

Annual Report
of the
United States Tariff Commission

Fiscal Year Ended June 30

1970



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of the
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UNITED STATES TARIFF COMMISSION

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UNITED STATES TARIFF COMMISSION

Washington, D.C. 20436

LETTER OF TRANSMITTAL

UNITED STATES TARIFF COMMISSION,
Washington, December 7, 1970.

SIR: Transmitted herewith is the 54th *Annual Report of the United States Tariff Commission.*

Respectfully,

GLENN W. SUTTON,
Presiding Commissioner.

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

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THE YEAR IN REVIEW

Fiscal year 1970 was a very active period for the Commission. The Commission conducted about three times as many public investigations as in fiscal 1969, most of which involved public hearings and extensive fieldwork, and was also heavily engaged in furnishing information in response to requests from the President, congressional committees, Members of Congress, and the public. The Commission prepared its 20th report on the operation of the trade agreements program and completed the 1970 edition of the *Tariff Schedules of the United States Annotated*, monthly and annual reports on synthetic organic chemicals, and nine volumes in its latest series of *Summaries of Trade and Tariff Information*.

Most of the public investigations completed during fiscal 1970 were instituted under the tariff adjustment (escape-clause) and adjustment assistance provisions of the Trade Expansion Act of 1962, in response to petitions filed on behalf of industries, firms, or workers. The Commission also conducted investigations under other sections of the Trade Expansion Act, sections 332 and 337 of the Tariff Act of 1930, and section 201(a) of the Antidumping Act, 1921. In addition, the Commission instituted two investigations relating to dairy products—one under section 332 of the Tariff Act and one under section 22 of the Agricultural Adjustment Act. Twenty investigations were in progress at the close of the year.

MEMBERSHIP OF THE COMMISSION

Section 330 of the Tariff Act of 1930 provides that the U.S. Tariff Commission shall be composed of six members, each appointed by the President and confirmed by the Senate for a term of 6 years, one term expiring each year; that not more than three Commissioners shall be members of the same political party; and that the President shall annually designate the Chairman and Vice Chairman from the membership of the Commission. During fiscal 1970 the members of the Commission were as follows:

Commissioner Stanley D. Metzger, Democrat from the District of Columbia. Mr. Metzger, who had served as Chairman from November 9, 1967, through June 16, 1969, resigned from the Commission effective July 11, 1969. His term of office as Commissioner was to expire June 16, 1973.

Commissioner Glenn W. Sutton, Democrat from Georgia. Mr. Sutton was designated by the President on July 22, 1969, to serve as Chairman for the remainder of the year ending June 16, 1970. His term of office as Commissioner expires June 16, 1972.

Commissioner Penelope H. Thunberg, political independent from Maryland. Mrs. Thunberg's term of office expired June 16, 1970.

Commissioner Bruce E. Clubb, Republican from Virginia. Mr. Clubb's term of office expires June 16, 1971.

Commissioner Will E. Leonard, Jr., Democrat from Louisiana. Mr. Leonard, who had filled the unexpired term of Mr. Dan H. Fenn ending June 16, 1969, was appointed to serve a full term to expire June 16, 1975.

Commissioner Herschel D. Newsom, Republican from Indiana. Mr. Newsom, whose term of office was to expire June 16, 1974, died in Washington on July 2, 1970.

Commissioner George M. Moore, Republican from Maryland. Mr. Moore assumed office on August 26, 1969, filling the unexpired term of Mr. Stanley D. Metzger ending June 16, 1973.

PART I. PUBLIC INVESTIGATIONS

The U.S. Tariff Commission is directed or authorized by provisions of trade and tariff law to investigate, under designated circumstances, the impact of imports on U.S. industries and other aspects of international trade. During fiscal 1970, the Commission conducted investigations under provisions of the Trade Expansion Act of 1962 (TEA), the Tariff Act of 1930, the Antidumping Act, 1921, and the Agricultural Adjustment Act.

Trade Expansion Act of 1962

The Trade Expansion Act authorizes the President, as did earlier legislation, to take measures to prevent segments of the U.S. economy from being adversely affected by trade concessions. Under designated circumstances, the President is empowered to increase duties or impose other restrictions on imports that are found to be causing, or threatening to cause, serious injury to a domestic industry. He is also authorized to provide adjustment assistance to firms or groups of workers adversely affected by increased imports resulting from trade concessions. Firms can receive technical assistance, loans, and tax benefits; workers can receive unemployment compensation, retraining, and relocation allowances. The President may impose such restrictions, authorize assistance, or take any combination of such actions when the Tariff Commission has determined that, as a result in major part of trade-agreement concessions, an article is being imported in such increased quantities as to cause, or threaten to cause, serious injury to an industry or firm or unemployment or underemployment of a group of workers. The act also requires that, following the imposition of any such restrictions, the Commission make annual reviews of developments with respect to the industries concerned.

During fiscal 1970 the Commission completed 21 investigations and issued 16 reports under provisions of the TEA. Eighteen of these investigations were conducted under section 301 of the act in response to petitions, four of which were filed on behalf of industries, two by firms, and 12 on behalf of groups of workers. Reports on the results of investigations conducted under this section must be made to the President, each report to include statements of any dissenting or separate views of Commissioners. At yearend, the Commission was engaged in work on nine additional investigations instituted during the year under section 301.

Three investigations were conducted during the year under section 351 of the act; these consisted of reviews of industry conditions in cases in which increased import restrictions had been imposed through escape-clause action.

Section 301(b), industry investigations

The Commission completed four investigations and at the close of the fiscal year was in the process of conducting one investigation under section 301(b) of the Trade Expansion Act.¹

In such investigations the Commission determines 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 that is like or directly competitive with the imported article.

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

If the Commission finds in the affirmative, the President may (1) provide tariff adjustment or impose other import restrictions; (2) authorize the firms or the workers involved to request the Secretary of Commerce or the Secretary of Labor, respectively, to certify their eligibility to apply for adjust-

¹ 19 U.S.C. 1901(b).

ment assistance; (3) take any combination of such actions, or (4) enter into orderly marketing agreements to limit the importation into the United States of the article causing or threatening to cause serious injury.

If the members of the Commission are equally divided into two groups with respect to their findings, the President may consider the finding of either group to be the finding of the Commission.²

The Commission's finding of injury was negative in one case (canned sardines), affirmative in one case (pianos—but negative with respect to parts of pianos), and equally divided in one case (barbers' chairs). In the fourth case (flat glass and tempered glass), the Commission found in the negative except for sheet glass, on which their vote was equally divided.

Canned sardines.—This investigation, instituted February 5, 1969, on petition of the Maine Sardine Packers Association, Inc., concerned imports of sardines in airtight containers. A public hearing was held April 29–May 2, 1969, and the Commission submitted its report to the President on July 28, 1969.³ The Commission unanimously found (Commissioner Clubb not participating) that sardines of the kinds subject to inquiry were not, as a result in major part of concessions granted under trade agreements, being imported in such increased quantities as to cause, or threaten to cause, serious injury to the domestic industry producing like or directly competitive articles. As the Commission's finding was negative, there was no action by the President.

Pianos and parts thereof.—In response to a petition filed by the National Piano Manufacturers Association, an investigation was instituted by the Commission on July 2, 1969, concerning imports of pianos (including player pianos) and parts of pianos. (By motion of the Commission, the scope of the investigation was expanded to include piano parts.) A public hearing was held October 28–31

² 19 U.S.C. 1330(d).

³ *Canned Sardines: Report to the President on Investigation No. TEA-1-13 Under Section 301(b)(1) of the Trade Expansion Act of 1962*, TC Publication 291, 1969 [processed].

and November 5, 1969, and the Commission reported its findings to the President on December 23, 1969.⁴

The Commission found (Commissioners Thunberg and Newsom dissenting and Chairman Sutton not participating) that pianos were, as a result in major part of trade-agreement concessions, being imported in such increased quantities as to threaten to cause serious injury to the domestic industry producing like or directly competitive products. With respect to imports of parts of pianos, however, the Commission found (Commissioner Leonard dissenting and Chairman Sutton not participating) no serious injury or threat of such injury to the domestic industry.

The Commission's report contained three statements of Commissioners' views. Commissioners Moore and Clubb found the domestic piano industry to be making an orderly adjustment to the current rate of increased imports, but to be threatened with serious injury in the future; they found that such injury would be avoided by delaying the duty reductions beyond the second-stage rate of the full Kennedy Round concession. Commissioner Leonard found the domestic industry, which in his view embraced operations of firms producing piano parts, to be threatened with serious injury and the rate of duty necessary to remedy or prevent such injury to be 20 percent ad valorem on both pianos and parts. Commissioners Thunberg and Newsom concluded that the difficulties of the industry were the result primarily of the vicissitudes of the economy and the marketplace and that the trade legislation was not enacted to provide shelter from such difficulties.

On February 21, 1970, the President reestablished for a period of 3 years the rate of duty on pianos, except grand pianos, at 13.5 percent ad valorem, which was the rate provided at the second stage of the Kennedy Round modification, and authorized firms and workers in the domestic industry to request eligibility for adjustment assistance.⁵ The rate of duty on pianos would otherwise have been 11.5 percent ad valorem during 1970, declining to 10 percent on January 1, 1971, and to 8.5 percent on January 1, 1972.

⁴ *Pianos and Parts Thereof: Report to the President on Investigation No. TEA-I-14 Under Section 301(b)(1) of the Trade Expansion Act of 1962*, TC Publication 309, 1969 [processed].

⁵ Presidential Proclamation 3964.

... flat glass and tempered glass. On petition of the principal domestic producers, an investigation regarding flat glass and specially tempered glass was instituted on July 2, 1969. A public hearing was held October 16-21, 1969, and the findings of the Commission were reported to the President on December 29, 1969.⁶

The Commission found (Chairman Sutton and Commissioner Moore dissenting) that rolled, plate and float, and tempered glass were not, as a result in major part of concessions granted under trade agreements, being imported in such increased quantities as to cause, or threaten to cause, serious injury to the domestic industry or industries producing like or competitive products. With respect to other drawn or blown flat glass (sheet glass), the findings of the Commission were equally divided. Chairman Sutton and Commissioners Clubb and Moore found that sheet glass was, as a result in major part of trade-agreement concessions, being imported in such increased quantities as to cause serious injury to the domestic industry producing like or directly competitive articles and that the rates of duty necessary to remedy injury were those specified in column numbered 2 of the Tariff Schedules of the United States. Commissioners Thunberg, Newsom, and Leonard found that no serious injury was caused, or threatened to be caused, by such importation.

In a joint statement, Chairman Sutton and Commissioner Moore held that sheet glass, plate and float glass, rolled glass, and tempered glass had to be considered separately and made their findings in the light of four separate industries. Commissioner Clubb described the statutory term "serious injury" and the remedies permitted under the TEA with respect to the sheet glass industry, which in his view constituted one of four separate flat glass industries. Commissioner Thunberg stated that in her judgment the various types of flat glass (including tempered glass) were parts of the same industry, the flat glass industry, which she found to show no evidence of injury or threat of injury. Commissioners Leonard and Newsom separately set forth their reasons for finding in the negative. Com-

⁶ *Flat Glass and Tempered Glass: Report to the President on Investigation No. TEA-1-15 Under Section 301(b)(1) of the Trade Expansion Act of 1962*, TC Publication 310, 1969 [processed].

Commissioner Leonard found that increased imports of sheet glass had not been the major factor in causing or threatening to cause serious injury to the domestic industry producing sheet glass and that the domestic producers of the other types of glass covered in the investigation were not being seriously injured or threatened with serious injury. Commissioner Newsom concluded that increased imports of the products concerned had not resulted in major part from U.S. tariff concessions and that the domestic industries involved were neither seriously injured nor threatened with serious injury.

By Presidential proclamation of February 27, 1970,⁷ the modified escape-action rates on certain sheet glass (window glass) were continued until January 31, 1972, thereafter to decline in three annual stages to the trade-agreement rates. Also by virtue of this proclamation, the workers of the sheet glass industry were authorized to request certification for eligibility to apply for adjustment assistance.

Barbers' chairs and parts thereof.—An industry investigation relating to imports of barbers' chairs and parts thereof was instituted on December 31, 1969, on petition filed by the Emil J. Paidar Co. and certain labor unions. On the same date, the Commission instituted a firm investigation under section 301(c)(1) of the Trade Expansion Act of 1962, on petition filed by the same Emil J. Paidar Co.⁸ The Commission's proceedings in the two investigations were consolidated, and a public hearing was held February 3–4, 1970. Reports were prepared on both investigations, however, and were transmitted to the President on April 21, 1970.⁹

In both investigations the Commission was equally divided with respect to its findings. Chairman Sutton and Commissioners Leonard

⁷ Presidential Proclamation 3967.

⁸ For reference to the investigation relating to the Emil J. Paidar Co., conducted under sec. 301(c)(1) of the TEA, see p. 12.

⁹ *Barbers' Chairs and Parts Thereof: Report to the President on Investigation No. TEA-I-16 Under Section 301(b)(1) of the Trade Expansion Act of 1962*, TC Publication 319, 1970 [processed]. *Barbers' Chairs and Parts Thereof, Emil J. Paidar Company: Report to the President on Investigation No. TEA-F-9 Under Section 301(c)(1) of the Trade Expansion Act of 1962*, TC Publication 320, 1970 [processed].

and Newsom, who determined in the negative, found the domestic barbers' chairs industry threatened with extinction as a result of increased imports but concluded that the increased imports were not the result in major part of trade-agreement concessions. Commissioners Thunberg, Clubb, and Moore determined that the domestic industry was being seriously injured by increasing imports caused by tariff concessions and found the statutory rate of 27.5 percent ad valorem to be the rate of duty necessary to remedy serious injury to the industry.

On June 23, 1970, the President announced that he had authorized adjustment assistance for firms and workers in the barbers' chairs and parts industry.¹⁰ According to this announcement, the President did not accept the recommendation for an increase in the rate of the import duty.

Umbrellas and metal parts thereof.—On March 11, 1970, the Commission instituted an investigation concerning imports of umbrellas and metal parts thereof. The petition for this investigation was filed by the Umbrella Frame Association of America. A public hearing was held on June 2, 1970. The investigation was in progress at the close of the fiscal year.

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

The Commission completed two investigations and shortly before the close of the fiscal year instituted another investigation under section 301(c)(1) of the TEA.¹¹

In such investigations the Commission determines whether, as a result in major part of concessions granted under trade agreements, an article like or directly competitive with an article produced by a firm is being imported into the United States in such increased quantities as to cause, or threaten to cause, serious injury to that firm.

If the Commission's report to the President contains an affirmative finding, the President may certify that the firm involved is eligible to apply for adjustment assistance. An eligible firm may, through the Department of Commerce,

¹⁰ White House press release, June 23, 1970.

¹¹ 19 U.S.C. 1901(c)(1).

receive technical, financial, or tax assistance from designated Government agencies.

If the members of the Commission are equally divided into two groups with respect to their findings, the President may consider the finding of either group to be the finding of the Commission.¹²

In each of the completed investigations the Commission was equally divided with respect to their findings.

Emil J. Paidar Co.—An investigation to determine whether barbers' chairs were, as a result in major part of concessions granted under trade agreements, being imported in such increased quantities as to cause, or threaten to cause, serious injury to the Emil J. Paidar Co., Chicago, Ill., was instituted on December 31, 1969, on petition filed by that firm. The proceedings of this investigation were consolidated with those of the Commission's concurrent investigation of the domestic barbers' chairs industry.¹³ As with the industry investigation, the Commission was equally divided in their findings (Chairman Sutton and Commissioners Leonard and Newsom voted in the negative; Commissioners Thunberg, Clubb, and Moore voted in the affirmative).

The Commission's report to the President, transmitted April 21, 1970,¹⁴ was accompanied by three separate statements of Commissioners' views. The views of Chairman Sutton and Commissioners Leonard and Newsom rested on the reasons set forth in their determination with respect to the Commission's industry investigation; those of Commissioners Clubb and Moore included comments on the procedural question relating to statutory time limits for completion of industry and firm investigations. The statement of Commissioner Thunberg pointed to the changes that had taken place since the Commission's 1968 industry investigation.

Benson Shoe Co.—In response to a petition filed on behalf of the

¹² 19 U.S.C. 1330(d).

¹³ For reference to the investigation of the barbers' chairs industry, conducted under sec. 301(b) of the TEA, and the subsequent action of the President, see pp. 10-11.

¹⁴ *Barbers' Chairs and Parts Thereof, Emil J. Paidar Company: Report to the President on Investigation No. TEA-F-9 Under Section 301(c)(1) of the Trade Expansion Act of 1962*, TC Publication 320, 1970 [processed].

BENSON SHOE CO., LYNN, MASS., AND PETITIONS FILED ON BEHALF OF WORKERS OF THAT FIRM AND THE FORMER WORKERS OF THREE OTHER SHOE PRODUCERS SITUATED IN MASSACHUSETTS, THE COMMISSION ON APRIL 3, 1970, INSTITUTED A CONSOLIDATED INVESTIGATION REGARDING WOMEN'S AND MISSES' DRESS SHOES.¹⁵ A public hearing was not requested and none was held. The Commission prepared a single report on the result of its consolidated investigation, which was transmitted to the President on June 1, 1970.¹⁶ The vote of the Commission was equally divided with respect to the question whether footwear like or directly competitive with women's and misses' dress shoes produced by the firms involved was, as a result in major part of trade-agreement concessions, being imported in such increased quantities as to cause or threaten to cause serious injury to the Benson Shoe Co. and unemployment or underemployment of a significant number of workers of that company, the Dartmouth Shoe Co., the Hartman Shoe Manufacturing Co., and Lemar Shoes, Inc.

The Commission's report included statements of the joint views of Chairman Sutton and Commissioners Leonard and Newsom, who voted in the negative, and those of Commissioners Thunberg, Clubb, and Moore, who voted in the affirmative.

On June 24, 1970, the President announced¹⁷ that adjustment assistance would be provided in the six cases on which the Tariff Commission had recently completed investigations—the five cases in this consolidated investigation and the case of the former workers of the Eagle Shoe Manufacturing Co.¹⁸ The President also an

¹⁵ For reference to the part of this investigation conducted under sec. 301(c)(2) of the TEA, see p. 18.

¹⁶ *Women's and Misses' Dress Shoes With Leather, Vinyl, or Fabric Up-pers: Benson Shoe Co., Lynn, Mass., and Workers of Benson Shoe Co., Dartmouth Shoe Co., Brockton, Mass., and the Hartman Shoe Manufacturing Co. and Lemar Shoes, Inc., both of Haverhill, Mass.: Report to the President, Firm Investigation No. TEA-F-10 and Worker Investigation Nos. TEA-W-15, TEA-W-16, TEA-W-17, and TEA-W-18 Under Sections 301(c)(1) and 301(c)(2) of the Trade Expansion Act of 1962, TC Publication 323, 1970 [processed].*

¹⁷ White House press release, June 24, 1970.

¹⁸ For reference to the investigation relating to the Eagle Shoe Manufacturing Co., see p. 19.

nounced his intention of requesting the Commission to undertake an escape-clause investigation of the impact of increased imports on the men's and women's leather footwear industry.

Ion Capacitor Corp.—On June 29, 1970, the Commission instituted an investigation in response to a petition filed by Ion Capacitor Corp., Columbia City, Ind., concerning electrolytic capacitors. Staff work on this investigation was in progress at the close of the fiscal year.

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

The Commission completed 12 investigations and submitted eight reports to the President under section 301(c)(2) of the TEA.¹⁹ In addition, the Commission instituted seven investigations, which were in progress at the close of the fiscal year.

In such investigations the Commission determines whether, as a result in major part of concessions granted under trade agreements, an article like or directly competitive with an article produced by the workers' firm, or an appropriate subdivision thereof, is being imported into the United States in such increased quantities as to cause, or threaten to cause, unemployment or underemployment of a significant number or proportion of the workers in the firm or subdivision.

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

If the members of the Commission are equally divided into two groups with respect to their findings, the President may consider the finding of either group to be the finding of the Commission.²⁰

The Commission's findings in the completed investigations were affirmative in five cases, negative in two, and equally divided in five.

Armco Steel Corp.—In response to a petition filed on behalf of a group of workers of the Armco Steel Corp. Weld Mill at Am-

¹⁹ 19 U.S.C. 1901(c)(2).

²⁰ 19 U.S.C. 1330(d).

bridge, Pa., the Commission instituted an investigation on September 10, 1969. A public hearing was not requested and none was held. The Commission found (Commissioner Leonard dissenting) that, as a result in major part of trade-agreement concessions, articles like or directly competitive with certain buttweld pipes and tubes produced by the mill were being imported in such increased quantities as to cause unemployment or underemployment of a significant number or proportion of the workers of the mill. The Commission's report, submitted to the President on November 3, 1969,²¹ included two statements of considerations supporting the Commission's finding. Chairman Sutton and Commissioners Thunberg and Newsom set forth reasons for concluding that imports stimulated in major part by price advantages resulting from tariff concessions had caused closure of the mill; Commissioners Thunberg, Clubb, and Moore elaborated on their premise that unemployment would not have occurred but for concession-generated increased imports. In a supplementary statement, Commissioner Thunberg observed that the buttweld operation at the mill was marginal and exemplified the typical case for which the Congress enacted section 301(c)(2) into law.

Commissioner Leonard found the requisite causation—that increased imports must result in major part from trade-agreement concessions—to be missing in this case. In his judgment, an affirmative determination could not be made without relaxation of the statutory requirements as previously applied.

United States Steel Corp., American Bridge Division.—In response to petitions filed on behalf of groups of workers of two plants of the American Bridge Division, United States Steel Corp.—the Shiffler plant at Pittsburgh, Pa., and the Maywood plant at Los Angeles, Calif.—the Commission instituted two investigations on September 10, 1969, regarding transmission towers and parts. A public hearing was not requested and none was held. The Commission found (Commissioner Leonard dissenting) that, as a result in major part of trade-agreement concessions, articles like or

²¹ *Buttweld Pipe; Workers of the Weld Mill, Ambridge, Pa. Plant, Armco Steel Corporation: Report to the President on Investigation No. TEA-W-8 under Section 301(c)(2) of the Trade Expansion Act of 1962, TC Publication 297, 1969 [processed].*

directly competitive with the transmission towers and parts produced by these plants were being imported in such quantities as to cause unemployment or underemployment of a significant number or proportion of the workers of the two plants.

The report prepared by the Commission on the results of these investigations was submitted to the President on November 3, 1969.²² It included two statements of considerations supporting the Commission's affirmative finding, one subscribed to by Chairman Sutton and Commissioner Newsom, and the other, by Commissioners Thunberg, Clubb, and Moore. As in the Commission's decision with respect to buttweld pipes and tubes, made on the same date, Commissioners Thunberg, Clubb, and Moore concluded that unemployment would not have occurred had it not been for concession-generated increased imports. In his dissenting opinion, Commissioner Leonard noted the landmark nature of the Commission's decisions with respect to these cases and that of buttweld pipes and tubes. In his judgment the facts obtained in these investigations did not permit affirmative determinations without reading the words "in major part" out of the statute.

Cambridge Tile Mfg. Co.—In response to a petition filed on behalf of the production and maintenance workers of the Cambridge Tile Mfg. Co., Cincinnati, Ohio, the Commission instituted an investigation on January 19, 1970, regarding ceramic floor and wall tile. A public hearing was not requested and none was held.

The Commission's finding (Commissioners Clubb and Moore dissenting) was negative. On March 20, 1970, the Commission submitted its report to the President,²³ which included two statements of considerations supporting the Commission's negative finding. Chairman Sutton and Commissioners Leonard and New-

²² *Transmission Towers and Parts; Certain Workers of the Shiffler Plant, Pittsburgh, Pa. and of the Maywood Plant, Los Angeles, Calif., of the American Bridge Division, United States Steel Corporation: Report to the President on Investigations No. TEA-W-9 and TEA-W-10 Under Section 301(c)(2) of the Trade Expansion Act of 1962*, TC Publication 298, 1969 [processed].

²³ *Ceramic Floor and Wall Tile: Certain Workers of the Cambridge Tile Mfg. Co., Cincinnati, Ohio: Report to the President on Investigation No. TEA-W-11 Under Section 301(c)(2) of the Trade Expansion Act of 1962*, TC Publication 318, 1970 [processed].

som concluded that increased imports were not in major part the result of concessions granted under trade agreements, but mostly a phenomenon of the growth of Japanese industry. Commissioner Thunberg concluded that factors other than tariff concessions were necessary to explain in major part the increase in imports since 1950 and stated that her conclusion encompassed the effect of all tariff concessions since 1930. The dissenting opinion of Commissioners Clubb and Moore was set forth separately.

Uniroyal, Inc..—In response to a petition filed on behalf of production and maintenance workers, and a similar petition filed later on behalf of salaried employees, of the Uniroyal rubber footwear plant, Woonsocket, R.I., the Commission instituted an investigation on February 26, 1970, regarding footwear of the type produced at the Woonsocket plant—plastic- or rubber-soled footwear with fabric uppers—with consideration given to other types of footwear, particularly leather sandals and footwear with uppers of rubber or plastics. A public hearing was not requested and none was held. The Commission found (Chairman Sutton and Commissioner Newsom dissenting; Commissioner Leonard absent) that articles like or directly competitive with the footwear produced by Uniroyal, Inc., at its Woonsocket plant were, as a result in major part of trade-agreement concessions, being imported in such increased quantities as to cause unemployment or underemployment of a significant number or proportion of the workers of the plant. The Commission's report to the President, submitted April 20, 1970,²⁴ included a statement of considerations supporting the Commission's affirmative finding and its belief that the petitioners were entitled to apply for adjustment assistance. The dissenting opinion of Chairman Sutton and Commissioner Newsom set forth their interpretation of the origin and meaning of the term "like or directly competitive."

Bethlehem Steel Corp..—In response to a petition filed on behalf of certain workers of the Bethlehem Steel Corp., Tower Department, Pinole Point Works, Pinole Point, Calif., the Commission

²⁴ *Plastic- or Rubber-soled Footwear With Fabric Uppers: Production and Maintenance Workers and Salaried Employees of the Woonsocket Plant of Uniroyal, Inc.: Report to the President on Investigation Nos. TEA-W-13 and TEA-W-14 Under Section 301(c)(2) of the Trade Expansion Act of 1962, TC Publication 321, 1970 [processed].*

instituted an investigation on January 22, 1970, regarding transmission towers and parts. This investigation was the third conducted by the Commission during fiscal 1970 on the basis of petitions by workers engaged in fabricating transmission towers and parts.²⁵ A public hearing was not requested and none was held. Using evidence assembled in the course of the two previous investigations and data relating to the Pinole Point Works, the Commission found (Commissioner Leonard dissenting) that, as a result in major part of trade-agreement concessions, articles like or directly competitive with the transmission towers and parts produced by the plant were being imported in such increased quantities as to cause unemployment or underemployment of a significant number or proportion of the workers of the plant.

The Commission's report to the President, which was submitted on March 16, 1970,²⁶ contained a statement of considerations supporting the Commission's affirmative finding and Commissioner Leonard's dissenting opinion based on his view that the statutory requirement that increases in imports must be a result "in major part" of trade-agreement concessions had not been satisfied.

Benson Shoe Co., Dartmouth Shoe Co., Hartman Shoe Manufacturing Co., and Lemar Shoes, Inc.—In response to separate petitions filed on behalf of workers of the Benson Shoe Co., Lynn, Mass., and former workers of the Dartmouth Shoe Co., Brockton, Mass., and the Hartman Shoe Manufacturing Co. and Lemar Shoes, Inc., both of Haverhill, Mass., together with a petition filed on behalf of the aforementioned Benson Shoe Co. for determination of eligibility of that firm to apply for adjustment assistance under the TEA, the Commission on April 3, 1970, instituted a consolidated investigation regarding women's and misses' dress shoes with

²⁵ For reference to two investigations instituted on behalf of workers of the American Bridge Division, United States Steel Corp., see p. 15.

²⁶ *Transmission Towers and Parts: Certain Workers of the Pinole Point Works, Pinole Point, California, of the Bethlehem Steel Corporation: Report to the President on Investigation No. TEA-W-12 Under Section 301(c)(2) of the Trade Expansion Act of 1962, TC Publication 316, 1970 [processed].*

leather, vinyl, or fabric uppers. The vote of the Commission was equally divided with respect to each of the petitions.²⁷

Eagle Shoe Manufacturing Co.—In response to a petition filed on behalf of the former workers of the Eagle Shoe Manufacturing Co., Everett, Mass., the Commission on April 3, 1970, instituted an investigation regarding men's, youths', and boys' footwear of leather.

The Commission was equally divided in its determination with respect to whether articles like or directly competitive with the footwear produced by the firm at its Everett plant were being imported in such increased quantities as to cause, or threaten to cause, unemployment or underemployment of a significant number or proportion of workers of the company. The Commission's report to the President was submitted on June 1, 1970.²⁸ A public hearing was not requested.

In the view of Chairman Sutton and Commissioners Leonard and Newsom, the increased imports were not in major part the result of trade-agreement concessions; their statement of views included a comment on the statutory provisions pertaining to tie votes. Commissioners Thunberg, Clubb, and Moore determined in the affirmative, having found that all statutory requirements were met and that operations of the Everett plant would not have ceased had competitive footwear not been available from imports.²⁹

Uniroyal Tire Co.—In response to a petition filed on behalf of certain production and maintenance workers formerly employed in the Bicycle Tire and Tube Division of Uniroyal Tire Co., Indianapolis, Ind., the Commission on April 17, 1970, instituted an investigation regarding bicycle tires and tubes. The company ceased manufacture of bicycle tires and tubes early in 1970, and many of the petitioning workers were laid off. A public hearing was not requested and none was held.

²⁷ For additional comment on this consolidated investigation and reference to the President's subsequent action, see pp. 12-14.

²⁸ *Men's, Youths', and Boys' Footwear of Leather: Workers of the Eagle Shoe Manufacturing Co., Everett, Mass.: Report to the President, Worker Investigation No. TEA-W-19 Under Section 301(c)(2) of the Trade Expansion Act of 1962*, TC Publication 324, 1970 [processed].

²⁹ For reference to the President's action following completion of this investigation, see p. 13.

On the basis of information obtained in its investigation, the Commission unanimously found that articles like or directly competitive with bicycle tires and tubes produced by the Bicycle Tire and Tube Division were 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, unemployment or underemployment of a significant number or proportion of the workers of that division. The Commission noted that imports had risen sharply before 1968, when duties were first reduced from the statutory rate, and that the increased imports were not in major part the result of trade-agreement concessions. The Commission's report to the President was submitted on June 12, 1970.³⁰

General Instrument Corp.—In response to a petition filed on behalf of production and maintenance workers of the F. W. Sickles Division, General Instrument Corp., Chicopee, Mass., the Commission on June 4, 1970, instituted an investigation regarding electrical components and apparatus and allied products. A public hearing was held June 23, 1970; the investigation was in progress at the close of the fiscal year.

Wood and Brooks Co.—On the basis of a petition filed on behalf of production and maintenance workers of the Rockford Plant of the Wood and Brooks Co., Rockford, Ill., the Commission on June 5, 1970, instituted an investigation regarding piano actions. The petitioner did not request a public hearing. At the close of the fiscal year, the Commission's investigation was in progress.

Uniroyal, Inc., B. F. Goodrich Footwear Co., and Servus Rubber Co.—On the basis of four petitions filed on behalf of the production and maintenance workers and salaried employees of the Mishawaka Plant, Footwear Division, Uniroyal, Inc., Mishawaka, Ind., and the production and maintenance workers of B. F. Goodrich Footwear Co., Watertown, Mass., and the Footwear Division, Servus Rubber Co., Rock Island, Ill., the Commission instituted a consolidated investigation on June 5, 1970, regarding protective footwear of rubber or plastics and rubber- or plastic-soled footwear

³⁰ *Bicycle Tires and Tubes: Production and Maintenance Workers at the Indianapolis Plant of Uniroyal Tire Co.: Report to the President, Worker Investigation No. TEA-W-20 Under Section 301(c)(2) of the Trade Expansion Act of 1962, TC Publication 325, 1970 [processed].*

with fabric uppers. The petitioners did not request a further hearing. At the close of the fiscal year the Commission's investigation was still in progress.

American Motors Corp.—In response to a petition filed on behalf of the former automotive soft trim workers of the former American Motors Corp. plant in Wyoming, Mich., the Commission instituted an investigation on June 22, 1970, regarding automotive soft trim. This investigation was in progress at the close of the fiscal year.

**Section 351(d)(2), review of restrictions:
Wilton and velvet carpets and rugs**

The Commission conducted one investigation under section 351(d)(2) of the TEA.³¹

This section directs the Commission to advise the President, either at his request or upon its own motion, of its judgment regarding the probable economic effect on the industry concerned of reducing or terminating any restrictions that had been imposed or increased pursuant to either section 7 of the Trade Agreements Extension Act of 1951 or section 351 of the Trade Expansion Act. After taking into account the Commission's advice, the President may reduce or terminate these restrictions prior to the date on which they would terminate under section 351(c) of the TEA.

On February 19, 1970, the Commission instituted an investigation with respect to Wilton (including Brussels) and velvet (including tapestry) floor coverings and floor coverings of like character other than imitation oriental. This investigation was undertaken in response to a Presidential request for a supplementary report³² providing additional information for use in determining whether any further action was indicated regarding the tariff on carpets and rugs of nonoriental design. Effective January 1, 1970, the rate of duty on imitation oriental floor coverings was allowed to revert to 21 percent from 40 percent ad valorem and that on Wilton and

³¹ 19 U.S.C. 1981(d)(2).

³² On Nov. 18, 1969, the Commission had submitted a report to the President on its investigation, conducted under section 351(d)(3) of the TEA, of the probable economic effect of termination of the escape-clause rates and restoration of the 21-percent rate of duty on Wilton and velvet carpets and rugs. (For reference to the Commission's investigation No. TEA-I-EX-5, see p. 22.)

velvet carpets and rugs other than imitation oriental types was continued at 40 percent through 1972.³³

On June 19, 1970, the Commission reported to the President³⁴ that, in its judgment, conditions in the U.S. market with respect to competition between imported and domestic Wiltons and velvets had not changed in any significant degree during the 6 months since the product coverage of the escape-clause rate had been modified. A public hearing in connection with this investigation was held on April 21, 1970.

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

The Commission completed two investigations under section 351(d)(3) of the TEA.³⁵

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

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

Wilton and velvet carpets and rugs.—On July 2, 1969, an investigation with respect to Wilton (including Brussels) and velvet (including tapestry) floor coverings and floor coverings of like character was instituted by the Commission on petition filed on behalf of the domestic industry. The purpose of this investigation was to inform the President of the Commission's judgment concerning the probable economic effect of restoring the concession rate of duty. The increased duty on these articles that had been in effect since 1962, following a Tariff Commission finding of serious injury to the domestic industry, was scheduled to terminate at the end

³³ Presidential Proclamation 3953.

³⁴ *Wilton, Brussels, Velvet, and Tapestry Carpets and Rugs: Report to the President on Investigation No. TEA-I-A-9 Under Section 351(d)(2) of the Trade Expansion Act of 1962*, TC Publication 326, 1970 [processed].

³⁵ 19 U.S.C. 1981(d)(3).

of 1909. A public hearing was held October 22-24, 1909, and the Commission submitted its report to the President on November 18, 1909.³⁶ The Commission advised the President that under currently existing conditions the probable economic effect of a decrease in the duty from the escape-clause rate (40 percent ad valorem) to the concession rate (21 percent ad valorem) would be so minimal that the industry as a whole would not be adversely affected, although the impact might fall unevenly on one or two firms already at the margin of profitability. By proclamation dated December 31, 1969,³⁷ the President extended the 40-percent rate of duty on non-oriental-type Wilton and velvet floor coverings to the close of December 31, 1972. Effective January 1, 1970, the duty on imitation oriental floor coverings was decreased to 21 percent.

Sheet glass (blown or drawn flat glass).—In response to a petition filed on behalf of the domestic industry, the Commission on July 2, 1969, instituted an investigation of the probable economic effect on the sheet glass industry of termination of the modified escape-clause rates of duty applicable to certain window glass. These rates, which had been in effect since January 1967, were to terminate December 31, 1969. A public hearing was held October 14-15, 1969, and the Commission submitted its report to the President on December 1, 1969.³⁸ In the opinion of Chairman Sutton and Commissioner Moore, termination of the modified escape-action rates of duty on window glass—duties which afforded relief primarily to plants and workers in Appalachia—would lead to serious injury to the domestic sheet glass industry. Commissioner Thunberg concluded that the effect of a reduction in duties on window glass would not by itself be large enough to cause adjustment in the pricing policies of domestic producers, although imports could exert a downward pressure on prices if duties were reduced and fiscal and monetary measures were maintained to

³⁶ *Wilton, Brussels, Velvet, and Tapestry Carpets and Rugs: Report to the President on Investigation No. TEA-I-EX-5 Under Section 351(d)(3) of the Trade Expansion Act of 1962*, TC Publication 302, 1969 [processed].

³⁷ Presidential Proclamation 3953.

³⁸ *Sheet Glass (Blown or Drawn Flat Glass): Report to the President on Investigation No. TEA-I-EX-6 Under Section 351(d)(3) of the Trade Expansion Act of 1962*, TC Publication 306, 1969 [processed].

counter inflationary price increases. The considerations of Commissioner Leonard as to the probable effect on the domestic sheet glass industry of termination of the modified duties on window glass, concurred in by Commissioners Clubb and Newsom, were set forth in a separate statement.

On December 24, 1969, the President extended the modified escape-action rates applicable to window glass not over 100 united inches through March 31, 1970.³⁹ Subsequent to the Commission's investigation conducted under section 301(b) of the TEA, these modified rates were further extended.⁴⁰

Tariff Act of 1930

The Tariff Act of 1930 empowers the Commission to investigate and report on a broad range of subjects relating to international trade and requires it to furnish the Congress and the President with information at its command whenever requested to do so. The act also authorizes the Commission to investigate unfair trade practices in the importation of articles into the United States.

Section 332

Under section 332 of the act,⁴¹ two investigations were completed and five investigations continued in progress, four of which were long-range research studies.

Section 332 sets forth the Commission's general powers to conduct investigations and directs the Commission to make such investigations and reports as may be requested by the President, by the House Committee on Ways and Means, by the Senate Committee on Finance, or by either House of Congress.

Nonrubber footwear.—On October 22, 1969, the Commission on its own motion instituted an investigation relating to nonrubber footwear. The purpose of the investigation was to update and supplement the Commission's report of January 1969⁴² and to

³⁹ Presidential Proclamation 3951.

⁴⁰ See reference to the industry investigation, p. 9.

⁴¹ 19 U.S.C. 1332.

⁴² *Nonrubber Footwear: Report to the President on Investigation No. 332-56 Under Section 332 of the Tariff Act of 1930*, TC Publication 276, 1969 [processed].

make available additional information with respect to the competitive relationship between imports and domestically produced products and the effect of such imports on U.S. producers. There was no public hearing. The Commission's report on the results of the investigation was released on December 31, 1969.⁴³ Recent data obtained by the Commission showed the upward trend in imports to be continuing but the rate of increase to have been considerably less in 1969 than in the 2 preceding years; in 1969 the share of imports in apparent consumption was higher, however, in terms of both quantity and value. The Commission found recent increases in the average dutiable value of imports to be outpacing those in the value of shipments by domestic producers. The report included a discussion of recent developments in retailing and marketing practices.

Stainless-steel table flatware.—On October 22, 1969, the Commission on its own motion instituted an investigation concerning stainless-steel table flatware. The purpose of this investigation was to make information available on developments in the industry during the period following expiration on October 11, 1967, of the modified escape-clause restrictions,⁴⁴ and to supplement the Commission's report to the President of September 1967.⁴⁵

⁴³ *Nonrubber Footwear: Report on Investigation No. 332-62 Under Section 332 of the Tariff Act of 1930*, TC Publication 307, 1969 [processed].

⁴⁴ An enlarged tariff-rate quota and reduced rates of duty applicable to imports in excess of the quota, retroactive to Nov. 1, 1965, had been proclaimed by the President in January 1966 (Presidential Proclamation 3697). In April 1969 the Stainless Steel Flatware Manufacturers Association requested the President to reimpose the modified tariff-rate quota applicable during the period Nov. 1, 1965–Oct. 11, 1967, and subsequently the United States reserved its right under art. XXVIII of the General Agreement on Tariffs and Trade (GATT) to modify or withdraw tariff concessions on stainless-steel flatware formerly subject to the tariff-rate quota. At the close of fiscal 1970 the United States had taken no action under its reservation, but on Aug. 3, 1970, notified the Contracting Parties to the GATT that it was prepared to commence renegotiation of the concessions. (The period for completion of this action had previously been extended until Dec. 31, 1970.)

⁴⁵ *Stainless-Steel Table Flatware: Report to the President on Investigation No. TEA-I-EX-3 Under Section 351(d)(3) of the Trade Expansion Act of 1962*, TC Publication 217, 1967 [processed].

There was no public hearing held in connection with this investigation, but a number of interested parties submitted statements on various matters of concern. The Commission's report, released on January 6, 1970,⁴⁶ provided data relating to the period January 1967 through September 1969, and contained a statement of the Commission's judgment of the effects of the termination of the tariff-rate quota. The Commission concluded (Commissioners Thunberg and Newsom disassociating themselves from the conclusion) that the injurious effects of imports warranted consideration of some form of relief for the domestic stainless-steel table flatware industry.

Title 19 of the United States Code.—Prior to fiscal 1970 the Commission issued two reports relating to the provisions for temporary entry under title 19 of the United States Code, a study of which it had undertaken in 1965.⁴⁷ The second report, released in May 1969, contained tentative proposals for repeal or modification of some of these statutory provisions. The Commission solicited written views and held a public hearing August 5–15, 1969, regarding these proposals. In opening the hearing the Chairman announced that the Commission planned to issue a report of its findings; work on this report had not been completed at the end of the fiscal year.

Articles processed or assembled abroad.—In response to a request by the President dated August 18, 1969, the Commission instituted an investigation of the economic factors affecting the use of items 806.30 and 807.00 of the Tariff Schedules of the United States. These tariff items, which cover certain articles processed or assembled abroad from materials or components of U.S. manufacture, permit deduction of the value of such components from the dutiable value of the articles. A public hearing was held May

⁴⁶ *Stainless-Steel Table Flatware: Report on Investigation No. 332-63 under Section 332 of the Tariff Act of 1930*, TC Publication 305, 1969 [processed].

⁴⁷ *Study of Temporary Entry Provisions of Title 19 of the United States Code, Investigation 332-45: Report on Legislative Objectives*, TC Publication 170, 1966 [processed]; *Study of Temporary Entry Provisions . . . : Report on Use of Temporary Entry Procedures and Tentative Proposals*, TC Publication 286, 1969 [processed].

June 17, 1970. This investigation was in progress at the close of the fiscal year.

Domestic and foreign governmental programs and measures affecting U.S. agricultural trade.—The Commission continued work on a study, initiated on its own motion in late 1968, of measures of the United States and its principal trading partners that affect trade flows of agricultural products, with particular emphasis on the impact of such measures on U.S. foreign trade in these products.

Probable effects of tariff preferences for developing countries.—The Commission's study, initiated on its own motion in late 1968, of some of the effects of a system of generalized tariff preferences for products of developing countries continued in progress.

Dairy products.—In response to a resolution of the House Committee on Ways and Means dated June 23, 1970, the Commission instituted an investigation of the conditions of competition in the United States between dairy products produced in the United States and specified cheese and cheese substitutes, lactose, and chocolate or articles containing chocolate produced in foreign countries. The Commission was requested to report the results of this investigation at the earliest practicable date, but if possible, no later than its report to the President on its investigation relating to certain dairy products instituted a month earlier under section 22 of the Agricultural Adjustment Act.⁴⁸ Specifically, the Commission was requested to include information on domestic and foreign production, U.S. imports and exports, consumption, channels and methods of distribution, prices (including pricing practices), and information indicating whether imports of the specified products were interfering, or threatening to interfere, with any programs of the Department of Agriculture or any agency operating under its direction.

A public hearing was to be held following conclusion of a hearing scheduled to begin on July 28, 1970, in connection with the Commission's concurrent investigation pertaining to certain dairy products.

Section 337, unfair competition

Under section 337 of the act,⁴⁹ the Commission completed one

⁴⁸ For reference to the Commission's investigation under sec. 22 of the Agricultural Adjustment Act, see p. 37.

⁴⁹ 19 U.S.C. 1337, 1337a.

investigation and, in accordance with its Rules of Practice and Procedure, initiated three preliminary inquiries.⁵⁰ One investigation, instituted near the end of fiscal 1969, continued in progress. In addition, the Commission terminated, without findings and without prejudice to the complainant, an investigation instituted in May 1969 relating to freeze-dried coffee and also terminated a preliminary inquiry initiated in May 1969 relating to ski poles.

Section 337 declares unlawful any unfair methods of competition and unfair acts in the importation of articles into the United States or in their sale, the effect or tendency of which is to destroy or substantially injure an efficiently and economically operated industry, or to prevent the establishment of such an industry, or to restrain or monopolize trade and commerce. If the President is satisfied that such methods or acts exist, he shall exclude the articles involved from entry into the United States as long as the conditions which led to the exclusion continue. The Commission is authorized, on complaint or upon its own initiative, to investigate alleged unfair methods of competition and unfair acts and to submit its findings to the President in order to assist him in making decisions under section 337. Pending the completion of an investigation, the President may order the temporary exclusion (except under bond) of the articles in question.

Furazolidone.—On November 13, 1969, the Commission issued a report⁵¹ on its investigation of alleged patent violation and other unfair methods of competition and unfair acts with respect to the importation and sale of furazolidone. This investigation was instituted in July 1968, following conclusion of a preliminary inquiry of the violations alleged by the complainant, the Norwich Pharma-

⁵⁰ Pt. 203 of title 19 of the Code of Federal Regulations sets out procedures for investigations of alleged unfair practices in import trade under sec. 337. According to sec. 203.3 of title 19, the Commission, on receipt of a properly filed complaint, will make a preliminary inquiry to determine whether there is good and sufficient reason for a full investigation and, if so, whether it should recommend to the President issuance of a temporary order of exclusion from entry (if requested by the complainant).

⁵¹ *Furazolidone: Investigation No. 337-21 Under the Provisions of Section 337 of Title III of the Tariff Act of 1930, as Amended*, TC Publication 299, 1969 [processed].

cal Co., Norwich, N.Y.” A public hearing had been held September 30–October 4, 1968.

The Commission found (Commissioner Thunberg dissenting and Commissioner Leonard not participating) violation of section 337 to be established and recommended that all foreign-produced furazolidone made in accordance with the claims and specifications of the complainant’s patent be excluded from entry through April 17, 1973.⁵³

The considerations of Chairman Sutton and Commissioner Newsom and those of Commissioners Clubb and Moore in support of the Commission’s affirmative finding were set forth in two separate statements. These statements differed chiefly with respect to treatment of patent misuse and aspects of patent violation and infringement. Commissioner Thunberg’s negative findings rested on the opinion that existence of unfair methods of competition and unfair acts alone was not sufficient to warrant excluding patent-violating imports and that in this case there was no evidence of statutory injury to the domestic industry.

Tractor parts.—The investigation instituted by the Commission on May 14, 1969, of alleged unfair methods of competition and unfair acts in the importation and sale of certain crawler tractor parts continued in progress at the close of fiscal 1970.⁵⁴

Ampicillin.—On January 27, 1970, the Commission received a complaint filed by Beecham Group Limited and Beecham, Inc., of Clifton, N.J., alleging unfair methods of competition and unfair acts in the importation and sale of ampicillin embraced within a claim of U.S. Patent No. 2,985,648 owned by Beecham Group Limited. Zenith Laboratories, Inc., Northvale, N.J., was named as an importer of the subject products. In February the Commission

⁵² Temporary exclusion from entry was ordered by the Secretary of the Treasury on request of the President, dated Aug. 28, 1968. (For recommendations of Commissioners, see *Annual Report of the United States Tariff Commission, Fiscal Year Ended June 30, 1969*, TC Publication 301, pp. 16–17.)

⁵³ No action on this recommendation was taken by the President before the close of fiscal 1970.

⁵⁴ For further reference to this investigation, see *Annual Report of the United States Tariff Commission, Fiscal Year Ended June 30, 1969*, TC Publication 301, p. 17.

initiated a preliminary inquiry into these allegations; this inquiry was in progress at the end of the fiscal year.

Panty hose.—On January 30, 1970, the Commission received a complaint filed on behalf of Tights, Inc., Greensboro, N.C., alleging unfair methods of competition and unfair acts in the importation and sale of panty hose embraced within the claim of U.S. Patent No. Re 25,360 owned by the complainant. Three parties were named as importers and/or sellers of imports made in Canada, France, or Finland. A preliminary inquiry into the allegations of the complaint, initiated by the Commission in February, was in progress at the end of the fiscal year.

Sphygmomanometers.—On March 18, 1970, the Commission received a complaint filed by W. A. Baum Co., Inc., of Copiague, N.Y., alleging unfair methods of competition and unfair acts in the importation and sale of sphygmomanometers embraced within U.S. Patent No. Des. 203,491 owned by the complainant. Proper Manufacturing Co., Long Island City, N.Y., was named as an importer of these products. Subsequently the Commission initiated a preliminary inquiry, which was in progress at the end of the fiscal year.

Antidumping Act, 1921, as Amended

The Commission notified the Secretary of the Treasury of its determinations with respect to five investigations completed under section 201(a) of the Antidumping Act.⁵⁵

Section 201(a) provides that whenever the Secretary of the Treasury advises the Commission that a class or kind of foreign merchandise is being, or is likely to be, sold in the United States or elsewhere at less than its fair value, the Commission shall determine within 3 months whether a domestic industry is being or is likely to be injured, or is prevented from being established, by reason of the importation of such merchandise. On completion of its investigation the Commission notifies the Secretary of the Treasury of its determination. If the determination is affirmative, the Secretary issues a finding of dumping, and dumping duties are thenceforth applicable.

⁵⁵ 19 U.S.C. 160 et seq.

The Commission determined in the negative in two of these investigations and in the affirmative in three. An additional investigation instituted under this statutory provision was in progress at the end of the fiscal year.

Concord grapes from Canada

On August 5, 1969, the Commission published its determination concerning imports of Concord grapes from Canada.⁵⁶ A public hearing in connection with this investigation, instituted in May 1969, had been held June 24–25, 1969. On the basis of its investigation, the Commission (Commissioner Newsom not participating) unanimously found that a domestic industry was not being, or likely to be, injured or prevented from being established by reason of the importation of Concord grapes from Canada sold at less than fair value (LTFV) within the meaning of the act. The Commission's reasons for determining in the negative were set forth in three separate statements.

The joint views of Chairman Sutton and Commissioner Thunberg included a discussion of the structure of the market, procurement methods of domestic processors, and the particular market conditions prevailing in 1967, the year for which they deemed the question of injury most relevant. In their opinion, there was no evidence of injury or reason for expecting injury from LTFV imports in the components of the U.S. market nor was there evidence of injury to the aggregate. Commissioner Clubb reviewed the competitive position of imports in the domestic market and held that, since the Antidumping Act was intended to provide remedies and not penalties, the Commission's judgment should relate to current conditions in the marketplace. In his view, a finding of injury in 1969 with respect to imports that occurred in 1967 was not possible. Commissioner Leonard, who agreed in general with the treatment of the economic data by Chairman Sutton and Commissioner Thunberg, directed his comments to application of the data against the benchmarks of the statute. He found that in seasons of bumper crops Canadian exporters sell in the U.S. market at dumping prices,

⁵⁶ *Concord Grapes From Canada: Determination of No Injury or Likelihood Thereof in Investigation No. AA1921–56 Under the Antidumping Act, 1921, as Amended*, TC Publication 292, 1969 [processed].

but that such practices had not produced and were not likely to produce injury to the domestic industry, which he defined as the Concord-grape-growing operations of U.S. growers, and that no industry in the United States was being or was likely to be injured or prevented from being established.

Plastic mattress handles from Canada

On October 17, 1969, the Commission published its determination concerning imports of plastic mattress handles manufactured by Fibre Conversion Co., Ltd., Toronto, Canada.⁵⁷ The Commission found (Commissioner Leonard dissenting) that a domestic industry was not being, or likely to be, injured or prevented from being established by reason of the importation of this merchandise.

The reasons for the Commission's negative determination were given in two separate statements. In the view of Chairman Sutton and Commissioners Thunberg, Newsom, and Moore, U.S. sales prices of imported handles were not founded or dependent on a dumping margin, the extent of the injury to domestic producers would have been de minimis even if U.S. prices of the importer's handles were considered as influencing customers' preferences, and further LTFV imports in sizeable quantities were not to be expected, inasmuch as a producing plant had recently been established in the United States by an affiliate of the Canadian manufacturer. Commissioner Clubb noted that the Canadian producer would have been underselling U.S. producers by a substantial margin even without the LTFV sales and there was no evidence that imports had gained cognizable advantage as a result of the LTFV price. In his view, this case fell well within the de minimis rule used by the Commission.

Commissioner Leonard determined in the affirmative, having found that the domestic industry had lost sales in consequence of dumping margins reflected in sales of imports at LTFV and that injury was more than de minimis. In his opinion, the Canadian producer would be expected to continue to supply expanding U.S. demand for its product from its Canadian facilities whenever conditions dictated, and such sales would likely be made at LTFV.

⁵⁷ *Plastic Mattress Handles From Canada: Determination of No Injury or Likelihood Thereof in Investigation No. AA1921-57 Under the Anti-dumping Act, 1921, as Amended*, TC Publication 296, 1969 [processed].

This investigation was initiated by the Commission following receipt of advice from the Department of the Treasury on July 17, 1969. A public hearing was held September 4, 1969.

**Potassium chloride from Canada, France,
and West Germany**

On November 21, 1969, the Commission published its determination concerning imports of potassium chloride (muriate of potash) from Canada, France, and West Germany.⁵⁸ On the basis of three joint investigations, the Commission determined (Commissioners Thunberg and Newsom dissenting) that an industry in the United States was being injured, and was likely to be injured on a continuing basis, by reason of sales of these imports at LTFV. In consequence of this determination, imports of potassium chloride became subject to special dumping duties.

Reasons in support of the Commission's affirmative determination were set forth in two statements. In the view of Chairman Sutton and Commissioner Leonard, a multinational producer was not immune to the operations of the Antidumping Act with respect to LTFV sales of its foreign product when the domestic industry taken as a whole was being, or was likely to be, injured. In their opinion, the domestic industry embraced all economic interests involved in mining and refining potassium chloride in the United States, and the impact of LTFV imports should take into account the combined imports from all three countries. This impact they found to be substantial and to be causing injury far in excess of a de minimis threshold.

Commissioner Clubb (Commissioner Moore concurring) observed that the decision in this case clarified treatment of imports from foreign branches of domestic firms under the Antidumping Act—such imports should be treated like any other imports. In his opinion, determination of injury should be made on the basis of the combined effect of LTFV imports from all sources, and he found that such imports had contributed, and would likely further contribute, to injury to the U.S. potassium chloride industry.

⁵⁸ *Potassium Chloride (Muriate of Potash) From Canada, France, and West Germany: Determination of Injury in Investigations Nos. AA1921-58, 59, and 60 Under the Antidumping Act, 1921, As Amended*, TC Publication 303, 1969 [processed].

The reasons of Commissioners Thunberg and Newsom for determining in the negative rested on consideration of economic conditions of the industry during the relevant period. They found that the industry worldwide was suffering from market turbulence and overexpansion of producing capacity and that price declines in the United States had greatly exceeded dumping margins, except for small and localized sales of imports from France and West Germany. They also found that U.S. firms not producing in Canada had either maintained or increased sales, and the tonnage decline in sales of domestic producers in 1966-68 was a reflection of the shifting of operations to Canada by four major U.S. producers. They concluded that if injury were caused by LTFV sales, firms selling at LTFV were injuring themselves, since they accounted for nearly half the industry, and that such application of the statute would be beyond congressional intent.

This investigation was instituted by the Commission following receipt of advice from the Department of the Treasury on August 22, 1969. A public hearing was held October 5-13, 1969.

Aminoacetic acid from France

On February 17, 1970, the Commission published its determination that an industry in the United States was being injured by reason of LTFV imports of aminoacetic acid (glycine).⁵⁹ In consequence, imports of aminoacetic acid from France became subject to special dumping duties. The affirmative determination was based on the decisions of Commissioners Clubb, Newsom, and Moore. Chairman Sutton dissented in part, and Commissioners Thunberg and Leonard determined in the negative. The members of the Commission set forth the reasons supporting their positions in four statements.

Commissioners Clubb, Newsom, and Moore reached their determination of injury after concluding that neither the scope of the investigation nor the findings of the Commission need to be limited to LTFV imports from the country named by the Treasury Department in its advice to the Commission. They held LTFV imports from all sources to be at issue and found injury to the domestic

⁵⁹ *Aminoacetic Acid (Glycine) From France: Determination of Injury in Investigation No. AA1921-61 Under the Antidumping Act, 1921, As Amended*, TC Publication 313, 1970 [processed].

industry by reason of LTFV imports from all sources, but principally those from Japan. Since imports from France merely played a contributory role, in their view failure to consider imports from Japan would discriminate against the French exporter and inadequately protect the sole domestic producer.

Chairman Sutton held that, although the cumulative and sequential impact of LTFV imports from both Japan and France should be considered in this case, formal action of the Commission was necessarily limited to a determination with respect to LTFV imports from France. The Chairman not only found injury to the domestic industry by reason of LTFV imports but also found U.S. market prices to have been depressed by penetration of the world market by Japan as well as by LTFV imports from that country.

In the view of Commissioner Thunberg, the authority of the Secretary of the Treasury to delimit the definition of a commodity was supported by legal and administrative precedent. She noted that by its announcement the Commission had confined its investigation of injury to the effects of LTFV imports from France. Using the data obtained in the investigation and that provided by the Treasury Department, Commissioner Thunberg concluded that LTFV sales were not causing or likely to cause injury to the domestic industry and found no evidence that as a result of such sales the domestic producer had lowered selling prices or lost sales.

Commissioner Leonard rendered a negative finding of injury with respect to LTFV imports from France, holding that consideration of sales from Japan would go beyond the statute. In his opinion, application of the cumulative and sequential impact theory in this case would preempt the Treasury's jurisdiction, since the Treasury had already determined that imports from Japan were not being nor likely to be sold at LTFV.

This investigation was initiated by the Commission following receipt of advice from the Treasury on November 17, 1969. A public hearing was held beginning on January 13, 1970.

Steel bars, reinforcing bars, and shapes from Australia

On February 27, 1970, the Commission published its determination concerning imports of steel bars, reinforcing bars, and shapes manufactured by the Broken Hill Proprietary Co., Melbourne,

Australia.⁶⁰ A majority of the Commission found that by reason of sales at LTFV an industry was being injured. In consequence of the Commission's affirmative determination, these imports became subject to special dumping duties.

In reaching an affirmative determination, Chairman Sutton and Commissioners Clubb, Leonard, and Moore applied the principle that injury to a part of the national industry was injury to the whole industry. Finding more than de minimis injury in the Northwest market of the domestic industry as a result of LTFV sales and offers of sales of these steel products, they determined that an industry in the United States was being injured by reason of LTFV imports.

Commissioners Thunberg and Newsom found no injury from LTFV imports, either in the usual sense of injury over a medium-term period of time or in the short-term localized impact of such imports. The statement of their reasons for determining in the negative included a discussion of the economic concepts applicable in this case with respect to the industry, the commodity, and the market.

This investigation was instituted by the Commission on December 1, 1969, following receipt of advice from the Treasury Department. A public hearing was held beginning on January 20, 1970.

Whole dried eggs from Holland

The Commission was advised by the Treasury Department on May 1, 1970, that whole dried eggs from Holland were being, or were likely to be, sold in the United States at LTFV. An investigation was instituted on the same day, and a public hearing was held on June 9, 1970. The case was in progress at the close of the fiscal year.

Agricultural Adjustment Act, Section 22: Certain Dairy Products

The Commission instituted one investigation under section 22

⁶⁰ *Steel Bars, Reinforcing Bars, and Shapes From Australia: Determination of Injury in Investigation No. AA1921-62 Under the Antidumping Act, 1921, As Amended*, TC Publication 314, 1970 [processed].

OF THE AGRICULTURAL ADJUSTMENT ACT, AS AMENDED. THIS INVESTIGATION, WHICH WAS IN PROGRESS AT THE END OF THE FISCAL YEAR, RELATED TO CERTAIN DAIRY PRODUCTS.

Section 22 requires the Commission, when so directed by the President, to conduct an investigation, including a public hearing, concerning imports of a specified agricultural commodity or product thereof, and to submit a report with appropriate findings and recommendations to the President. The President is then authorized to restrict imports of any such commodity, by imposing either fees or quotas (within specified limits), whenever, on the basis of the Commission's report,⁶² he finds that such articles are being or are practically certain to be imported under such conditions and in such quantities as to render or tend to render ineffective, or materially interfere with, any program of the U.S. Department of Agriculture relating to agricultural commodities or products thereof. This section also authorizes the President to modify or terminate import restrictions imposed thereunder if, after investigation and report by the Commission, he finds that the circumstances requiring the restrictions have changed.

On May 19, 1970, an investigation was instituted at the request of the President to determine whether ice cream, chocolate crumb with a fat content of 5.5 percent or less, animal feeds containing milk or milk derivatives, and certain cheeses containing 0.5 percent or less by weight of butterfat were being imported, or were practically certain to be imported, under such conditions and in such quantities as to render or tend to render ineffective or materially interfere with the price-support programs conducted by the Department of Agriculture for milk and butterfat, or to reduce substantially the amount of products processed in the United States from domestic milk and butterfat. A public hearing in connection with this investigation was scheduled to be held beginning on July 28, 1970.

⁶¹ 7 U.S.C. 624.

⁶² In cases determined by the Secretary of Agriculture to be emergency situations, the President may take immediate action to restrict imports without awaiting the recommendations of the Tariff Commission, such action to continue in effect pending the report and recommendations of the Tariff Commission and action thereon by the President.

PART II. OTHER ACTIVITIES

Besides its statutory obligations with respect to public investigations, the Commission is required by law to render assistance to the legislative and executive branches of Government and to furnish information to Government agencies in support of their activities. The Commission also services many requests from the public.

The Commission maintains a special library which contains about 64,000 volumes and receives about 1,200 periodicals. It is a repository not only of publications on international trade and U.S. tariff and commercial policy, but also of many business and technical journals. In addition, the Commission maintains, in its Legal Division, a comprehensive file of documents on legislation affecting U.S. import trade.

Assistance to the Congress

As in the past, the Commission responded to numerous requests for assistance from congressional committees and from Members of Congress. It was frequently requested by congressional committees (primarily the Senate Committee on Finance and the House Committee on Ways and Means) to analyze and at times help draft proposed legislation on tariff and trade matters.

During fiscal 1970 the Commission submitted 29 formal reports on 43 bills respecting tariffs and other matters relating to international trade. Members of the Commission's staff were requested to be present and to furnish technical information at several congressional hearings. At the hearings of the House Committee on Ways and Means held from May 11 to June 25, 1970, on a wide

range of tariff and trade proposals in numerous bills before the committee, including proposals submitted by the President, the Commission's staff was required to supply technical assistance and data on the trade in many commodities. This information was compiled and printed for the use of the members of the committee. The document, which comprised 425 pages, was entitled *Background Material on Selected Trade Legislation Introduced in the U.S. House of Representatives*. In addition, the Commission's staff furnished information orally to members of the committee and prepared abstracts of the testimony and briefs submitted in connection with the hearings. One member of the Commission's professional staff was assigned full time to provide assistance to the committee staff; others were assigned as needed. Subsequently, the Commission's General Counsel was requested to attend executive sessions of the committee to testify when called upon and to render such technical assistance as required by the committee.

During the year, the Commission also responded to about 500 requests for information received from individual Members of Congress. Some of the responses could be made on the basis of readily available information; others required research and preparation of statistical compilations.

Activities Relating to the Trade Agreements Program

The Commission regularly assists the executive branch of the Government in its work in connection with the trade agreements program. The major part of this assistance is given to the President's Special Representative for Trade Negotiations,¹ in whose

¹ He is the chief representative of the United States at trade-agreement negotiations, to whom the President has delegated many of his functions under the Trade Expansion Act of 1962 (Executive Order 11075, Jan. 15, 1963, as amended). The Tariff Commission is represented on the Trade Staff Committee, which obtains information and advice from Government agencies and other sources and recommends policies and actions to the Trade Executive Committee, a subcabinet-level interagency committee, chaired by a Deputy Special Representative, that recommends policies and actions to the Special Representative. The Commission's representative on the Trade Staff Committee has no vote and does not participate in decisions on policy matters.

Since most of such activities are covered, a substantial amount of work, however, is usually done to assist the executive departments having responsibilities in the program, particularly the Department of State.

Assistance to the executive branch

The Commission's assistance to the Special Representative and the executive departments in fiscal 1970 in work related to the trade agreements program consisted mainly of the assembly of tariff, commodity, and other technical information needed in the daily operation of the program.

At the close of the year, the Commission was processing a draft consolidated schedule of tariff concessions which the United States has granted under the General Agreement on Tariffs and Trade (GATT) in past negotiations. It will be submitted to the other contracting parties to the GATT for certification as the official schedule XX² and subsequently will be so proclaimed by the President. The proclamation will be the final action in a long series of negotiations and related work in progress since 1962 to reconcile U.S. commitments in existing trade agreements with the provisions of the Tariff Schedules of the United States (TSUS), which became effective in August 1963. The negotiations with individual countries were finally completed during the year with the signature of a formal agreement with Sweden in January 1970.

The program of activities which the GATT contracting parties inaugurated after the Kennedy Round includes an analysis of the tariff situation as it will be when all Kennedy Round concessions have been fully implemented. As part of our Government's assistance to the GATT Secretariat in Geneva in this study, the Commission was called upon to prepare a number of compilations of trade agreements and statistical data relating to the U.S. tariff and imports. In connection with this activity, it was necessary to continue the updating of the concordance between the TSUS and the Brussels Tariff Nomenclature. Since the Brussels Tariff Nomenclature is used by all major trading nations in the free world except the United States and Canada, the concordance has become a nec-

² Schedule XX annexed to the GATT is the schedule of concessions granted by the United States under that agreement.

essary tool for the conduct of most international tariff discussions.

The Commission also assembled information for the Special Representative's use in preparing the proposed trade act of 1969, which President Nixon submitted to the Congress on November 18, 1969, and supplied legal assistance in the drafting of the bill. The Commission rendered a substantial amount of assistance to the Special Representative in the assembly and preparation of trade and other background material for use in connection with the public hearings on the bill which began May 11, 1970, before the Ways and Means Committee of the House of Representatives. Assistance was also given to the Special Representative in supervising the preparation of an annual series of computer tabulations on U.S. import statistics that are used by U.S. Government agencies working on the trade agreements program.

Two other programs in the trade agreements field in which the Tariff Commission contributed substantial assistance during fiscal 1970, chiefly to the Department of State, are the development of a system of generalized tariff preferences for the products of less developed countries,³ and the activities dealing with U.S. trade with Latin America being conducted under the aegis of the Inter-American Economic and Social Council.

Report on the operation of the trade agreements program

Section 402(b) of the TEA requires that the Commission submit to the Congress annually a report on the operation of the trade agreements program. The Commission's 20th report, covering the calendar year 1968, was near completion at the close of the fiscal year. The report describes developments in U.S. commercial policy during the year, activities at the 25th Session of the Contracting Parties to the GATT, and developments in the major regional trading groups—the European Economic Community, the European Free Trade Association, the Latin American Free Trade Association, and the Central American Common Market.

³ A system of generalized tariff preferences was the subject of a resolution adopted by the second session of the United Nations Conference on Trade and Development in 1968.

U.S. FOREIGN TRADE STATISTICS

Section 484(e) of the Tariff Act of 1930 authorizes and directs the Chairman of the Tariff Commission, the Secretary of the Treasury, and the Secretary of Commerce to establish for statistical purposes an enumeration of articles imported into the United States. This work is done under the direction of the Committee for Statistical Annotation of Tariff Schedules, whose members represent the Tariff Commission, the Bureau of Customs, and the Bureau of the Census; the member from the Tariff Commission serves as chairman of the Committee. Publication of "current tariff schedules and related matters, including such matter as may be needed for reporting statistics," is made at appropriate intervals by the Tariff Commission in accordance with section 201 of the Tariff Classification Act of 1962. During fiscal 1970, a number of revisions were made in the statistical enumeration of articles, which is published by the Tariff Commission as the *Tariff Schedules of the United States Annotated* (TSUSA).

Tariff Schedules of the United States Annotated

The Commission issued the second and third supplements to the *TSUSA* (1969). The changes in the *TSUSA* effected by these two supplements principally reflected fourth-stage duty reductions resulting from a bilateral agreement negotiated with the United Kingdom prior to the Kennedy Round⁴ and fourth-stage duty reductions resulting from a similar agreement with Japan,⁵ various changes in foreign country designations and classifications of U.S. customs districts and ports, and continuation or expiration of suspended duties on certain articles.

In December 1969 the Commission published the 1970 edition of the *TSUSA*, in which the rates of duty at the third stage (continuation of second stage for certain chemicals) of the Kennedy Round reductions and the fifth stage of the reductions granted in an agreement with Canada were incorporated. It also included certain changes made to improve the quality of import statistics and the administration of the schedules. Before June 30, 1970, the Commission issued two supplements to the *TSUSA* (1970); these

⁴ Presidential Proclamation 3712, as modified by Proclamation 3818.

⁵ Presidential Proclamation 3744, as modified by Proclamation 3818.

repealed several escape-clause actions and the multi-stage (multi) duty reductions resulting from the agreement with the United Kingdom. Like the two previous editions of the *TSUSA*, the 1970 edition included separate sections in which the rates of duty at all stages of the Kennedy Round reductions and other modifications in duties and legal provisions were set forth by tariff item; all changes in statistical annotation made since August 1963, the effective date of the current TSUS, were given.

U.S. import statistics

The Commission, in cooperation with the Bureau of Customs, the Bureau of the Census, and the Bureau of the Budget, proceeded with the study of the accuracy of import statistics, which had been planned during fiscal 1969. At the close of fiscal 1970 a preliminary analysis of 1 month's data had been completed, and the Commission planned further participation in this study.⁶

Summaries of Trade and Tariff Information

The Commission published the following nine volumes in its series of *Summaries of Trade and Tariff Information*:⁷

Edible Fruit (TC Publication 289, 1969)

Cement, Concrete, Lime, Gypsum, Stone, Mica, Graphite, Asbestos, Abrasives, and Products Thereof (TC Publication 293, 1969)

Paper and Related Products II (TC Publication 294, 1969)

Edible Preparations, Natural Resins, and Miscellaneous Articles of Vegetable Origin (TC Publication 308, 1969)

Fibers, Yarns, Waste, and Intermediate Products of Silk, Manmade Fiber, Metalized, Paper, Certain Hair, and Yarns, N.S.P.F. (TC Publication 311, 1969)

⁶The Commission maintains a small staff in New York City for the purpose of gathering information directly from customhouse documents. Such information, which is not readily available elsewhere, has proved to be an important source of data for use in this interagency review of import statistics.

⁷For references to previously published volumes in the series, see *Fifty-first Annual Report of the United States Tariff Commission*, TC Publication 227, 1968; *Fifty-second Annual Report . . .*, TC Publication 273, 1968; and *Annual Report . . .*, TC Publication 301, 1970.

cultural, Food Industries, Paper Industries, and Printing
(TC Publication 312, 1969)
Books and Other Printed Matter (TC Publication 315,
1970)
Beverages (TC Publication 317, 1970)
Optical Goods, Scientific and Professional Instruments, and
Watches and Other Timing Devices (TC Publication 322,
1970)

These summaries of commodity information, which are organized in terms of the TSUS, contain textual material and detailed statistical data relating to U.S. consumption, production, and trade.

Periodic Reports on Commodities

Synthetic organic chemicals

The Commission continued to prepare and publish annual and monthly reports relating to synthetic organic chemicals. The first in the series of annual reports on U.S. production, sales, and imports was published in 1918; the monthly reports on production are an outgrowth of the collection of data on 250 industrial organic chemicals and 75 medicinal chemicals for the national war agencies during World War II. The release of monthly data on production and sales of plastics and resin materials began in 1948. The primary users of these data are the Commission, other Government agencies, and the business community.

Monthly reports on production and sales.—In fiscal 1970 the Commission published two series of reports.⁸ One series (the C series) presented data on the production of selected synthetic organic chemicals; the other (the P series), on production and sales of plastics and resin materials.

Annual reports on production and sales.—On December 1, 1969, the Commission released its 51st annual report on U.S. production and sales of synthetic organic chemicals.⁹ This report presented

⁸ S.O.C. (Synthetic Organic Chemicals) Series C; S.O.C. Series P.

⁹ *Synthetic Organic Chemicals, United States Production and Sales, 1967*, TC Publication 295, 1969.

data for calendar year 1967 on chemicals for which the volume of production or sales exceeded 1,000 pounds or for which the value of sales exceeded \$1,000. The Commission had previously issued preliminary reports on production and sales for each of the 14 individual groups of synthetic organic chemicals covered in the final report. Statistics included in this report were compiled from data supplied by more than 800 primary manufacturers and covered more than 6,000 individual chemicals and chemical products, for many of which separate statistics on production and sales were shown. The report also included a list of manufacturers of items for which production or sales were reported and a compilation of statistics showing U.S. imports in 1967 of products entered under schedule 4, parts 1B and 1C of the TSUS (i.e., benzenoid intermediates, dyes, medicinal chemicals, and other finished coal-tar products).

As preliminary statistics for calendar year 1968 became available, the Commission issued separate preliminary annual reports covering production and sales for each of the 14 segments of the synthetic organic chemicals industry. Data were reported on each of the following: Tar and tar crudes, crude products from petroleum and natural gas for chemical conversion, cyclic intermediates, benzenoid dyes, synthetic organic pigments (toners and lakes), bulk medicinal chemicals, flavor and perfume materials, plastics and resin materials, rubber-processing chemicals, elastomers (synthetic rubbers), plasticizers, surface-active agents, pesticides and related products, and miscellaneous cyclic and acyclic organic chemicals.

At the close of fiscal 1970 the Commission's annual report on production and sales of synthetic organic chemicals in 1968 was in press.

Benzenoid chemicals and products, report on U.S. imports.—A report on U.S. imports of benzenoid chemicals and products in 1968 was issued on July 11, 1969.¹⁰ This report provided detailed statistics on imports of benzenoid intermediates, dyes, organic pigments, medicinals and pharmaceuticals, flavor and perfume materials, and other benzenoid products, entered under schedule 4,

¹⁰ *Imports of Benzenoid Chemicals and Products, 1968*, TC Publication 290, 1969 [processed].

parts 1B and 1C of the TSUS. The data were obtained by analyzing invoices covering most of the general imports of benzenoid chemicals and products entered during 1968.

Quantitative determinations

During fiscal 1970 the Commission made two annual reports on quantitative determinations pursuant to statutory obligations.

Watch movements.—In compliance with provisions of Public Law 89-805,¹¹ the Commission transmitted to the Secretaries of the Treasury, Interior, and Commerce—and published in the Federal Register (on March 31, 1970)—its determination of apparent U.S. consumption of watch movements in 1969 and the number of watches and watch movements that as the product of the Virgin Islands, Guam, and American Samoa may be entered free of duty during calendar year 1970. On the basis of the Commission's determination of U.S. consumption in 1969, the number of watches and watch movements that may be entered free of duty from the U.S. insular possessions in 1970 was increased by almost 2 percent. This was the fourth such annual determination that the Commission has made.

Brooms.—On March 26, 1970, the Commission reported to the President its judgment respecting U.S. consumption in 1969 of whiskbrooms and other brooms made wholly or in part of broom-corn, pursuant to its responsibilities under Executive Order 11377 of October 23, 1967, as set forth in headnote 3 to schedule 7, part 8, subpart A of the TSUS. The President is empowered by the Tariff Schedules Technical Amendments Act of 1965,¹² which established tariff-rate quotas on imports of these brooms and provided increased rates of duty on overquota imports, to modify the quantities that may be imported at the specified rates of duty by the percentage of changes in U.S. consumption.

Assistance to Other Government Agencies

As required by law,¹³ the Commission acts in conjunction and

¹¹ 80 Stat. 1521, 1522.

¹² Public Law 89-241, 79 Stat. 948, 949.

¹³ Mainly sec. 334 of the Tariff Act of 1930.

cooperation with other Government agencies on matters of common interest. During fiscal 1970 the Commission continued to work extensively within the framework of established committees with the Bureau of the Census and the Bureau of Customs. Members of the Commission's staff served on the following permanent interdepartmental committees: Technical Committee on Standard Industrial Classification, Interagency Committee on Automatic Data Processing, Federal Committee on International Statistics, U.S. Metric Study Committee, and Interdepartmental Commodity Advisory Committees under the Office of Emergency Preparedness. The Commission continued to supply information on strategic and critical materials to the Business and Defense Services Administration of the Department of Commerce and to other Government agencies concerned with national defense.

Assistance to the Public

During fiscal 1970 the Commission responded to numerous requests regarding technical information and data on a broad range of subjects within its area of competence. Such requests originated from industry, technical societies, trade associations, lawyers, teachers, editors, and students and were referred to professional staff members—commodity analysts, lawyers, or international economists—who prepared the responses. In some instances, Commissioners or staff members were requested to furnish information orally at meetings of professional and trade associations. Field trips by staff members, conducted principally for the purpose of gathering information, also provided an opportunity for those in the trade to obtain information that the Commission's staff was at liberty to disclose.

PART III. ADMINISTRATION AND FINANCES

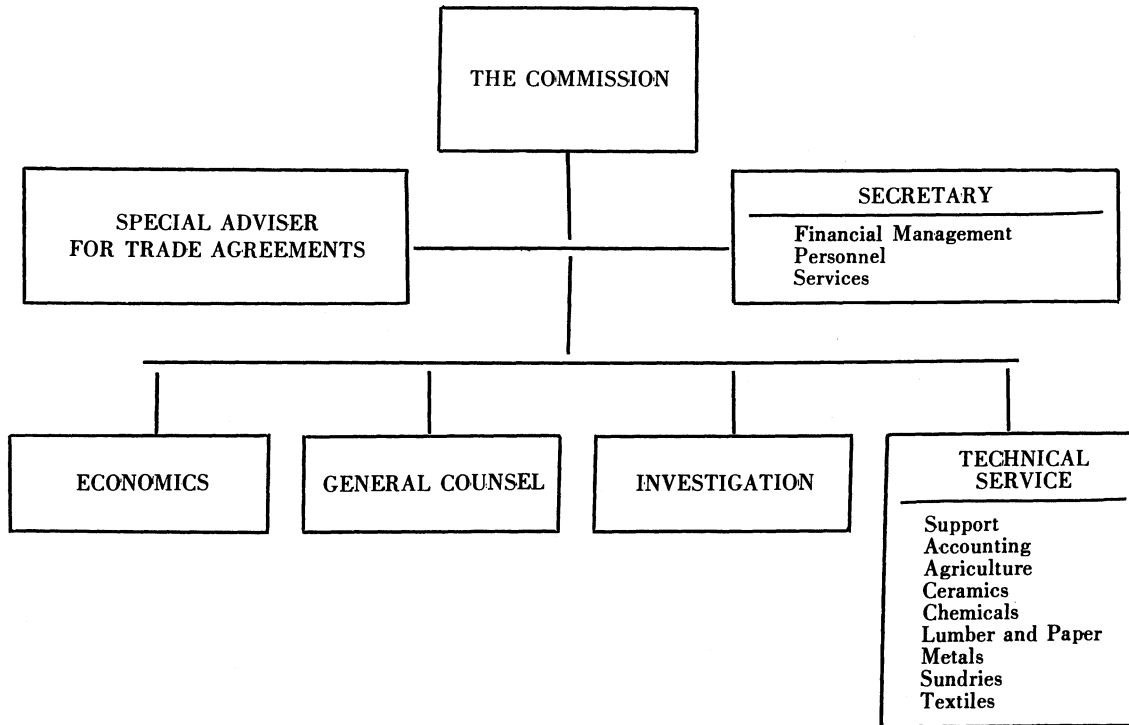
Organization of the Commission

On June 30, 1970, the Tariff Commission was composed of five Commissioners and 222 staff members.¹ On the same date in 1969, the Commission was composed of six Commissioners and 244 staff members.

At the end of fiscal 1970 the Commission was organized according to the accompanying chart. The Secretary serves the Commission in the general conduct of its business, including relations with other Government agencies and the general public. The Special Adviser for Trade Agreements acts as the Commission's liaison with the President's Special Representative for Trade Negotiations and advises the Commission respecting trade agreements. The Director of Investigation, the Economics Division, the Legal Division (under the direction of the General Counsel), and the Commodity Divisions and statistical support activities (under the direction of the Chief of Technical Service) are responsible for the Commission's day-to-day business respecting investigative, legal, and general research duties.

¹Total does not include temporary employees.

UNITED STATES TARIFF COMMISSION
June 30, 1970



Finances and Appropriations

The appropriated funds available to the U.S. Tariff Commission during fiscal year 1970 amounted to \$4,225,208. Reimbursements received totaled \$21,041, making a grand total available of \$4,246,249. Obligations for fiscal year 1970 were as follows:

Salaries	\$3,620,468
Personnel benefits	270,989
Travel and transportation	50,460
Rentals and communications service	54,486
Printing and reproduction	36,402
Contractual services	26,239
Services performed by other agencies	105,689
Supplies and materials	55,284
Equipment	26,232
<hr/>	
Total	4,246,249

