

UNITED STATES TARIFF COMMISSION

HATTERS' FUR

**Report to the President on Investigation No. 7-115 (TEA-I-3)
Under Section 301(b) of the Trade Expansion Act of 1962**



TC Publication 82

**Washington, D.C.
March 1963**

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C O N T E N T S

	<u>Page</u>
Introduction-----	1
Finding of the Commission-----	3
Considerations bearing on the foregoing finding-----	4
Information obtained in the investigation:	
U.S. tariff treatment-----	9
Description and uses-----	10
U.S. consumption-----	12
U.S. producers-----	14
U.S. production, sales, and inventories-----	15
U.S. imports-----	17
Employment-----	19
Prices received by U.S. producers-----	20
Profit-and-loss experience of U.S. producers-----	21
Statistical appendix-----	22

Tables

1.--Hatters' fur: U.S. rates of duty, 1930-63-----	23
2.--Hatters' fur: U.S. consumption (calculated) and derivation of consumption, 1957-62-----	24
3.--Hatters' fur: Production by 6 U.S. producers, by principal grade, 1957-61 and January-June 1962-----	25
4.--Hatters' fur: U.S. imports for consumption, by principal sources, 1951-62-----	26
5.--Hatters' fur: U.S. imports for consumption, by grades, 1957-61 and January-June 1962-----	27
6.--Hatters' fur: U.S. general imports, according to unit value, 1961-----	28
7.--Hatters' fur: Weighted average price for specific grades cut in the United States during January and June 1957-62-----	29

(TC27175)

REPORT TO THE PRESIDENT

U.S. Tariff Commission
March 13, 1963

To the President:

In accordance with section 301(f)(1) of the Trade Expansion Act of 1962 (76 Stat. 885), the U.S. Tariff Commission herein reports the results of an investigation, made under section 301(b) of that act, relating to hatters' fur.

Introduction

The investigation to which this report relates was undertaken to determine whether, as a result in major part of concessions granted under trade agreements, hatters' fur 1/ 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 a like or directly competitive article. The investigation was instituted on June 22, 1962, under the authority of section 7 of the Trade Agreements Extension Act of 1951, as amended, on the basis of an application by the Hatters' Fur Cutters Association of the U.S.A. Public notice of the institution of the investigation and of a public hearing to be held in connection therewith was given by posting copies of the notice in the office of the Commission in Washington, D.C., and at its office in New York City,

1/ The imported hatters' fur that was the subject of the investigation is described in par. 1520 of the Tariff Act of 1930 as "Hatters' furs, or furs not on the skin, prepared for hatters' use, including fur skins caroted."

and by publishing the notice in the Federal Register (27 F.R. 6107) and in the June 28, 1962 issue of Treasury Decisions.

The public hearing was held on September 11, 1962, and all interested parties were afforded opportunity to be present, to produce evidence, and to be heard. A transcript of the hearing and formal briefs submitted by interested parties in connection with the investigation are attached. 1/

On October 11, 1962, the Trade Expansion Act of 1962 was signed into law. On October 12 the Commission issued a notice that, in accordance with the provisions of section 257(e)(3) of that act, the investigation relating to hatters' fur was being continued under section 301(b) of the act. This notice was published in the Federal Register (27 F.R. 10139) and in the October 18, 1962, issue of Treasury Decisions. No additional hearing was scheduled, but the Commission's notice advised interested parties that they might request an additional hearing within 20 days after the date of publication of the notice in the Federal Register. Interested parties were advised also that they might submit written information to supplement the information presented at the hearing that was held on September 11. No requests for an additional hearing were received and no such hearing was held.

In addition to that obtained at the hearing in this investigation, the Commission obtained information from its files, from other agencies of the U.S. Government, through fieldwork by

1/ Transcript and briefs attached to the original report sent to the President.

members of the Commission's staff, and from responses to questionnaires sent to domestic producers and importers.

Finding of the Commission

On the basis of its investigation the Commission unanimously finds that hatters' fur is 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 a like or directly competitive article.

Considerations Bearing on the Foregoing Finding

Before the Tariff Commission may make an affirmative finding under the provisions of section 301(b) of the Trade Expansion Act of 1962, it must determine (1) that imports of the article in question are entering the United States in increased quantities, (2) that such increased imports are attributable "in major part" to trade-agreement concessions, and (3) that the increased imports are "the major factor" in causing, or threatening to cause, serious injury to the domestic industry concerned. If the Commission finds in the negative with respect to any one of these three requisites, it is foreclosed from making an affirmative finding for the industry.

In the instant case the Commission has determined that hatters' fur is being imported into the United States in increased quantities, but that such increased imports are not the major factor causing or threatening to cause difficulties for the domestic industry. In view of that determination, the Commission is not obliged to consider whether the increased imports of hatters' fur are attributable in major part to trade-agreement concessions.

U.S. imports of hatters' fur rose from 180,000 pounds in 1960 to 219,000 pounds in 1961 and to 240,000 pounds in 1962. These data are sufficient to show that such fur is being imported in increased quantities within the meaning of the Trade Expansion Act.

Various forces have contributed to the rise in imports in recent years. Restoration of the trade-agreement concession in September 1958 ^{1/} and an increase in demand for hatters' fur in 1959 resulted in an increase in imports from 104,000 pounds in 1958 to 246,000 pounds in 1959. Imports declined to 180,000 pounds in 1960, however, indicating that other forces in the aggregate were more important than the duty reduction in governing the volume of imports, at least in 1960. Although, as shown above, imports rose significantly after 1960, the volume in 1962 was still below that in 1959.

Following the restoration of the trade-agreement concession, which involved a greater duty reduction on low-grade furs than on other grades, ^{2/} there was a marked increase in the relative importance of low-grade furs in the imports. This shift in the composition of imports is attributed not only to the change in import duty, but also to a shift in recent years by U.S. hat manufacturers to a greater use of the cheaper grades of fur, both domestic and imported. The shift to the cheaper grades was made possible by technological improvements in blending and shrinking and by the stepped-up promotion of lower quality hats for men.

^{1/} As shown later in this report, the concession rate of 15 percent ad valorem was modified by escape-clause action to provide a rate of duty of 47-1/2 cents per pound, but not less than 15 percent nor more than 35 percent ad valorem, effective Feb. 9, 1952. The concession rate of 15 percent ad valorem was restored, effective Sept. 14, 1958 (table 1 in the appendix).

^{2/} The restoration of the concession involved no reduction in the duty on hatters' fur valued at \$3.16-2/3 or more per pound. The rate on this category of fur has remained unchanged at 15 percent ad valorem since Jan. 1, 1948.

It is apparent from the foregoing that the factors contributing to the rise in imports of hatters' fur are so closely interrelated that separate evaluation would be extremely difficult. Such evaluation is unnecessary, however, in view of the Commission's determination that increased imports are not the major factor causing the current difficulties of the hatters' fur industry.

In 1960 the Tariff Commission conducted an escape-clause investigation of hatters' fur and found unanimously that this fur was not being imported in such increased quantities as to cause or threaten serious injury to the domestic hatters' fur industry. ^{1/} The latest year for which full-year import statistics were available at the time of the Commission's finding was 1959. In that year imports of hatters' fur totaled 246,000 pounds. Imports in 1962, however, totaled 240,000 pounds, or 6,000 pounds less than in 1959. Meanwhile, the use of domestically cut hatters' fur fell by 454,000 pounds from 2,177,000 pounds in 1959 to 1,723,000 pounds in 1962. A similar comparison may be made using 1960 as the base year. From 1960 to 1962, imports rose by 60,000 pounds while the use of domestically cut fur

^{1/} A report of the Commission's finding was issued on Oct. 7, 1960 (investigation No. 7-89).

declined by 338,000 pounds. These data show conclusively that other factors were much more important than increased imports in causing the indicated decline in U.S. production of hatters' fur since either 1959 or 1960.

The hatters' fur industry's difficulties stem predominately from the continuing decline in the consumption of hatters' fur. The consumption of hatters' fur in 1962 was less than half the annual consumption a decade or so earlier. Annual consumption averaged 4.3 million pounds in 1950-51, 2.3 million pounds in 1959-60, and 1.9 million pounds in 1961-62. The decline reflects the substantial drop in the U. S. output of fur felt hats, which in turn has resulted from various causes, including the increasing acceptance of "hatlessness," style trends in women's hats that encourage the use of materials other than hatters' fur, and the substitution for hats of other types of headwear, such as scarves, hoods, and caps. The outstanding cause of any injury to the domestic hatters' fur industry is, therefore, the declining demand for

the industry's product. The increase in imports is certainly not the major factor in causing injury or the threat thereof.

Respectfully submitted.

Ben Dorfman

Ben Dorfman, Chairman

Joseph E. Talbot

Joseph E. Talbot, Commissioner

Walter R. Schreiber

Walter R. Schreiber, Commissioner

Glenn W. Sutton

Glenn W. Sutton, Commissioner

William E. Dowling

William E. Dowling, Commissioner

James W. Culliton

James W. Culliton, Commissioner

Information Obtained in the Investigation

U.S. tariff treatment

Hatters' fur is dutiable under paragraph 1520 of the Tariff Act of 1930. The rate of duty originally established in the Tariff Act of 1930 was 35 percent ad valorem (table 1). Pursuant to a concession granted in the bilateral trade agreement with the Belgo-Luxembourg Economic Union, the duty was reduced to 27-1/2 percent, effective May 1, 1935, and pursuant to a concession granted in the General Agreement on Tariffs and Trade (GATT), the rate was further reduced to 15 percent ad valorem, effective January 1, 1948.

As a result of an "escape clause" investigation completed under section 7 of the Trade Agreements Extension Act of 1951, the GATT concession was modified to provide for a rate of duty of 47-1/2 cents per pound but not less than 15 percent or more than 35 percent ad valorem, which became the applicable rate on February 9, 1952. On January 24, 1958, after a review of developments during the preceding year under paragraph 1 of Executive Order 10401, the Commission instituted a formal investigation concerning hatters' fur under paragraph 2 of the Order. On June 26, 1958, it reported to the President its finding that the 1952 modification of the tariff concession was no longer necessary. By proclamation effective on September 14, 1958, the President terminated the modification of the tariff concession and thus restored the original GATT concession and the duty of 15 percent ad valorem on all hatters' fur.

On June 1, 1960, the Hatters' Fur Cutters Association of the U.S.A. applied for a new escape-clause investigation with respect to hatters' fur under section 7 of the Trade Agreements Extension Act of 1951, as amended.

The Commission instituted the investigation on June 21, 1960. In a report published October 7, 1960, the Commission unanimously found that hatters' fur was not being imported in such increased quantities as to cause or threaten serious injury to the domestic industry concerned. ^{1/} On June 4, 1962, the Association filed the application which resulted in the current investigation

Description and uses

Hatters' fur, which is used in the production of fur felt hats, is the soft underfur cut chiefly from the raw skins of rabbits and hares, and to a small extent from the skins or pieces of skins of beavers and other fur-bearing animals. In the manufacturing operation a chemical solution is applied to the fur while still on the skin to give the fur fibers felting properties; this process is known as carroting. The felting property of the fur is the distinguishing characteristic of hatters' fur. Carroted fur is used only in the manufacture of hats.

Hatters' fur is produced in several grades; the grades and the degrees of quality within them are determined chiefly by kind, origin, and condition of the skins from which the fur is cut, and the season of the year in which the skins are taken from the animals. Virtually all of the hatters' fur produced in the United States is cut from imported fur skins--about 65 percent from the skins of tame (chiefly French) rabbits and the remainder from the skins of wild (chiefly Australian) rabbits and from hare skins.

The principal grades of fur cut in the United States from the skins of tame rabbits are Grey Entire, Grey Entire Special, and Grey

^{1/} Report on investigation No. 7-89.

Pure Backs. The chief grades cut from the skins of wild animals are Best Coney Back (BCB) Unpulled, BCB Entire, and No. 1 Hare Double Ring (HDR). Of these, the most important grades are the grey and the dark furs known as Grey Entire and BCB Entire. Grey Entire is a low-grade hatters' fur cut from the skins of European rabbits. BCB Entire is a good-intermediate grade cut chiefly from the skins of Australian rabbits.

Although imported hatters' fur and domestic hatters' fur are cut from the skins of the same kinds of animals and consist of roughly similar grades, the grades of imported fur are designated by different names from those used to designate the domestic grades. For example, the low-grade fur, Petit Bon, produced in Europe is cut from the same kind of skins and is essentially the same as the domestic Grey Entire. The principal imported grades are Petit Bon, Pure Back, White, and Fawn.

An important byproduct of the hatters' fur industry is blown fur, which is made from fur pieces, dirty or greasy fur, and from low-grade skins not suitable for cut fur. Blown fur is blended with the lower grades of cut fur by the hat manufacturers and used in the production of hats. A less important byproduct is known as short stock; it does not felt but may be used as a filler in the manufacture of hats.

To date, no other raw material has been found that has the peculiar felting and shrinking qualities that are required in the manufacture of fur felt hats.

U.S. consumption

U.S. consumption of hatters' fur has declined sharply in the period since 1950. Such consumption in 1962 was less than half the annual consumption 10 years earlier. The chief causes of the decline have been the substantial drop in the domestic production of fur felt hats brought about by the increasing acceptance of "hatlessness," the style trends to materials other than hatters' fur for women's hats, and the substitution of other types of headwear for fur felt hats.

U.S. consumption of hatters' fur, calculated from the domestic production of fur felt hats, 1/ amounted to about 2.2 million pounds in 1957, increased to about 2.4 million pounds in 1959, then declined to about 2.2 million pounds in 1960, and to about 1.9 million pounds in both 1961 and in 1962. Over these years the share of consumption supplied by imports increased steadily from 4.3 percent in 1957 to 11.5 percent in 1961 and to 12.2 percent in 1962 (table 2).

According to data supplied to the Commission by the domestic producers and importers, the lower and cheaper grades of hatters' fur--especially Petit Bon, Grey Entire, and BCB Unpulled--have supplied since 1957 an increasing share of the total U.S. consumption of hatters' fur. By careful blending and with improvements in shrinking, the cheaper grades of fur, which were formerly used principally in the manufacture of women's hats, have become more acceptable for use in the manufacture of men's fur felt hats; increasing quantities of these grades have been

1/ See table 2 for method of calculation.

consumed in an attempt to increase sales by lowering the price level of men's hats. Aggregate consumption of the three above-mentioned low-priced grades of hatters' fur accounted for 34 percent of total U.S. consumption of hatters' fur in 1957; 37 percent in 1958-59; 42 percent in 1960; 50 percent in 1961; and 49 percent in January-June 1962. The share of consumption of these grades supplied by imports increased from about 6 percent in 1957 to 14 percent in 1959, and to 16 percent in January-June 1962.

The share of annual U.S. consumption of hatters' fur accounted for by BCB Entire, a good-intermediate grade, increased from about 20 percent in 1957 to 31 percent in 1958, then declined to 28 percent in 1959 and to 13 percent in 1961; it was 16 percent in January-June 1962. Consumption of White, Mottled, and Fawn furs, as well as that of special or higher grades, has decreased steadily in recent years because of the style trend in women's hats away from white and pastel shades. The ratio of the consumption of these types to the total annual consumption declined from 16 percent in 1957 to 5 percent in 1961 and in January-June 1962. Consumption of hare's fur, another high-grade hatters' fur, has been irregular; in 1957-61 the ratio of hare's fur to total U.S. consumption of hatters' fur ranged between 6 percent and 11 percent.

U.S. producers

The number of domestic concerns producing hatters' fur has declined in recent years. In June 1958 there were 20 to 25 producing firms, some of which operated intermittently. By 1960 the number had declined to about 15; since then 2 major and 3 small producers have discontinued operations. In 1962 the domestic fur cutting industry, located principally in the New York City area and Connecticut, was comprised of six major firms and several small firms which cut fur only intermittently.

The six concerns that supplied usable data to the Commission operated six establishments which accounted for about two-thirds of total U.S. production of hatters' fur in 1957 and for more than nine-tenths in 1961. Four of the six establishments produce hatters' fur for sale to hat manufacturers, and two establishments cut fur on a commission basis from skins owned by others. The commission cutters receive fur skins from importers, dealers, and hat manufacturers; they cut and deliver the finished hatters' fur either to their original customer or as instructed by him.

The machinery and methods used in the hatters' fur-cutting industry are not new, but are not inefficient. The production of hatters' fur requires a number of hand operations and various gradings which do not lend themselves to automation.

U.S. production, sales, and inventories

No official statistics on annual U.S. production of hatters' fur are available. ^{1/} A close approximation of such production, however, may be derived by calculating the annual consumption of hatters' fur on the basis of the domestic output of fur felt hats, and deducting from that computed figure the imports of hatters' fur. On this basis annual production is estimated to have amounted to about 2.1 million pounds in 1957-60; and declined thereafter to 1.7 million pounds both in 1961 and in 1962 (table 2).

The aggregate production by the six major domestic establishments that cut fur throughout 1957-61 increased from 1.4 million pounds in 1957 to 2.1 million pounds in 1959, then declined to 1.7 million pounds in 1960, and to 1.6 million pounds in 1961; it then rose to 1.7 million pounds in 1962.

The production of hatters' fur by the six major producers in 1957-61 and January-June 1962 is shown, by grade, in table 3. As the lower grade furs have accounted in recent years for an increasing share of consumption of hatters' fur by the hat manufacturers, the domestic producers of hatters' fur have accordingly shifted in an increasing measure to the production of lower grade furs. Production of Grey Entire and BCB Unpulled rose from 33 percent of the total in 1957 to 44 percent in 1961. The share of White, Mottled, and Fawn decreased from 15 percent of the total in 1957 to 5 percent in 1961, while that of BCB Entire and hares' fur was irregular.

^{1/} The Bureau of the Census collected data on domestic production of hatters' fur for 1958, but these data do not include the output by small producers.

Sales data on hatters' fur were furnished to the Commission by the four establishments that produced fur for sale. As indicated by these data, sales of domestically produced hatters' fur followed a trend similar to that of production--the total quantity and value of sales increased from 1957 through 1959, then declined to a level that was about the same in both 1960 and 1961. The trend of sales by grade also paralleled that of production.

Exports of hatters' fur from the United States, if any, are negligible. The United Kingdom, Italy, France, Germany, and other European countries which have important hat-manufacturing industries also have fur-cutting industries. Belgium, because of its proximity to these markets, has furnished nearly all their supplemental requirements.

Inasmuch as the time required to produce hatters' fur from skins is from 1 week to 10 days, inventories of cut fur held by domestic producers of hatters' fur need not be large. Such inventories totaled 107,000 pounds at the end of 1957; since that date, yearend inventories have been about 50,000 pounds. On the other hand, stocks of raw fur skins held by domestic producers, formerly averaging a 2 months' supply, have increased until they are equivalent to a 6 months' supply.

Formerly the hat-manufacturing companies carried large inventories of hatters' fur, but they presently carry only about 1 month's supply. However, they purchase fur for future delivery.

U.S. imports

U.S. imports of hatters' fur fluctuated from year to year in the period 1951-62. Nevertheless, between 1951 and 1957, there was a distinct, though irregular, decline in the annual imports. Since 1957 there has been a distinct increase of about equal magnitude. Imports of hatters' fur amounted to 247,000 pounds in 1951, declined to a low of 95,000 pounds in 1957, and then rose to 246,000 pounds in 1959. They amounted to 180,000 pounds in 1960, to 219,000 pounds in 1961, and to 240,000 pounds in 1962 (table 4). In 1951-52, imports consisted primarily of low-priced grades of hatters' fur; the average foreign unit value of all imports in those 2 years averaged \$2.63 per pound. By 1954, the foreign unit value had risen significantly to an average of \$3.60 per pound. At the same time, imports decreased partly as a result of the duty increase but also partly as a result of a sharp decrease in consumption. In 1959 imports were more than double those in 1958, and their average foreign unit value fell to \$2.13 per pound. The average unit value declined to \$2.09 per pound in 1960, remained at the same level in 1961, and then fell to \$1.89 per pound in 1962.

Imported hatters' fur is generally comparable to domestically cut fur, although it is not usually as clean or as uniform in color as the domestic product.

Until recent years Belgium was the predominant supplier of imports of hatters' fur; it accounted for more than 90 percent of the total in the period 1951-55. Since 1955, however, Belgium has accounted for a much smaller share of the total, while West Germany, France, Italy, and Spain have supplied increasing shares. In 1960 and 1961, West Germany surpassed Belgium as a supplier; it accounted for 39 percent of the total in 1960 and 33 percent in 1961. Belgium ranked as the second source in these years, accounting for 23 percent in 1960 and 26 percent in 1961. In 1962, however, Belgium again ranked as the first supplier and West Germany ranked second. Spain, an unimportant supplier prior to 1958, has since that year supplied from 14 to 29 percent of the total imports. In 1962 the average foreign unit value of imported fur ranged from \$1.53 per pound for that imported from Belgium to \$2.40 per pound for that imported from Spain. It was \$2.32 per pound for fur imported from France, \$1.59 for that from Italy, and \$2.20 for that from West Germany.

Thirteen concerns furnished data to the Commission on the grades of hatters' fur that they imported; these concerns accounted for an average of 95 percent of U.S. imports for consumption in the period 1957-62. (table 5). Of the several grades imported, Petit Bon, a low grade comparable to domestic Grey Entire, predominated in this period. Imports of Petit Bon accounted for 34 percent of the total quantity of reported imports in 1957; the ratio dropped to 28 percent in 1958 and then rose to 57 percent in 1960 and to 58 percent in January-June 1962. In

1957 the average foreign value of Petit Bon was \$2.09 per pound, and in 1958 it was \$1.56 per pound; thereafter it ranged between \$1.62 per pound in 1961 and \$1.74 per pound in January-June 1962. ^{1/}

Imports of Pure Back and "French XX Special" (intermediate grades) which have ranked second in importance in recent years, rose steadily from 3,000 pounds in 1957 to 64,000 pounds in 1961; imports of these grades amounted to 40,000 pounds in January-June 1962. Their foreign value averaged \$2.81 per pound in 1957, and about \$2.10 in the years 1958-59; thereafter it increased almost steadily to \$2.25 per pound in January-June 1962.

Employment

The Commission received usable data on employment from all six major domestic producers; the average number of production and related workers employed per firm averaged 67 in 1961. Most of the work in these establishments is performed by unskilled women workers; the sorting and grading operations, however, require skilled workers.

The aggregate number of man-hours worked annually by production and related workers of the six firms increased from 771,000 in 1957 to 912,000 in 1958 and then to 1,042,000 in 1959. Thereafter the number of man-hours decreased to 943,000 in 1960 and to 765,000 in 1961. These changes corresponded closely to fluctuations in the volume of production.

^{1/} See table 6 for the results of an analysis of invoices which shows imports by price range in 1961.

The average annual number of production and related workers employed by the six major producers in each of the years 1957-62 was reported as follows:

1957-----	368
1958-----	421
1959-----	489
1960-----	456
1961-----	400
1962 (January-June)-----	388

Prices received by U.S. producers

The grade designations of hatters' fur which encompass several degrees of quality overlap; for example, a poor BCB Entire may be sold as BCB Unpulled. BCB Unpulled may also be mixed with Grey Entire to improve the quality of Grey Entire. For this reason domestic producers sell to hat manufacturers on the basis of negotiated contracts which specify the characteristics of the hatters' fur to be delivered. Nevertheless, the grades of hatters' fur indicate, in general, fur of different qualities ranging from low-grade to superior-grade fur.

Four domestic producers ^{1/} and one dealer furnished the Commission with their net selling prices of specified grades of hatters' fur in mid-January and mid-June in each of the years 1957-62 and the quantity of each grade sold at the reported prices during January and June in those years. The four grades of hatters' fur for which data were furnished were as follows: Grey Entire, a low-grade fur; BCB Unpulled, a low-intermediate grade; BCB Entire, an intermediate-good grade; and No. 1 HDR, a superior grade. The weighted average prices calculated from these data are shown in table 7.

^{1/} The other two major producers are commission cutters and do not own the hatters' fur produced in their plants.

From January 1957 through June 1958 the average price of Grey Entire declined by about 35 percent; it recovered somewhat in 1959-60, but then again declined in 1961-62 to a point about 12 percent below the June 1960 level. The price of BCB Unpulled, the next lowest grade (produced in substantially smaller quantities than Grey Entire) declined by about 30 percent between January 1957 and June 1958, recovered somewhat in 1959-60, since which period its price has not changed significantly. The average price of BCB Entire was somewhat higher in 1962 than in June 1957.

Profit-and-loss experience of U.S. producers

Five of the six major firms that produced hatters' fur furnished usable data showing their profit-and-loss experience, on an establishment basis, for all of the years 1957-61. These five firms accounted for about 62 percent of U.S. production of hatters' fur in 1957 and for about 91 percent in 1961. Three of the five establishments purchase fur skins and manufacture and sell hatters' fur; the other two establishments process skins and cut hatters' fur on a commission basis. All except two concerns produce only hatters' fur.

Data relating to the profit-and-loss experience of the five establishments show that the aggregate of their sales and receipts from commission cutting were higher in 1959 than in 1957 and decreased each year from 1959 through 1961. In the aggregate, the five establishments had a loss in 1957, profits in 1958-60, and a loss in 1961.

Statistical Appendix

Table 1.--Hatters' fur: U.S. rates of duty, 1930-63

Tariff paragraph and description	Rate of duty	Authority and effective date
Par. 1520:		
Hatters' furs, or furs not on the skin, prepared for hatters' use, including fur skins		
carroted-----	35% ad val. ^{1/}	Tariff Act of 1930; June 18, 1930.
	27 $\frac{1}{2}$ % ad val.	Bilateral trade agreement with Belgo-Luxembourg Economic Union; May 1, 1935.
	15% ad val.	General Agreement on Tariffs and Trade; Jan. 1, 1948
	47 $\frac{1}{2}$ % per lb.;	Presidential Proclamation No. 2960; ^{2/} Feb. 9, 1952.
	min.; 35% ad val. max.	
	15% ad val.	Presidential Proclamation No. 3255; ^{3/} Sept. 14, 1958.

^{1/} Rate currently applicable to products of designated Communist-dominated or Communist-controlled countries or areas, which are denied the benefits of trade-agreement concessions pursuant to sec. 231 of the Trade Expansion Act of 1962 or sec. 401(2) of the Tariff Classification Act of 1962.

^{2/} This modification of the GATT concession was a result of an "escape clause" investigation completed under sec. 7 of the Trade Agreements Extension Act of 1951.

^{3/} The modification of the concession was terminated (thus restoring the original GATT concession) as a result of an investigation under par. 2 of Executive Order 10401.

Table 2.--Hatters' fur: U.S. consumption (calculated) ^{1/} and derivation of consumption, 1957-62.

Item	1957	1958	1959	1960	1961	1962
Calculated consumption:						
In men's hats-----1,000 pounds--	2,258	2,381	2,690	2,404	2,014	2,167
In women's hats-----do-----	505	417	339	397	370	287
Total-----do-----	2,763	2,798	3,029	2,801	2,384	2,454
Less 20 percent "blown fur" ^{2/} -----do-----	553	560	606	560	477	491
Total hatters' fur consumed-----do-----	2,210	2,238	2,423	2,241	1,907	1,963
Derived consumption:						
Imported-----1,000 pounds--	95	104	246	180	^{3/} 219	^{3/} 240
Percent of total hatters' fur consumed-----	4.3	4.6	10.1	8.0	11.5	12.2
Domestic ^{4/} -----1,000 pounds--	2,115	2,134	2,177	2,061	1,688	1,723
Percent of total hatters' fur consumed-----	95.7	95.4	89.9	92.0	88.5	87.8

^{1/} Calculated on the basis of 2.25 pounds of fur per dozen women's hats and 3 pounds per dozen men's hats.

^{2/} Reused, blown, and other byproduct fur accounts for about 20 percent of the weight of domestic production of fur felt hats.

^{3/} Preliminary.

^{4/} Consumption less imports; exports, if any, are negligible.

Source: Imports compiled from official statistics of the U.S. Department of Commerce; other data computed by U.S. Tariff Commission.

Table 3.--Hatters' fur: Production by 6 U.S. producers, by principal grades, 1957-61 and January-June 1962. ^{1/}

Grade	1957	1958	1959	1960	1961	Jan.-June 1962
Quantity (pounds)						
Grey Entire-----	343,318	483,286	572,179	509,470	588,009	323,095
BCB Unpulled-----	107,797	126,286	150,995	140,748	135,798	71,426
BCB Entire-----	272,176	536,498	553,749	304,965	231,062	149,014
White, Mottled, and Fawn----	202,439	148,661	177,867	114,680	88,216	53,130
Hares' fur-----	97,479	98,867	148,244	206,823	111,101	20,630
Other ^{2/} -----	354,524	350,390	530,753	424,747	476,108	285,150
Total-----	1,377,733	1,743,988	2,133,787	1,701,433	1,630,294	^{3/} 902,445
Percent of total						
Grey Entire-----	24.9	27.7	26.8	29.9	36.1	35.8
BCB Unpulled-----	7.8	7.2	7.1	8.3	8.3	7.9
BCB Entire-----	19.8	30.8	26.0	17.9	14.2	16.5
White, Mottled, and Fawn----	14.7	8.5	8.3	6.7	5.4	5.9
Hares' fur-----	7.1	5.7	6.9	12.2	6.8	2.3
Other ^{2/} -----	25.7	20.1	24.9	25.0	29.2	31.6
Total-----	100.0	100.0	100.0	100.0	100.0	100.0

^{1/} These 6 producers accounted for about two-thirds of total U.S. production in 1957 and for more than nine-tenths of the total in 1961.

^{2/} May include some White, Mottled, Fawn, and hares' fur.

^{3/} Production for the full year 1962 for these 6 producers amounted to 1,682,893 pounds.

Source: Compiled from data submitted to the U.S. Tariff Commission by 6 individual producers.

Table 4.--Hatters' fur: U.S. imports for consumption, by principal sources, 1951-62

Year	Belgium and Luxembourg	France	Italy	Spain	West Germany	All other	Total or average
Quantity (pounds)							
1951	214,439	229	1,985	6,378	331	1/ 23,612	246,974
1952	127,045	200	1,500	-	-	3,985	132,730
1953	243,960	-	2,360	-	-	1,637	247,957
1954	139,660	-	300	-	-	-	139,960
1955	153,752	-	210	4,409	-	300	158,671
1956	80,300	2,000	29,355	441	1,961	5,594	119,651
1957	51,027	14,902	3,616	2,304	22,433	360	94,642
1958	26,186	13,200	20,675	30,060	14,200	-	104,321
1959	79,754	19,561	46,069	52,511	48,210	-	246,105
1960	41,662	9,265	14,709	41,461	70,550	1,963	179,610
1961 2/	56,623	23,130	32,341	32,316	72,865	1,677	218,952
1962 2/	92,163	10,501	36,215	39,164	61,000	1,000	240,043
Foreign value							
1951	\$523,500	\$424	\$2,594	\$10,415	\$795	1/ \$141,069	\$678,797
1952	286,591	263	2,781	-	-	20,007	309,642
1953	652,742	-	4,814	-	-	5,846	663,402
1954	503,337	-	599	-	-	-	503,936
1955	527,547	-	515	2,200	-	617	530,879
1956	336,285	4,600	69,749	1,843	7,218	21,182	440,877
1957	217,070	30,518	7,906	5,525	54,955	1,407	317,381
1958	60,222	23,247	35,529	69,831	33,946	-	222,775
1959	152,073	38,757	77,728	141,303	114,363	-	524,224
1960	73,654	19,247	28,266	105,523	142,578	6,003	375,271
1961 2/	109,221	43,922	55,910	90,299	154,567	3,186	457,105
1962 2/	141,149	24,375	57,686	93,881	133,975	2,500	453,566
Unit value (per pound)							
1951	\$2.44	\$1.85	\$1.81	\$1.63	\$2.40	1/ \$5.97	\$2.75
1952	2.26	1.32	1.85	-	-	5.02	2.33
1953	2.68	-	2.04	-	-	3.57	2.68
1954	3.60	-	2.00	-	-	-	3.60
1955	3.43	-	2.45	.50	-	2.06	3.35
1956	4.19	2.30	2.38	4.18	3.68	3.79	3.68
1957	4.25	2.05	2.19	2.40	2.45	3.91	3.35
1958	2.30	1.76	1.72	2.32	2.39	-	2.14
1959	1.91	1.98	1.69	2.69	2.37	-	2.13
1960	1.77	2.08	1.92	2.55	2.02	3.06	2.09
1961 2/	1.93	1.90	1.73	2.79	2.12	1.90	2.09
1962 2/	1.53	2.32	1.59	2.40	2.20	2.50	1.89

1/ Includes 23,396 pounds of hatters' fur, valued at \$131,569, with a unit value of \$5.62 per pound, imported from Argentina.

2/ Preliminary.

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table 5.--Hatters' fur: U.S. imports for consumption, by grades, 1957-61 and January-June 1962

Grade	1957	1958	1959	1960	1961	Jan.-June 1962
Quantity (pounds)						
Petit Bon-----	29,206	28,460	94,607	86,782	111,072	72,906
Pure Back and "French XX Special"-----	3,000	6,000	32,270	38,170	64,400	40,000
White-----	22,665	5,105	16,915	600	2,200	900
Mottled-----	5,400	735	1,000	5	-	-
Fawn-----	8,150	15,130	20,650	7,450	16,700	1,000
Hares' fur-----	-	625	7,310	843	14,678	1,342
All other-----	16,529	45,205	61,926	18,952	19,971	8,680
Total-----	84,950	101,256	234,678	152,002	229,021	124,828
Total U.S. imports for consumption-----	94,642	104,321	246,105	1/ 179,610	1/ 218,952	1/ 129,135
Ratio of data from questionnaires to U.S. total-----percent--	89.8	97.1	95.4	85.1	104.6	96.7
Foreign value						
Petit Bon-----	\$61,065	\$44,317	\$160,326	\$150,381	\$180,022	\$126,533
Pure Back and "French XX Special"-----	8,430	12,575	67,500	84,749	141,757	90,080
White-----	108,467	21,571	73,545	2,550	9,790	3,645
Mottled-----	18,515	2,323	3,053	10	-	-
Fawn-----	24,776	29,655	42,196	16,654	33,424	1,906
Hares' fur-----	-	2,441	24,385	3,130	42,306	4,997
All other-----	19,839	93,003	151,411	51,647	42,543	10,052
Total-----	241,032	205,845	522,416	309,121	449,842	237,213
Total U.S. imports for consumption-----	317,381	222,775	524,224	1/ 375,271	1/ 457,105	1/ 249,952
Ratio of data from questionnaires to U.S. total-----percent--	75.9	92.4	99.7	82.4	98.4	94.9
Unit value (per pound)						
Petit Bon-----	\$2.09	\$1.56	\$1.69	\$1.73	\$1.62	\$1.74
Pure Back and "French XX Special"-----	2.81	2.10	2.09	2.22	2.20	2.25
White-----	4.79	4.23	4.35	4.25	4.45	4.05
Mottled-----	3.43	3.16	3.05	2.00	-	-
Fawn-----	3.03	1.96	2.04	2.24	2.00	1.91
Hares' fur-----	-	3.91	3.34	3.71	2.88	3.72
All other-----	1.26	2.05	2.44	2.72	2.13	1.16
Average-----	2.84	2.03	2.23	2.02	1.96	1.90
Average of total U.S. imports for consumption-----	3.35	2.14	2.13	1/ 2.09	1/ 2.09	1/ 1.94

1/ Preliminary.

Source: Compiled from data submitted to the U.S. Tariff Commission by concerns importing hatters' fur and from official statistics of the U.S. Department of Commerce.

Table 6.--Hatters' fur: U.S. general imports, ^{1/} according to unit value, 1961

Foreign value per pound	Number of entries	Quantity Pounds	Value	Unit value
Not over \$1.40-----	5	8,093	\$7,423	\$0.92
Over \$1.40, not over \$1.60-----	22	26,819	41,488	1.55
Over \$1.60, not over \$1.80-----	29	65,075	110,723	1.70
Over \$1.80, not over \$2.00-----	12	20,496	39,136	1.91
Over \$2.00, not over \$2.20-----	6	16,200	34,260	2.11
Over \$2.20, not over \$2.40-----	19	47,790	107,680	2.25
Over \$2.40, not over \$2.60-----	3	6,828	16,522	2.42
Over \$2.60, not over \$2.80-----	2	3,865	10,245	2.65
Over \$2.80, not over \$3.00-----	3	1,115	3,262	2.93
Over \$3.00, not over \$3.50-----	8	10,583	34,120	3.22
Over \$3.50, not over \$4.00-----	4	9,114	33,102	3.63
Over \$4.00-----	5	4,290	22,654	5.28
Total or average-----	118	220,268	460,615	2.09

^{1/} General imports are the total of the entries for immediate consumption and entries into bonded warehouse.

Source: Compiled from individual entries obtained from the U.S. Bureau of the Census.

Table 7.--Hatters' fur: Weighted average price ^{1/} for specific grades cut in the United States during January and June 1957-62

(Per pound)				
Year and month	Grey Entire	BCB Unpulled	BCB Entire	No.1 HDR
1957:				
January-----	\$3.41	\$4.59	\$6.19	\$7.92
June-----	3.22	4.03	5.37	8.82
1958:				
January-----	2.65	3.14	4.33	7.67
June-----	2.17	3.14	4.14	5.00
1959:				
January-----	2.30	3.30	5.25	5.66
June-----	2.62	3.69	5.61	6.63
1960:				
January-----	2.54	4.05	6.23	6.00
June-----	2.67	^{2/} 4.07	6.28	5.85
1961:				
January-----	2.35	4.06	^{2/} 5.46	^{2/} 5.75
June-----	2.43	3.97	5.52	5.96
1962:				
January-----	2.48	4.14	5.55	6.60
June-----	2.35	4.12	5.61	6.74

^{1/} Calculated on the net selling prices furnished by individual domestic producers on or near the 15th of January and June (f.o.b. point of shipment, less 8 percent discount and other allowances) applied to the quantity of fur each producer sold at the reported price during the months of January and June 1957-62. These prices differ slightly from those published in previous reports because of different coverage.

^{2/} Simple average.

Source: Compiled from data submitted to the U.S. Tariff Commission by domestic producers.