not fall below this level during fiscal 1964, the Commission made no report during the year to the Secretary of the Treasury.

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<sup>11</sup> Note appended to item 4541 (3) of the U.S. schedule of concessions.





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

As in earlier years, much of the work of the Tariff Commission was devoted to furnishing technical information and assistance to the Congress, other agencies of the U.S. Government, industrial and commercial concerns, and 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 1964, as in previous years, the Commission's work in response to directives or requests from the Congress constituted an important part of its activities. The following section of the report deals only with direct requests from congressional committees and from individual Members of Congress for information or comments on proposed legislation, 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 the report.

#### **Services 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. Analyses of, and comments on, bills and resolutions often involve considerable work and extensive reports by the Commission. During the period covered by this report, congressional committees requested the Commission to prepare analyses of, or comments on, many bills and resolutions relating to many different subjects.

A representative list of the bills and resolutions on which the Commission prepared analyses or comments during 1964 follows:

- To amend the Tariff Act of 1930 with respect to the rate of duty on brooms made of broomcorn.
- To amend the Tariff Act of 1930 to provide that certain aircraft engines and propellers may be exported as working parts of aircraft, and for other purposes.

- To amend the Tariff Act of 1930 to provide for the duty-free importation of certain wools for use in the manufacturing of polishing felts.
- To restrict imports of beef, veal, and mutton into the United States.
- To impose quota limitations on imports of foreign residual fuel oil.
- To continue until the close of June 30, 1965, the existing exemption from duty enjoyed by returning residents arriving from the Virgin Islands to the United States.
- To provide for the tariff classification of certain particle board.
- To amend the Tariff Act of 1930 with respect to electrical indicating instruments.
- To amend the Tariff Act of 1930 to prevent double taxation in the case of certain tobacco products exported and returned unchanged to the United States and subsequently reprocessed in the manufacturer's bonded factory.
- To designate bourbon whisky as a distinctive product of the United States.
- To continue for 2 years the suspension of duty on certain alumina and to make permanent the suspension of duty on certain bauxite.
- To continue until the close of June 30, 1964, the suspension of duties for metal scrap, and for other purposes.

Congressional committees often request that Tariff Commission personnel assist them at their hearings or supply technical and economic information orally in executive sessions of the committees. During 1964, members of the Commission's staff frequently appeared before the House Committee on Ways and Means during consideration of proposed legislation, including some of the bills or resolutions mentioned in the preceding paragraph.

#### **Services to individual Senators and Representatives**

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

#### **Cooperation With Government Agencies**

During fiscal 1964, as in other years, direct cooperation with other Government agencies, as well as cooperation with them as members of interdepartmental committees, accounted for much of the Tariff Commission's activity. During the period covered by this report

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<sup>1</sup> During the period covered by this report, the Commission received more than 1,400 letters from individual Congressmen requesting information on various matters. In addition, the Commission received a large number of congressional telephone requests for information.

the Commission cooperated with other Government agencies, the most important work being with the Bureau of the Census, the Bureau of Customs, and the Office of the Special Representative for Trade Negotiations. The Commissioners and staff members served on numerous interdepartmental committees, including trade-agreement committees. Furnishing factual information to individual Government agencies either directly or through committees required considerable research, sometimes involving as much as several hundred man-hours of staff work. At times, cooperation with Government agencies involved detailing members of the Commission's staff to those agencies for short periods. Selected aspects of the Commission's work in cooperation with Government agencies during 1964 are reviewed below.

Members of the Commission's staff served as members or liaison on various interdepartmental committees such as the following: Trade Staff Committee, Technical Committee on Standard Industrial Classification, Interdepartmental Chemical Statistics Committee, Interagency Committee on Foreign Trade Statistics, Interagency Committee on Automatic Data Processing, Schedule B Government Coordinating Committee (exports), Interdepartmental Committee on Foreign Commerce Statistical Regulations, and G.P.O. (Government Printing Office) Departmental Electronic Printing Committee.

During the year 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 Emergency Planning of the Executive Office of the President with information on strategic and critical materials. Members of the Commission's commodity divisions served on each of the seven interdepartmental commodity advisory committees which are under the chairmanship of the Office of Emergency Planning. These committees are concerned with the following groups of commodities: Iron, steel, and ferroalloys; light metals; nonferrous metals; nonmetallic minerals; chemicals and rubber; forest products; and fibers.

During 1964 the Chemicals Division of the Tariff Commission continued to furnish the Business and Defense Services Administration of the Department of Commerce 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 in performing its industrial defense mobilization planning functions. Several of the other commodity divisions of the Commission also furnished information to the Business and Defense Services Administration.

The Commission received information and assistance during the year from various Government agencies, including some of those mentioned above. This assistance related to many aspects of the Commission's work.

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

During the period covered by this report, the Commission assisted certain quasi-official organizations by providing information on trade and tariff matters. A member of the Commission's staff served on the Committee on Ceramic Whitewares of the American Society for Testing and Materials, a national technical society composed of representatives of industry, the Federal Government, and engineering schools. The assistance given this society related chiefly to nomenclature and classification of ceramic products. Members of the Commission's Chemicals Division served on the Committee on the Handbook of Nonsystematic Names, sponsored by the American Chemical Society and the Synthetic Organic Chemical Manufacturers Association, and on the *Colour Index* Editorial Committee of the American Association of Textile Chemists and Colorists.

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

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

## **PART IV. OTHER ACTIVITIES**

### **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 pertinent basic economic, technical, and statistical information. 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. To be qualified to meet these requests, the Commission must allot a portion of its time to basic research.

Basic information on many thousands of individual commodities is regularly assembled by the Commission's various divisions. This 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 in 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, from individual firms, and through fieldwork by the Commission's technical experts. On commodities involved in special investigations, the Commission also obtains data—through questionnaires and public hearings—on costs, profits, employment, and other pertinent subjects. Another major class of the Commission's basic data pertains to foreign countries—their exports, imports, industries, and resources; their economic, financial, and trade positions; and their commercial policies.

To assist in this research, the Tariff Commission Library maintains a unique and comprehensive collection of material on the U.S. tariff, U.S. commercial policy, and international trade, amounting to approximately 64,000 volumes. The library also maintains a large collection of related material on economic and business conditions in the United States and foreign countries, as well as an excellent collection of information on the technical and economic aspects of industry, including material on the production of raw materials and the manufacture of various individual commodities. Original source material includes extensive files of official foreign-trade statistics. The library currently receives more than 1,200 periodicals, including economic and technical trade journals. Although the library was established

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

The large amount of fieldwork by the Commission's commodity and economic experts is an essential part of the Commission's work in obtaining basic data and other information. A substantial part of the information that the Commission uses in preparing its reports is obtained by its staff through conferences with producers, importers, and other groups. 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. During 1964, apart from their visits in the course of particular investigations, the Commission's experts visited representative manufacturing and importing firms in their fields of specialization in order to keep abreast of technical and trade developments. Representatives of the Commission also attended several conferences of trade and technical associations in order to apprise themselves of current developments affecting competition in domestic markets.

#### **Work of the Office in New York City**

The Tariff Commission's work regularly requires systematic analyses at the customhouse of invoice documents and related papers from which essential statistical data may be obtained. These documents provide valuable information not available elsewhere. The Commission frequently receives requests by other Government agencies for special analyses of these invoices. The New York City office of the Commission is continuously engaged in providing these services, particularly as they relate to customhouse documents for imports entering through the customs district of New York. That office also maintains contacts with manufacturers, importers, exporters, and customs examiners and appraisers in the New York area. In this way it assists the Commission's specialists in assembling up-to-date information in their respective fields.

## **PART V. ADMINISTRATION AND FINANCES**

### **Membership of the Commission**

Section 330 of the Tariff Act of 1930 provides that the U.S. Tariff Commission shall consist of six members appointed by the President and confirmed by the Senate for terms of 6 years, one term expiring each year. This section of the act also provides that not more than three Commissioners may be of the same political party. The President annually designates the Chairman from the membership of the Commission; no Vice Chairman has been designated since June 16, 1961.<sup>1</sup>

#### **Members of the Commission on June 30, 1964**

On June 30, 1964, 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-----	Ben Dorfman, Democrat from the District of Columbia (June 16, 1967).
Commissioner-----	Joseph E. Talbot, Republican from Connecticut (June 16, 1965).
Commissioner-----	Glenn W. Sutton, Democrat from Georgia (June 16, 1966).
Commissioner-----	James W. Culliton, independent from Indiana (June 16, 1968).
Commissioner-----	Dan H. Fenn, Jr., Democrat from Massachusetts (June 16, 1969).
Commissioner-----	(Vacancy).

#### **Appointments and changes during 1964**

On June 17, 1964, the President redesignated Ben Dorfman as Chairman for the period ending June 16, 1965.

On August 24, 1963, the President announced the appointment of Dan H. Fenn, Jr., Democrat from Massachusetts, as a member of the Commission for the term expiring June 16, 1969. The Senate confirmed the appointment on October 2, 1963, and Mr. Fenn entered on duty October 18, 1963.

The term of Commissioner Walter R. Schreiber expired on June 16, 1964. By June 30, 1964, the vacancy had not been filled.

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<sup>1</sup> On Oct. 14, 1964, Commissioner Dan H. Fenn, Jr., was designated by the President to serve as Vice Chairman of the U.S. Tariff Commission for the period ending June 16, 1965.

**Personnel of the Commission**

On June 30, 1964, the personnel of the Tariff Commission was composed of 5 Commissioners and 284 staff members. The total of 289 persons consisted of 162 men and 127 women.

**Finances and Appropriations, Fiscal Year 1964**

The appropriated funds available to the U.S. Tariff Commission during the fiscal year 1964 amounted to \$3,145,000. Reimbursements received amounted to \$8,000, making a total of \$3,153,000 available for expenditures during fiscal 1964. The unobligated balance as of June 30, 1964, was \$181,944.

Expenditures for the fiscal year 1964 were as follows:

Salaries :	
Commissioners -----	\$116, 146
Employees :	
Departmental -----	2, 352, 160
Field -----	57, 640
Overtime -----	15, 866
Federal Insurance Contributions Act tax -----	924
Federal Employers' Group Life Insurance Act contribu- tions -----	8, 444
Federal employers' retirement contributions -----	161, 293
Federal employers' health benefit contributions -----	14, 934
Travel expense and transportation of persons -----	52, 297
Transportation of things -----	181
Books of reference and other publications -----	8, 456
Rentals and communications service -----	26, 513
Penalty mail -----	8, 500
Contractual services -----	43, 031
Office supplies and equipment -----	57, 403
Printing and reproduction -----	47, 268
<b>Total -----</b>	<b>2, 971, 056</b>

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, 1962  
(TC Publication 114, 1963), \$1.50**

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

**OTHER RECENT REPORTS**

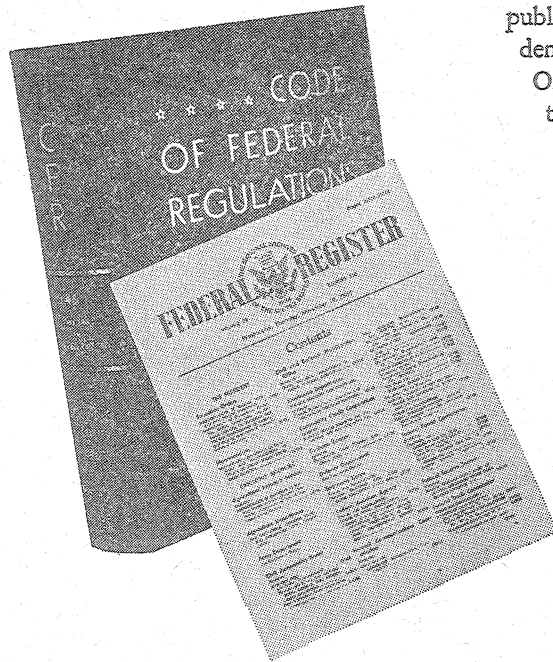
**Tariff Schedules of the United States Annotated (1963) (TC Publication 103),  
\$5.00 (including supplementary service for an indefinite period); \$1.25  
additional for foreign mailing**

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

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