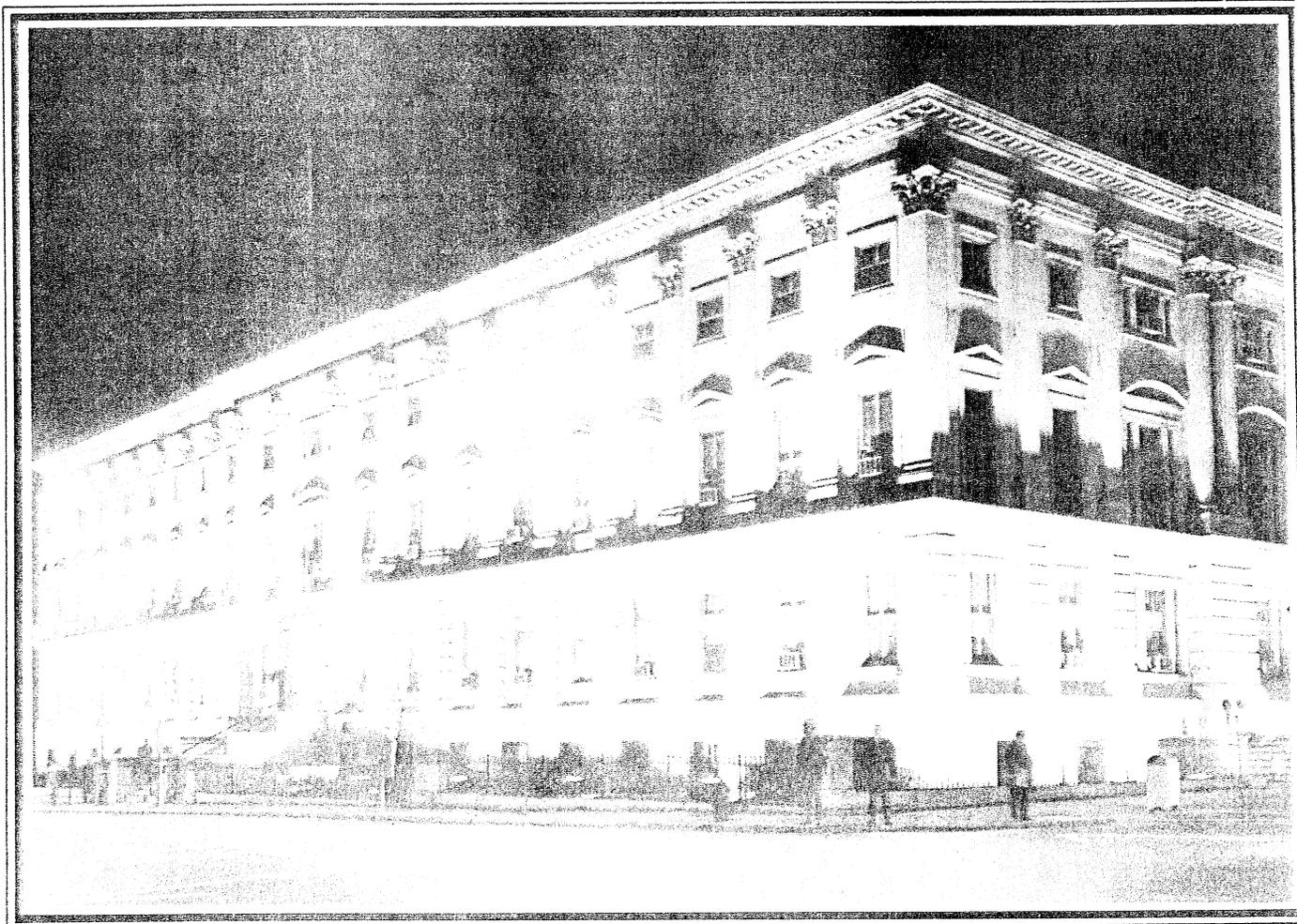


1971
Annual
Report
of the
United States
Tariff
Commission

Fiscal Year Ended June 30





1971
Annual
Report
of the
United States
Tariff
Commission

Fiscal Year Ended June 30



Letter of Transmittal

UNITED STATES TARIFF COMMISSION,
Washington, December 31, 1971.

SIR: I have the honor to transmit the 55th *Annual Report of the United States
Tariff Commission.*

Respectfully,

CATHERINE BEDELL,
Chairman

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

contents

	<i>Page</i>
Message from the Chairman.....	1
Summary of year's activities.....	3
Membership of the Commission.....	5
Executive staff of the Commission.....	5
1. Public investigations.....	7
Trade Expansion Act of 1962.....	7
Section 301(b), industry investigations.....	7
Section 301(c)(1), "firm" investigations.....	8
Section 301(c)(2), "worker" investigations.....	9
Section 351(d)(1), annual reviews of industries.....	13
Tariff Act of 1930, as amended.....	13
Section 332.....	13
Investigations completed.....	13
Investigations in progress.....	13
Section 337.....	14
Agricultural Adjustment Act, section 22.....	15
Certain dairy products.....	16
Certain cheeses.....	16
Antidumping Act, 1921, as amended.....	16
2. Other activities.....	19
Trade agreements program.....	19
Assistance to the executive branch.....	20
Report on the operation of the trade agreements program.....	21
Production and foreign trade.....	21
Tariff Schedules of the United States Annotated (TSUSA).....	21
Comparability of statistical data on U.S. production and foreign trade.....	21
U.S. import statistics.....	22
Customs Cooperation Council.....	22
Summaries of Trade and Tariff Information.....	22
Periodic reports on commodities:	
Synthetic organic chemicals.....	23
Annual reports.....	23
Monthly reports.....	23
Quantitative determinations.....	23
Watch movements.....	23
Brooms.....	24
Assistance to the Congress.....	24
Assistance to executive agencies.....	24
Assistance to the public.....	24
3. Administration and finances:	
Organization of the Commission.....	25
Appropriations and employment.....	26
4. Tariff Commission publications.....	27

message from the chairman

The fiscal year 1971 was one of the busiest in the Tariff Commission's 55-year history as an independent bipartisan fact-finding agency concerned with U.S. trade and commercial policy. Eighty-five investigations, more than four times the total for fiscal 1970, were completed under the Trade Expansion Act of 1962. The number of investigations of unfair methods of competition and unfair acts in the importation of foreign goods and the number of investigations under the antidumping statute also rose.

With growing public interest in the problems of international trade, the historic role of the Tariff Commission as a fact-finding agency assumes greater importance than ever before. If our work is to be more effective, we must continuously look ahead and be fully responsive to requests from the President and the Congress for relevant economic data and technical assistance on which to base U.S. trade policy decisions. A revitalized and strengthened Tariff Commission will mean more and better information available on a more timely basis than previously. To this end the Commission dedicates its efforts in the years ahead.



CATHERINE BEDELL
Chairman

summary of year's activities

Investigations, annual reviews, and preliminary inquiries completed

Trade Expansion Act of 1962 (escape-clause and adjustment-assistance cases):	
Sec. 301(b) industry cases.....	3
Sec. 301(c)(1) "firm" cases.....	11
Sec. 301(c)(2) "worker" cases.....	71
Sec. 351(d) annual reviews of industries.....	3
Title II, Tariff Act of 1930:	
Sec. 332 investigations in response to requests of the President or resolutions of the Congress....	2
Sec. 337 investigations of alleged unfair practices in importation and sale of imported products:	
1. Full investigations.....	1
2. Preliminary inquiries.....	6
Antidumping Act, 1921, as amended.....	13
Section 22 of the Agricultural Adjustment Act investigations requested by the President.....	1
Total	111

Long-range economic studies underway in response to requests of the President and the Congress, pursuant to sec. 332, Tariff Act of 1930

Competitive position of U.S. industries;	
Tariff and nontariff barriers imposed by principal trading nations and disparities in tariff treatment;	
Nature and extent of tariff concessions granted in trade and other international agreements to which the United States is a party;	
Customs valuation standards of the United States and its major foreign trade partners, together with suggested valuation standards suitable for international use, and the effect of U.S. adoption of such standards; and	
Implications of multinational firms on world trade and investment as well as on U.S. trade and labor.	
Total	5

Continuation of long-range research studies initiated on Tariff Commission's own motion, pursuant to sec. 332, Tariff Act of 1930

Temporary entry provisions of title 19 of the United States Code;	
Domestic and foreign policies affecting U.S. foreign trade in agricultural products;	
Probable impact of tariff preferences for developing countries.	
Total	3

Other activities

Publications issued (in addition to reports on investigations):	
Summaries of Trade and Tariff Information	5 volumes.
Reports on chemicals:	
Synthetic organic chemicals.....	1 annual report.
Synthetic organic chemicals.....	14 preliminary reports.
Synthetic organic chemicals.....	12 monthly reports.
Benzenoid chemicals.....	1 annual report.
Plastics	12 monthly reports.
Review of the operation of the trade agreements program.....	1 annual report.
Tariff Schedules of the United States Annotated	1971 edition.
Staff research study.....	1 volume.
Responses to letters and telephone calls from—	
Members of Congress and congressional committees	600
Executive agencies of the Federal Government....	450
General public.....	1,000
Import transactions analyzed by personnel in New York City and Suitland offices.....	79,000
Library transactions:	
Volumes circulated.....	46,000
Reference calls.....	5,800
Reports prepared on proposed legislation.....	16

membership of the commission

As provided in the Tariff Act of 1930, the U.S. Tariff Commission consists of six Presidential appointees who are confirmed by the Senate to fill six-year terms, one term expiring each year. Not more than three commissioners may belong to the same political party. The statute provides that the President shall annually designate one commissioner as chairman and one as vice chairman.

On June 1, 1971, President Nixon nominated Catherine Bedell to membership on the Commission and on June 10, 1971, he nominated Joseph O. Parker. The Senate confirmed their appointments to the Commission on June 24, 1971.¹ The President then designated Mrs. Bedell as Chairman and Mr. Parker as Vice Chairman.

The following Commissioners served during fiscal 1971:

Commissioner Glenn W. Sutton, Democrat of Georgia. A member of the Commission since 1954, Mr. Sutton has served as Chairman and Vice Chairman; during fiscal 1971 he was the Presiding Commissioner. His third term expires June 16, 1972.

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

Commissioner Will E. Leonard, Jr., Democrat of Louisiana. Mr. Leonard's term expires June 16, 1975.

Commissioner George M. Moore, Republican of Maryland. Mr. Moore's term expires June 16, 1973.

Commissioner J. Banks Young, Democrat of Virginia. Mr. Young assumed office on January 6, 1971, to fill the term ending June 16, 1976.

Commissioner Chester L. Mize, Republican of Kansas. Mr. Mize, who assumed office on January 25, 1971, resigned on March 17, 1971. He had been designated Chairman and had been appointed to fill the unexpired term of the late Herschel D. Newsom, ending June 16, 1974.

¹ Mrs. Bedell assumed office on July 12, 1971, filling an unexpired term ending June 16, 1974. Mr. Parker assumed office on Aug. 9, 1971, filling a term ending June 16, 1977.

Executive Staff of the Commission

OFFICE OF ECONOMIC RESEARCH

George N. Ecklund, *Director*

Robert A. Cornell, *Deputy Director*

OFFICE OF THE GENERAL COUNSEL

Russell N. Shewmaker, *General Counsel*

Charles W. Lucas, *Assistant General Counsel*

OFFICE OF INVESTIGATION

G. Patrick Henry, *Director*

Louise M. Rovner, *Deputy Director*

OFFICE OF TRADE AND INDUSTRY

Albert F. Parks, *Director*

Edward E. Martin, *Deputy Director*

SUPPORT DIVISION

Joseph L. Williams, *Chief*

ACCOUNTING DIVISION

Victor R. Christensen, *Chief*

COMMODITY DIVISIONS

AGRICULTURE

Hyman Leikind, *Chief*

CERAMICS

William E. Wright, *Chief*

CHEMICALS

Frank Gonet, *Chief*

LUMBER AND PAPER

Edward P. Furlow, *Chief*

METALS

Charles W. Daiker, *Chief*

SUNDRIES

Selma L. Coble, *Chief*

TEXTILES

Francis M. Shore, Jr., *Chief*

OFFICE OF THE SECRETARY

Kenneth R. Mason, *Secretary*

PERSONNEL

Robert A. Kliefloth, *Director*

SPECIAL ADVISER FOR TRADE AGREEMENTS

William T. Hart, *Special Adviser*

OFFICE OF AUTOMATIC DATA PROCESSING

Leon Gilford, *Director*

1. public investigations

The U.S. Tariff Commission is authorized by law to investigate all aspects of international trade, including the impact of imports on U.S. industries, firms, and workers. During fiscal 1971, the Commission conducted investigations under provisions of the Trade Expansion Act of 1962; the Tariff Act of 1930; the Antidumping Act, 1921, as amended; and section 22 of the Agricultural Adjustment Act.

Trade Expansion Act of 1962

The Trade Expansion Act of 1962 (TEA) provides means whereby industries or firms that are seriously injured or threatened with serious injury and groups of workers that are unemployed or underemployed as a result of increased imports resulting in major part from trade-agreement concessions may seek relief. Following an investigation by the Tariff Commission, the President may, under specified circumstances, increase rates of duty, or impose other restrictions, on imports which are causing or threatening to cause serious injury to a domestic industry, negotiate orderly marketing agreements with foreign countries, or certify adversely affected firms or groups of workers as eligible to apply for adjustment assistance. The adjustment assistance may take several forms—loans, technical assistance, and tax benefits to firms, and unemployment compensation, retraining, and relocation allowances to workers.

The number of investigations conducted by the Tariff Commission during fiscal 1971 under section 301 of the TEA was as follows:

Type of investigation	In progress on 7-1-70	Instituted in fiscal 1971	Completed in fiscal 1971	In progress on 6-30-71
Industry	1	5	3	3
Firm	1	¹ 14	11	¹ 3
Worker	7	69	71	5
Total	9	88	85	11

¹ One investigation instituted during fiscal 1971 was discontinued.

In addition to the reports on the 85 investigations completed under section 301 of the TEA, the Commission also submitted to the President, as required by section 351 of the act, annual reviews of three industries for which tariff rates on imports had previously been adjusted.

Section 301(b), industry investigations

The Commission completed three investigations and was conducting three more at the end of fiscal 1971 concerning injury to domestic industries. Such investigations fall under section 301(b) of the Trade Expansion Act.¹ In two of the completed cases (umbrellas and billiard balls), the Commission made a negative decision; in the third case (nonrubber foot wear) the Commissioners were equally divided on the principal types of products under investigation and were unanimously negative on the other types.

In such an investigation 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 like or directly competitive with the imported article.

These investigations are instituted on request of the President; resolution of either the Committee on Finance of the Senate or the Committee on Ways and Means of the House of Representatives; the Commission's own motion; or petition by a trade association, firm, certified or recognized union, or other representative of an industry. The Commission is required, after reasonable notice, to hold a public hearing and to report the results of the investigation to the President within 6 months after receipt of the request, resolution, or petition.

If the Commission's finding is affirmative, the

¹ 19 U.S.C. 1901(b).

President may provide tariff adjustment or impose other import restrictions; authorize firms and/or workers involved to request certification of eligibility for adjustment assistance; take any combination of such actions; or enter into orderly marketing agreements to limit U.S. imports of the article causing or threatening to cause serious injury. If the Commissioners voting are equally divided with respect to their findings, the President may consider the

finding of either group to be the finding of the Commission.

Although section 330 of the Tariff Act of 1930 would permit the President in the nonrubber footwear case to consider the finding of either group of Commissioners voting to be the finding of the Commission, the President made no such decision in fiscal year 1971. Data respecting the completed industry investigations are summarized in the following table.

Summary of industry investigations completed under section 301(b) of the Trade Expansion Act of 1962

Investigation No.	Industry concerned	Petition filed	Public hearing	Finding of Commission	Commissioners' votes		Commission's report	
					Affirmative	Negative	To President	TC publication No.
TEA-I-17.....	Umbrellas and metal parts thereof.....	3- 5-70 ¹	6- 2-70	Negative.....	Leonard.....	Sutton..... Clubb Moore	8-26-70	334
TEA-I-18.....	Nonrubber footwear.....	7-15-70 ²	10-20-70— 10-23-70	Equally divided ³ ...	Clubb..... Moore	Sutton..... Leonard	1-15-71	359
TEA-I-19.....	Bagatelle, billiard, and pool balls.....	10- 8-70 ⁴	12-15-70	Negative.....		Sutton..... Clubb Leonard Moore Young	3-19-71	374

¹ By Umbrella Frame Association of America.

² Presidential request of same date.

³ Except on work and athletic footwear and slippers, on which the vote was unanimously negative.

⁴ By Albany Billiard Ball Co.

The three industry investigations in progress under section 301(b) of the TEA on June 30, 1971, are listed in the following tabulation:

Investigation No.	Industry concerned	Petition filed
TEA-I-20.....	Marble and travertine products.	¹ 3-11-71
TEA-I-21.....	Television receivers.....	² 5-20-71
TEA-I-22.....	Dinnerware.....	³ 6- 1-71

¹ By the National Association of Marble Producers.

² By three major unions representing workers in the domestic television receiver industry.

³ By the American Dinnerware Emergency Committee.

Section 301(c)(1), "firm" investigations

In fiscal year 1971, the Commission completed 11 investigations concerning import injury to firms, under section 301(c)(1) of the Trade Expansion Act.² Three investigations were in progress at the close of fiscal 1971.

² 19 U.S.C. 1901(c)(1).

In such an investigation 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. The Commission must complete these investigations and report its findings to the President within 60 days after petitions are filed by firms or their representatives. A public hearing is required only if requested by the petitioner or other interested party. If the Commission's finding is affirmative, the Secretary of Commerce may certify the firm as eligible to apply for adjustment assistance.³

In the completed investigations, the Commission's finding was affirmative in two cases and negative in five; the Commissioners voting were equally divided in four cases. The firms involved in the two cases in

³ Executive Order 11075, dated Jan. 16, 1963, delegated the President's authority to certify firms to the Secretary of Commerce.

which the finding was affirmative and in the four cases in which the Commissioners voting were equally divided were subsequently certified as eligible to apply for adjustment assistance. The completed "firm" in-

vestigations are summarized in the following table. A public hearing was held in connection with only two of the investigations: TEA-F-12, on October 13, 1970, and TEA-F-21, on April 27, 1971.

Summary of "firm" investigations completed under section 301 (c)(1) of the Trade Expansion Act of 1962

Investigation No.	Firms and articles concerned	Petition filed	Finding of Commission	Commissioners' votes		Commission's report	
				Affirmative	Negative	To Secretary of Commerce	TC publication No.
TEA-F-11.....	Ion Capacitor Corp.; high-voltage electrolytic capacitors.	6-23-70	Equally divided ¹ ...	Clubb Moore	Sutton Leonard	8-21-70	335
TEA-F-12.....	Arista Mills Co.; plain-woven fabrics.....	9-15-70	Affirmative.....	Sutton Clubb Moore	Leonard.....	11-13-70	342
TEA-F-13.....	H. H. Scott, Inc.; loudspeakers, audio-freq. electric amplifiers, radio receivers, radio-phonograph combinations.	11- 6-70	Equally divided ¹ ...	Clubb Moore	Sutton Leonard	1- 5-71	355
TEA-F-15 ²	R. C. Allen, Inc.; manual office typewriters...	12- 9-70	Negative.....		Clubb Leonard Moore	1-12-71	358
TEA-F-16 ³	Fibre Form Corp.; paper cones used as parts of loudspeakers.	12-16-70	do.....		Sutton Leonard Moore	2-16-71	362
TEA-F-17.....	Lone Star Textiles, Inc.; cotton yarns and fabrics.	1-12-71	do.....		Young Sutton Clubb Leonard Moore	3-19-71	375
TEA-F-18.....	Louis Shoe Co.; women's dress shoes.....	2- 1-71	Equally divided ¹ ...	Clubb Moore	Sutton Leonard	4- 2-71	379
TEA-F-19.....	Bel-Tronics Corp.; coils and antennas used as parts of radio and TV receivers.	2-12-71	do ¹	Clubb Moore	Sutton Leonard	4-13-71	385
TEA-F-20.....	Bernie Shoe Co.; women's dress shoes.....	2-18-71	Negative.....		Sutton Clubb Leonard Moore	4-19-71	388
TEA-F-21.....	Royal Silver Manufacturing Co.; stainless steel table flatware.	3- 1-71	Affirmative.....	Sutton Leonard Moore Young		5-14-71	393
TEA-F-22.....	Sprague Electric Co.; capacitors, transistors, integrated circuits.	3-15-71	Negative.....	Moore.....	Sutton Leonard	5-14-71	394

¹ The President accepted the affirmative finding.
² Investigation conducted jointly with TEA-W-36.
³ Investigation conducted jointly with TEA-W-55.

The three "firm" investigations in progress under section 301(c)(1) of the TEA on June 30, 1971, are listed in the following tabulation:

Investigation No.	Firms and articles concerned	Petition filed
TEA-F-23.....	Pla-Moc, Inc.; women's casual shoes.	5-19-71
TEA-F-24.....	Seymour Shoes, Inc.; women's dress shoes.	6- 4-71
TEA-F-25.....	Utica Cutlery Co., Inc.; stainless steel table flatware.	6-18-71

Section 301(c)(2), "worker" investigations

During fiscal year 1971, the Commission completed 71 investigations instituted upon petition of groups of

workers under section 301(c)(2) of the TEA.⁴ Five others were in progress at the close of the year.

In such an investigation 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 of such firm or subdivision. The Commission must complete these investigations and report its findings to the President within 60 days after petitions are filed. A

⁴ 19 U.S.C. 1901(c)(2).

public hearing is required only if requested by the petitioner or other interested party. If the Commission's finding is affirmative, the Secretary of Labor may certify the group of workers involved as eligible to apply for adjustment assistance.⁵

Of the completed investigations, the Commission's findings were in the affirmative in seven cases and in the negative in 40 cases; the Commissioners voting were equally divided in 20 cases. In the remaining four

⁵ Executive Order 11075, dated Jan. 16, 1963, delegated the President's authority to certify workers to the Secretary of Labor.

investigations the Commission made a negative finding with respect to certain imported articles involved, but was equally divided with respect to other imported articles.

In all cases in which the Commission made an affirmative decision or was equally divided, the petitioning workers were certified as eligible to apply for adjustment assistance. A tabular summary of these cases follows. A public hearing was held in connection with only three of the investigations: TEA-W-21, on June 23, 1970, TEA-W-27, July 14, 1970, and TEA-W-36, December 17, 1970.

Summary of worker investigations under section 301(c)(2), Trade Expansion Act of 1962

Investigation No.	Firms and articles concerned	Petition filed	Finding of Commission	Commissioners' votes		Commission's report	
				Affirmative	Negative	To Secretary of Labor	TC publication No.
TEA-W-21	General Instrument Corp., F. W. Sickles Division; components of television receivers.	5-25-70	Equally divided ¹	Clubb Moore	Sutton Leonard	7-24-70	32
TEA-W-22	Wood & Brooks Co.; piano actions	5-27-70	Affirmative	Sutton Clubb Leonard Moore		7-27-70	33
TEA-W-23/26	Uniroyal, Inc., Footwear Division; B. F. Goodrich Footwear Co.; Servus Rubber Co., Footwear Division; (1) protective footwear of rubber or plastics; (2) rubber- or plastic-soled footwear with fabric upper.	5-25-70 and 6-1-70	(1) Negative; (2) equally divided. ¹	Clubb ² Moore ²	Sutton Leonard	7-24-70	33
TEA-W-27	American Motors Corp.; automotive soft trim	6-15-70	Equally divided ¹	Clubb Moore	Sutton Leonard	8-14-70	33
TEA-W-28	Lear Jet Stereo, Inc.; tape cartridge playing and recording systems.	10-14-70	Negative	Sutton Clubb Leonard Moore		12-11-70	34
TEA-W-29	International Silver Co.; stainless steel and silver-plated table holloware.	10-13-70	Affirmative	Clubb Leonard Moore	Sutton	12-11-70	34
TEA-W-30	International Silver Co.; stainless steel table flatware.	10-13-70	do	Sutton Clubb Leonard Moore		12-11-70	34
TEA-W-31	C. P. Electronics, Inc.; electronic transformers.	11-4-70	do	Clubb Moore	Leonard	1-4-71	35
TEA-W-32	Caressa, Inc.; women's leather shoes	11-6-70	do	Clubb	do	1-5-71	35
TEA-W-33	Wood & Brooks Co.; piano keyboards	11-5-70	do	Moore Clubb Leonard Moore		1-4-71	35
TEA-W-34	Syracuse China Corp.; household chinaware	11-6-70	Negative		Clubb Leonard Moore	1-5-71	35
TEA-W-35	FMC Corp., American Viscose Division; rayon staple fiber.	11-12-70	do		Sutton Clubb Leonard Moore	1-11-71	35
TEA-W-36	R. C. Allen, Inc., Typewriter Division; office typewriters.	11-13-70	do		Clubb Leonard Moore	1-12-71	35
TEA-W-37	Jodi Shoe Co.; women's and misses' footwear	12-9-70	Equally divided ¹	Clubb Moore	Sutton Leonard	2-8-71	36
TEA-W-38	Maine Shoe Corp.; women's and misses' footwear.	12-9-70	do ¹	Clubb Moore	Sutton Leonard	2-8-71	36
TEA-W-39	Footflairs, Inc.; women's and misses' footwear	12-9-70	do ¹	Clubb Moore	Sutton Leonard	2-8-71	36
TEA-W-40	Brown Shoe Co.; women's and misses' footwear.	12-9-70	do ¹	Clubb Moore	Sutton Leonard	2-8-71	36
TEA-W-41	Goldberg Bros., Inc.; women's and misses' footwear.	12-9-70	do ¹	Clubb Moore	Sutton Leonard	2-8-71	36

See footnotes at end of table.

Summary of worker investigations under section 301(c)(2), Trade Expansion Act of 1962—Continued

Investigation No.	Firms and articles concerned	Petition filed	Finding of Commission	Commissioners' votes		Commission's report	
				Affirmative	Negative	To Secretary of Labor	TC publication No.
TEA-W-42	Caswell Shoes, Inc.; women's and misses' footwear.	12- 9-70	Negative		Sutton Clubb Leonard Moore	2- 8-71	361
TEA-W-43	Dori Shoe Co., Inc.; women's and misses' footwear.	12- 9-70	do		Sutton Clubb Leonard Moore	2- 8-71	361
TEA-W-44	National Ballet Makers, Inc.; women's and misses' footwear.	12- 9-70	Equally divided	Clubb Moore	Sutton Leonard	2- 8-71	361
TEA-W-45	Wolsam Ltd.; women's and misses' footwear.	12- 9-70	Negative		Sutton Clubb Leonard Moore	2- 8-71	361
TEA-W-46	L. E. Beaudin; women's and misses' footwear.	12- 9-70	do		Sutton Clubb Leonard Moore	2- 8-71	361
TEA-W-47	Stage Door, Inc.; women's and misses' footwear.	12- 9-70	Equally divided	Clubb Moore	Sutton Leonard	2- 8-71	361
TEA-W-48	Selwyn Shoe Manufacturing Corp.; women's and misses' footwear.	12- 9-70	Negative		Sutton Clubb Leonard Moore	2- 8-71	361
TEA-W-49	Kramer Shoe Co., Inc.; women's and misses' footwear.	12- 9-70	Equally divided	Clubb Moore	Sutton Leonard	2- 8-71	361
TEA-W-50	Algy Shoes, Inc.; women's and misses' footwear.	12- 9-70	Negative		Sutton Clubb Leonard Moore	2- 8-71	361
TEA-W-51	Adlib, Inc.; women's and misses' footwear.	12- 9-70	do		Sutton Clubb Leonard Moore	2- 8-71	361
TEA-W-52	Stylecrest Footwear, Inc.; women's and misses' footwear.	12- 9-70	do		Sutton Clubb Leonard Moore	2- 8-71	361
TEA-W-53	Kickerinos, Inc.; women's and misses' footwear.	12- 9-70	do		Sutton Clubb Leonard Moore	2- 8-71	361
TEA-W-54	Evangeline Shoe Corp.; women's and misses' footwear.	12-11-70	Equally divided	Clubb Moore	Sutton Leonard	2- 8-71	361
TEA-W-55	Fibre Form Corp.; cones for loudspeakers.	12-16-70	Negative		Sutton Leonard Moore Young	2-16-71	362
TEA-W-56	Haveg Industries, Inc.; glass-lined steel vessels.	1-13-71	do		Sutton Clubb Leonard Moore Young	3-12-71	370
TEA-W-57	Arista Mills Co.; woven fabrics.	1-14-71	Affirmative	Sutton Clubb Moore	Leonard	3-15-71	371
TEA-W-58	Smith Shoe Corp.; children's and infants' footwear.	1- 7-71	Negative		Sutton Clubb Leonard Moore	3- 8-71	369
TEA-W-59	Bella Mia Footwear Manufacturing Corp.; women's footwear.	1- 7-71	Equally divided	Clubb Moore	Sutton Leonard	3- 8-71	369
TEA-W-60/61	Kalmon Shoe Manufacturing Co.; women's dress shoes.	1- 7-71	Negative		Sutton Clubb Leonard Moore	3- 8-71	369
TEA-W-62	Deb Shoe Co., Inc.; women's dress shoes.	1- 7-71	do		Sutton Clubb Leonard Moore	3- 8-71	369
TEA-W-63/64	Wolff Shoe Manufacturing Co. (2 plants); women's dress shoes.	1- 7-71	do		Sutton Clubb Leonard Moore	3- 8-71	369

See footnotes at end of table.

Summary of worker investigations under section 301(c)(2), Trade Expansion Act of 1962—Continued

Investigation No.	Firms and articles concerned	Petition filed	Finding of Commission	Commissioners' votes		Commission's report	
				Affirmative	Negative	To Secretary of Labor	TC publication No.
TEA-W-65	Johnson, Stephens, and Shinkle Shoe Co.; women's dress shoes.	1- 7-71	Equally divided ¹	Clubb Moore	Sutton Leonard	3- 8-71	369
TEA-W-66/67	Mattel Corp. (2 plants); toys, dolls, models, games.	1-15-71	Negative		Sutton Clubb Leonard Moore Young	3-16-71	372
TEA-W-68	Continental Can Co., Inc.; can-sealing machines and parts.	1-15-71	do		Sutton Leonard Moore Young	3-16-71	373
TEA-W-69	Reliable Footwear Co.; women's slippers	1- 7-71	do		Sutton Clubb Leonard Moore	3- 8-71	369
TEA-W-70	RCA Corp.; television receivers	1-22-71	Equally divided ¹	Clubb Moore	Sutton Leonard	3-23-71	376
TEA-W-71	Ornstein Shoe Co., Inc.; women's dress shoes	1-28-71	do ¹	Clubb Moore	Sutton Leonard	3-29-71	378
TEA-W-72	Klevin Shoe Sales Co., Inc.; women's dress shoes.	1-28-71	do ¹	Clubb Moore	Sutton Leonard	3-29-71	378
TEA-W-73	Gamins, Inc.; women's dress shoes	1-28-71	Negative		Sutton Clubb Leonard Moore	3-29-71	378
TEA-W-74	Andrew Geller, Inc.; women's dress shoes	1-28-71	do		Sutton Clubb Leonard Moore	3-29-71	378
TEA-W-75	Sinclair Shoe Co.; women's dress shoes	1-28-71	Equally divided ¹	Clubb Moore	Sutton Leonard	3-29-71	378
TEA-W-76	International Shoe Co.; youths', boys', and children's footwear.	1-28-71	Negative		Sutton Clubb Leonard Moore	3-29-71	378
TEA-W-77	Emerson Television and Radio Co.; television receivers, radios, phonographs.	2- 3-71	Equally divided ¹	Clubb Moore	Sutton Leonard	4- 2-71	380
TEA-W-78	Carpenter Technology Corp., Steel Division; stainless steel wire.	2- 9-71	Negative		Sutton Clubb Leonard Moore Young	4- 9-71	383
TEA-W-79	Beaunit Corp., American Bemberg Plant; continuous filament yarn.	2- 8-71	do		Sutton Clubb Leonard Moore	4- 9-71	384
TEA-W-80	Advance Ross Electronics Corp.; components of television receivers.	2-16-71	Equally divided ¹	Clubb Moore	Sutton Leonard	4-16-71	386
TEA-W-81	AMBAC Industries, Inc., American Bosch Division; fuel injection pumps and nozzles.	2-26-71	Negative		Sutton Clubb Leonard Moore Young	4-27-71	390
TEA-W-82/87	Sprague Electric Co. (6 plants); capacitors and other components of electronic circuits.	3-15-71	do	Moore	Sutton Leonard	5-14-71	395
TEA-W-88	Sprague Electric Co.; capacitors and other components of electronic circuits.	3-15-71	do	Moore	Sutton Leonard Young	5-14-71	395
TEA-W-89	RCA Corp.; electronic tubes, semiconductors.	3-17-71	do		Sutton Leonard Moore Young	5-17-71	396
TEA-W-90	M. P. Moller, Inc.; pipe organs	4-13-71	Equally divided ¹	Moore Young	Sutton Leonard	6-11-71	397
TEA-W-91	Lown-Salvage Shoe Corp.; women's leather shoes.	4-23-71	Negative		Sutton Leonard Moore	6-22-71	399

¹ The President accepted the affirmative finding.

² Affirmative only with respect to rubber- or plastic-soled footwear with fabric uppers.

The five "worker" investigations in progress under section 301(c)(2) of the TEA on June 30, 1971, are listed in the following tabulation:

Investigation No.	Firms and articles concerned	Petition filed
TEA-W-92-----	D'Antonio Shoe Corp.; women's dress shoes.	5-7-71
TEA-W-93-----	Knapp King Size Corp.; men's dress shoes.	5-7-71
TEA-W-94-----	Bernardo Sandals, Inc.; women's leather sandals.	5-7-71
TEA-W-95-----	Commonwealth Shoe and Leather Co., Inc.; men's dress shoes.	5-7-71
TEA-W-96-----	Warwick Electronics, Inc.; phonographs, radio-phonograph and other combinations.	6-1-71

Section 351(d)(1), annual reviews of industries⁶

Under section 351(d)(1) of the TEA, the Commission conducted annual reviews of three industries—those of Wilton and velvet carpets and rugs, certain window glass, and pianos (except grands)—and reported to the President on their developments.

Section 351(d)(1) directs the Commission to report to the President on annual developments in an industry as long as any import restrictions imposed under section 7 of the Trade Agreements Extension Act of 1951 or section 351(a) of the TEA to prevent or remedy serious injury to such industry as a result in major part of trade-agreement concessions remain in effect.

The three annual reviews were as follows:

Investigation No.	Products involved	Date of report
TEA-IR-5-70--	Wilton, Brussels, velvet, and tapestry carpets and rugs.	12-29-70
TEA-IR-7-71--	Certain window glass-----	2-26-71
TEA-IR-9-71--	Pianos (except grands)-----	2-19-71

Tariff Act of 1930, as Amended

The Tariff Act of 1930 empowers the Commission to investigate and report on many aspects of U.S.

⁶ 19 U.S.C. 1981(d)(1).

foreign trade. Studies made under section 332 of that act usually are broader in scope and focus than the investigations conducted by the Commission under the Trade Expansion Act of 1962. Investigations under section 337 of the 1930 act concern unfair methods of competition and unfair acts in the importation of articles into the United States, or in the sale of imported articles.

Section 332

Section 332⁷ sets forth the Commission's authority to investigate the conditions, causes, and effects of competition between domestic and foreign industry and to make such reports as may be requested by the President, the House Committee on Ways and Means, the Senate Committee on Finance, or either House of Congress, concerning such matters. The Commission may also undertake investigations under section 332 on its own motion.

The Commission completed two investigations under section 332 during fiscal year 1971, and at the close of the year was engaged in work on eight research projects initiated under that section. During the year the Commission published a staff research study (un-numbered), titled *Tariff Preferences for Developing Countries*, by George C. Reeves of the Commission's staff.

Investigations completed.—The two completed investigations are summarized in the tabulation on page 14.

Investigations in progress.—On July 21, 1970, the President requested the Commission to examine and report on the competitive position of domestic industries in order to help determine future trade policies. Public hearings were held November 4–25, 1970.

In April 1971, the Commission initiated four studies, at the request of the Senate Committee on Finance and its Subcommittee on International Trade. They involved—

Tariff and nontariff barriers imposed by principal trading nations and disparities in tariff treatment.

Nature and extent of tariff concessions granted in trade and other international agreements to which the United States is a party.

Customs valuation standards of the United States and its major foreign trade partners, together with suggested valuation standards suitable for international use, and the effect of U.S. adoption of such standards.

⁷ 19 U.S.C. 1332.

Investigation No.	In response to—	Articles concerned	Public hearing	Commission's report
332-61.....	Request of the President, Aug. 18, 1969.	Various articles processed or assembled abroad and returned to the United States under the provisions of tariff item 806.30 or 807.00. ¹	5-5-70— 5-19-70	<i>Economic Factors Affecting the Use of Items 806.30 and 807.00 of the Tariff Schedules of the United States; Report to the President on Investigation No. 332-61 Under Section 332 of the Tariff Act of 1930</i> , TC Pub. 339, 1970. To President 10-9-70. Released to the public: 10-16-70.
332-64 ²	Resolution of the House Committee on Ways and Means, June 23, 1970.	Cheese and cheese substitutes, lactose, chocolate and articles containing chocolate.	8-3-70— 8-7-70	<i>Certain Dairy Products: Report on Investigation No. 332-64 Under Section 332 of the Tariff Act of 1930 Pursuant to a Resolution of the Committee on Ways and Means of the House of Representatives Adopted June 23, 1970</i> , TC Pub. 340, 1970. To committee 9-30-70. Released to the public: 10-6-70.

¹ Item 806.30 provides that articles of metal (except precious metal) that have been manufactured or processed in the United States and exported for processing and return to the United States for further processing may be subject to duty only on the value of the foreign processing. Item 807.00 provides that articles assembled abroad with components fabricated in the United States shall, under specified circumstances, be subject to the full duty on the article in question less the value of the U.S. fabricated components contained therein.

² This investigation was conducted concurrently with an investigation begun in May 1970 under section 22 of the Agricultural Adjustment Act (No. 22-28); see p. 16.

Implications of multinational firms on world trade and investment, as well as U.S. trade and labor.

Three long-range research studies were also in progress at the close of fiscal 1971:

Temporary entry provisions of title 19 of the United States Code.

Domestic and foreign policies affecting U.S. foreign trade in agricultural products.

Probable impact of tariff preferences for developing countries.

Section 337

During the fiscal year 1971, the Commission completed six preliminary inquiries under the provisions of section 337, instituting full investigations in each instance; a seventh full investigation was in progress during the year. Two preliminary inquiries that were begun during the year were in progress at year's end.

Section 337 declares unlawful, and authorizes the President to deal with, unfair methods of competition and unfair acts in the importation of articles into the United States. It authorizes the Commission to investigate alleged violations of this section of the act and to transmit its final findings to the President. On receipt of a properly filed complaint, the Commission makes a preliminary inquiry to determine whether a full investigation is needed, and whether it should recommend the President temporarily ban entry of the articles concerned (if the complainant so requests). Under the statute, a rehearing may be granted by the Commission after a decision in a full investigation, and an appeal may be taken by importers to the Court of Customs and

Patent Appeals. If violation has been established to the President's satisfaction, he may direct that articles concerned be excluded from entry.

The six preliminary inquiries that were completed during fiscal 1971 are listed in the table on page 15.

As noted above, the Commission, at the conclusion of preliminary inquiries, instituted six full investigations under section 337 during fiscal year 1971. In addition, it had in progress a full investigation of tractor parts (No. 337-22). In the latter investigation, the complainant alleged unfair methods of competition and unfair acts in the importation of certain crawler tractor parts made by Bertoni and Cotti of Italy. After a preliminary inquiry into the matter, the Commission ordered a full investigation, and subsequently found that section 337 had been violated—the Italian producers and their U.S. distributors had boycotted the complainant from importing and selling tractor parts. By a 2-1 vote the Commissioners voting recommended that such tractor parts be barred from entry. The Commission's report containing its recommendation⁸ was released on June 25, 1971. At the close of the year, the time period in which an interested party might request a rehearing or appeal to the courts had not expired.⁹

⁸ *Tractor Parts: Investigation No. 337-22 Under the Provisions of Section 337 of Title III of the Tariff Act of 1930, as Amended*, TC Pub. 401, 1971. Commissioners Clubb and Leonard voted in the affirmative and Commissioner Sutton in the negative.

⁹ On Aug. 2, 1971, in response to a duly filed request for a rehearing the Commission reversed its recommendation for an exclusion order. Commissioners Sutton and Leonard reaffirmed their positions and Commissioner Moore concurred with Commissioner Sutton's negative position.

Summary of preliminary investigations completed under section 337 of the Tariff Act of 1930

Investigation No.	Complainant and articles concerned	Complaint filed	Type of complaint	Full investigation			Temporary exclusion order			Commission's report	
				Commission decision	Commissioners' votes		Commission decision	Commissioners' votes		To President	TC publication No.
					Affirmative	Negative		Affirmative	Negative		
337-L-37	Beecham Group, Ltd., and Beecham, Inc.; ampicillin, a semisynthetic penicillin.	1-27-70	Patent infringement.	Ordered ¹	Sutton Clubb Leonard Moore		Equally divided.	Clubb Moore	Sutton Leonard	11-24-70	345
337-L-38	Tights, Inc.; panty hose.	1-30-70	Patent infringement.	do ¹	Clubb Leonard Moore Sutton		Affirmative.	Clubb Leonard Moore	Sutton	3-24-71	377
337-L-39	W. A. Baum Co., Inc.; sphygmomanometers (a blood pressure apparatus).	3-18-70	Patent infringement.	do ¹	Clubb Leonard Moore	Sutton	Negative.		Sutton Clubb Leonard Moore	(2)	(2)
337-L-40	Ben Walters, Ben Walters, Inc., and Kage Co., Inc.; articles comprised of plastic sheets having an open-work structure (decorative wall plaques).	7-28-70	Patent infringement.	do ¹	Sutton Clubb Leonard Moore Young		do		Sutton Clubb Leonard Moore Young	(3)	(3)
337-L-41	Carter-Wallace, Inc.; meprobamate (a prescription drug).	8-5-70	Patent infringement.	do ¹	Sutton Clubb Leonard Moore Young		Affirmative.	Sutton Clubb Leonard Moore Young		4-23-71	389
337-L-42	Atlantic Products Corp.; light-weight luggage.	11-7-70	Patent infringement.	do ¹	Sutton Clubb Leonard Moore Young		do	Sutton Clubb Young	Leonard Moore	4-28-71	391

¹ Full investigation in progress at the end of the fiscal year.

² No public report issued; notice of full investigation issued Dec. 9, 1970.

³ No public report issued; notice of full investigation issued Mar. 26, 1971.

On December 16, 1970, the Commission received a complaint filed by Robert T. Kaufman of Silver Spring, Md., concerning importation and sale of certain paper stitchers allegedly protected by a patent owned by the complainant. Ordibel Collators, Inc., New York City, was named as importer; A. B. Dick & Co., Inc., of Chicago as distributor. A preliminary inquiry (No. 337-L-43) was undertaken on January 4, 1971, and was in progress at the close of the fiscal year.

On March 10, 1971, Nippert Co. of Dayton, Ohio, petitioned the Commission to investigate the importation and sale of cold-formed mounts for semiconductors that allegedly infringe patents owned by the complainant. International Rectifier Corp., El Segundo, Calif., was named as importer. A preliminary inquiry (No. 337-L-44) was begun on April 26, 1971, and was in progress at the close of the fiscal year.

Agricultural Adjustment Act, Section 22

During fiscal 1971, the Commission completed an investigation of certain dairy products and instituted a study of certain cheeses, both under section 22 of the Agricultural Adjustment Act.¹⁰

Section 22 directs the Secretary of Agriculture to advise the President whenever he believes any agricultural commodity or product thereof is being imported under such conditions and in such quantities as to interfere with price-support or other programs

¹⁰ 7 U.S.C. 624.

of the U.S. Department of Agriculture. The President may then direct the Commission to conduct an investigation and report to him its findings and recommendations. On the basis of such findings and recommendations the President may by proclamation impose fees (duties) or quantitative limitations, or suspend, or terminate, or modify any existing import restrictions so imposed. (In cases of emergency, the President may take immediate action with respect to imports, such action to continue in effect pending the Commission's report and recommendations and any further action thereon.)

Certain dairy products

At the request of the President, the Commission conducted an investigation (No. 22-28) to determine the effect of imports of specified dairy products on the U.S. price-support programs for milk and butterfat. The Commission found unanimously that the cheeses and other dairy products involved were being or about to be imported so as to interfere with the price-support programs concerned. The Commission recommended imposition of absolute quotas on imports of the articles concerned, such quotas to be administered through a licensing system set up in full observance of article XIII of the GATT. The President subsequently set individual quotas for exporting countries on all of the items covered in the investigation.¹¹

Date of President's request: May 13, 1970

Articles concerned: Ice cream, chocolate, articles containing chocolate, animal feeds containing milk or milk derivatives, cheese and cheese substitutes.

Public hearing: July 28-31, 1970

Finding of the Commission: Affirmative

Vote of the Commission: Unanimous

Commission's report: *Certain Dairy Products: Report to the President on Investigation No. 22-28 Under Section 22 of the Agricultural Adjustment Act, as Amended*, TC Pub. 338.

Date submitted to President: Sept. 21, 1970

Date released: Oct. 6, 1970

Certain cheeses

On March 17, 1971, the Commission instituted an investigation (No. 22-29) of the effects of imports of certain cheeses and cheese substitutes having a purchase price of 47 cents or more per pound on price-support programs for milk. The Commission's report was nearing completion at the end of the fiscal year.

Date of President's request: March 12, 1970

¹¹ Presidential Proclamation 4026.

Articles concerned: Swiss or Emmenthaler cheese with eye formation; Gruyere-process cheese; and cheese and substitutes for cheese containing, or processed from, such cheeses; and certain other cheeses, and substitutes for cheese; all the foregoing, if having a purchase price of 47 cents per pound or more.

Public hearing: April 20-22, 1971

Antidumping Act, 1921, as Amended

During fiscal 1971, the Commission completed 13 investigations under section 201(a) of the Antidumping Act;¹² two others were in progress at the end of the year. The Commission made affirmative determinations in 10 cases, and negative decisions in three cases. Where the Commission made affirmative decisions, the Treasury Department issued formal findings of dumping, and the described imports became subject to special dumping duties; see table on page 17.

Section 201(a) of the Antidumping Act, 1921, 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 (LTFV), the Commission shall determine within three months whether an industry in the United States is being or is likely to be injured, or prevented from being established, by reason of the importation of such merchandise. After such investigation as it deems necessary, the Commission notifies the Secretary of the Treasury of its determination. If the Commission determines in the affirmative, the Secretary of the Treasury issues a finding of dumping. (If the Commissioners voting are evenly divided as to the determination, the determination of the Commission is, by virtue of a provision in section 201(a), deemed to have been affirmative.)

The two antidumping investigations that were in progress at the close of the year are listed in the following tabulation:

Investigation No.	Product concerned	Advice received from Treasury
AA1921-76- ----	Clear sheet glass from Taiwan.	4-21-71
AA1921-77- ----	Tempered glass from Japan.	5- 3-71

¹² 19 U.S.C. 160 *et seq.*

Summary of investigations completed under section 201(a) of the Antidumping Act, 1921, as amended

Investigation No.	Articles concerned	Advice from Treasury received	Public hearing	Finding of Commission	Commissioners' votes		Commission's report	
					Affirmative	Negative	To Secretary of Treasury	TC publication No.
AA1921-63.....	Whole dried eggs from Holland.....	5- 1-70	6- 9-70	Affirmative...	Clubb..... Moore	Sutton..... Leonard	7-31-70	332
AA1921-64.....	Tuners from Japan.....	7-15-70 ¹	9-16-70	.....do.....	Sutton..... Clubb Leonard Moore		11- 3-70	341
AA1921-65.....	Ferrite cores from Japan.....	10-28-70	12- 8-70	.....do.....	Sutton..... Clubb Moore	Leonard..... Young	1-28-71	360
AA1921-66.....	Television receivers from Japan.....	12- 4-70	1-26-71— 1-28-71	.....do.....	Sutton..... Clubb Leonard Moore Young		3- 4-71	367
AA1921-67.....	Capacitors from Japan.....	12- 8-70	1-19-71	Negative.....		Sutton..... Clubb Leonard Moore Young	3- 8-71	368
AA1921-68.....	Ceramic wall tile from the United Kingdom.	1- 7-71	3- 2-71— 3- 3-71	Affirmative...	Sutton..... Clubb Moore Young	Leonard.....	4- 7-71	381
AA1921-69/70 ²	Clear sheet, plate, and float glass from Japan.	1- 7-71 ³	2-24-71— 2-25-71	.....do.....	Sutton..... Clubb Moore Young	Leonard.....	4- 7-71	382
AA1921-71.....	Brass key blanks from Canada.....	2- 3-71	3-23-71	Negative.....		Sutton..... Leonard Moore Young	5- 3-71	392
AA1921-72/73/74 ⁴ ..	Pig iron from Canada, Finland, and West Germany.	3-15-71	5-11-71— 5-12-71	Affirmative... ⁽⁵⁾		⁽⁵⁾	6-15-71	398
AA1921-75.....	Chicken eggs in the shell from Mexico..	3-22-71	5-17-71	Negative.....		Sutton..... Leonard Moore Young	6-22-71	400

¹ Amended Aug. 3, 1970.

² Two investigations conducted jointly.

³ Amended Jan. 26, 1971.

⁴ Three investigations conducted jointly.

⁵ Unanimous with respect to imports from Canada and West Germany (Commissioners Sutton, Leonard, Moore, and Young voting); evenly divided on imports from Finland (Commissioners Sutton and Moore voting affirmative; Commissioners Leonard and Young voting negative).

2. other activities

In addition to its statutory obligations to conduct public investigations, the Commission assists the legislative and executive branches of Government, and also answers many inquiries from the public. It maintains a 64,000-volume library which receives about 1,200 periodicals annually. This newly modernized facility houses not only publications on international trade and U.S. tariff and commercial policy, but also many business and technical journals. In addition, the Commission's Office of the General Counsel maintains

a law library and a comprehensive file of documents on legislation affecting U.S. trade.

Trade Agreements Program

The Commission regularly assists the executive branch of Government in work connected with the trade agreements program. Primarily, it assists the President through the office of the President's Special



Representative for Trade Negotiations,¹ the center for most trade agreements activities. Substantial Commission assistance is also given directly to particular executive departments, such as the Departments of State, Commerce, and Agriculture, which have responsibilities in the program.

Assistance to the executive branch

The Commission's involvement in the trade agreements program during fiscal 1971 consisted mainly in assembling tariff, commodity, and other statistical information needed for the program's daily operation.

The Commission supplied technical aid and data needed for international negotiations, conducted under article XXVIII of the General Agreement on Tariffs and Trade (GATT), to modify U.S. concessions on stainless steel flatware. Held during the period August 1970 to June 1971, with Japan, the European Community, and the United Kingdom, these talks resulted in an agreement that set an annual ceiling of 16.2 million dozen pieces on the quantities of such flatware that may enter the United States at lower rates of duty, with allocations among supplying countries according to their average share of U.S. imports in 1968-69. Imports in excess of this amount will enter at higher duty rates. The agreement provided for limited increases in the quota under certain circumstances.

In May 1971, American and Japanese representatives met in Geneva to settle claims for compensation that the two countries owed each other for tariff actions taken during the past 5 years. A Commission staff member served as technical adviser to the American delegation, and the Commission played a major role in supplying data on pertinent U.S. actions.

Fiscal 1971 ended before completion of negotiations concerning the entry of the United Kingdom, Norway, Denmark, and Ireland into the European Community (EC). Entry of any of these countries into the EC will necessitate U.S. participation in subsequent talks to reconcile differences between the rates of duty pre-

¹ The Special Representative 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). A member of his staff serves as chairman of 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. This review committee in turn makes recommendations to the Special Representative. The Tariff Commission is represented on the Trade Staff Committee, but has no vote, and does not participate in decisions on policy matters.

viously agreed upon under the GATT by the acceding country and the new rates incurred by its adoption of the EC's tariff. In anticipation of such negotiations, the Commission began work on computer tabulations that would identify rate changes which will occur in tariffs of applicant nations and quantify U.S. trade interest in the changes. Such tabulation will provide basic statistical and tariff data for the negotiations between the United States and new entrants into the European Community.

During the year, the Commission also completed the draft of a 700-page consolidated schedule of tariff concessions granted by the United States in the past under the GATT. This document will be sent to all contracting parties for certification; the President will then proclaim it the official schedule XX.² Such a proclamation will finalize a long series of negotiations and related work begun in 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 Commission also supplied the GATT Secretariat in Geneva with substantial compilations of trade agreements and statistical data relating to U.S. tariffs and imports. Most of this information was related to an analysis of the projected tariff situation when all Kennedy Round concessions have been fully implemented. Commission personnel participated in the sessions of the GATT working group directing this study. Since virtually all international tariff and trade work is now conducted in terms of the classifications of the Brussels Tariff Nomenclature (BTN), the Commission regularly provides the GATT Secretariat with information updating the concordance between the TSUS and the BTN.

The second United Nations Conference on Trade and Development (UNCTAD) in 1968 adopted a resolution that recognized unanimous agreement in favor of the establishment by developed countries of a generalized system of tariff preferences to benefit the products of less developed nations. In the fall of 1970, 18 potential preference-giving countries submitted 10 illustrative proposals intended to form a basis for a mutually acceptable preference system. The Tariff Commission assisted the Department of State in preparing documents and supporting data related to the proposed U.S. preference scheme and also has been helping draft legislation required for its implementation. Further, the Commission prepared a voluminous tabulation of

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

1970 U.S. imports in terms of their expected tariff treatment under the proposed U.S. scheme. This tabulation is planned as the first in an annual series required for analysis and evaluation of the international preference program.

Report on the operation of the trade agreements program

Under section 402(b) of the Trade Expansion Act, the Commission must submit a yearly report to Congress on the operation of the trade agreements program. The Commission's 21st report, covering the calendar year 1969, was almost complete at the close of the fiscal year. It describes changes in U.S. commercial policy during the year, as well as activities of the GATT and various developments in the major regional trading groups—the European Community, the European Free Trade Association, the Latin American Free Trade Association, and the Central American Common Market.

Production and Foreign Trade

During the fiscal year, the Tariff Commission was engaged in a variety of programs designed to improve production and trade statistics published by the Federal Government. Activities in this area clearly indicate the need for further efforts on a long-term basis toward improving the quality of such data which are used in analyzing the international trade problems that come before the Commission.

Tariff Schedules of the United States Annotated (TSUSA)

The Tariff Schedules of the United States Annotated, which show the classification used for reporting import data by commodity and by supplying countries, are published periodically by the Commission for the purpose of maintaining current information respecting the customs treatment of products imported into the United States. The schedules identify some 10,000 commodity classifications for which trade statistics are collected regularly.

Changes in this publication reflect primarily congressional legislation, Presidential proclamations carrying out trade-agreement concessions, and statistical modifications adopted by the Interagency Committee for Statistical Annotation of Tariff Schedules. The activities of this Committee are conducted pursuant to section 484(e) of the Tariff Act of 1930, which directs the

Secretary of the Treasury, the Secretary of Commerce, and the Chairman of the Tariff Commission to enumerate the statistical classifications used for reporting data on all commodities imported into the United States from foreign countries. The Committee, comprised of representatives of the Bureau of Customs, the Bureau of the Census, and the Tariff Commission, is under the chairmanship of the Tariff Commission representative.

In fiscal year 1971, this Committee met at frequent intervals to consider requests of private industry and the Federal Government for more detailed statistical classes in the tariff schedules in order to develop more meaningful and precise information on the commodity composition of U.S. import trade. As a result, numerous changes were adopted in the statistical annotations of the tariff schedules for the purpose of both clarification and the improvement of trade data for analytical purposes.

In December 1969, the Commission had published the fifth edition of the Tariff Schedules of the United States Annotated (1970). During fiscal year 1971 it issued the third and fourth supplements to that edition.

In November 1970, the Commission published the sixth edition of the Tariff Schedules of the United States Annotated (1971). This edition contained a number of significant changes in the tariff schedules, including those made to reflect the fourth stage of the duty reductions, effective January 1, 1971, implemented as a result of the Kennedy Round tariff concessions negotiated under the GATT. As in previous editions, a separate section entitled "Staged Rates and Historical Notes" shows the staged rates called for in the Kennedy Round along with the final or fifth stage provided for in those negotiations. By the end of fiscal year 1971, one supplement to the 1971 edition of this publication had been issued.

Comparability of statistical data on U.S. production and foreign trade

In their reports on the proposed Trade Act of 1970 (H.R. 18970 and H.R. 17550) both the Committee on Ways and Means, U.S. House of Representatives, and the Committee on Finance, U.S. Senate, expressed concern at the lack of comparability between data on U.S. imports, production, and exports, and stated that official data collected and published in this connection are "not adequate to meet the current and expanding needs of U.S. foreign trade policy." The committees urged responsible Federal agencies to undertake a review of their statistical programs, under the coordination and guidance of the Office of Management and

Budget, with a view toward establishing compatible classification systems for U.S. imports, production, and exports.

As a result, the Tariff Commission staff initiated discussions with the Office of Management and Budget, the Bureau of the Census, and other interested agencies on this matter. In turn, these discussions led to a review of each item listed in the Tariff Schedules of the United States Annotated (TSUSA) and in the schedules for reporting exports (schedule B) with a view toward improving the comparability between these two classification systems.

Concurrently, the Commission also initiated a review of the proposed reporting schedules for the 1972 Census of Manufactures for the purpose of developing greater comparability between these schedules and those used for reporting imports and exports. At the end of the fiscal year, the suggestions developed during the course of this review were under consideration by the Bureau of the Census. In those instances in which the volume and conditions of trade justified the added expense, action was taken to implement suggestions by making the necessary modifications in the appropriate reporting schedules.

A closely related activity involved participation by the Commission's staff in a complete review of the 1967 Standard Industrial Classification Manual (SIC). This review, which was undertaken by the U.S. Technical Committee on Industrial Classification under the sponsorship and general supervision of the Statistical Policy Division of the Office of Management and Budget, involved a detailed study of both the structure and the classification system used in the manual. The recommendations of the Tariff Commission were designed to improve the quality of the statistics collected and to achieve greater comparability between data on U.S. production, imports, and exports.

U.S. import statistics

The Tariff Commission is the principal user of detailed data with respect to U.S. trade. For some time it has been acutely aware of the need not only for improvement of data collected and published with respect to U.S. import trade, but also for additional statistics with respect to landed costs of imports, by product and by country (the so-called c.i.f. system). Such data would be highly useful in analysis of the effect of U.S. imports on domestic production and trade; other major trading countries collect and report import data on this basis.

During fiscal year 1971 the Commission was active in seeking to provide for the collection of c.i.f. data on

imports, and will continue to direct its attention to this matter. Such activity is being carried on, under the authority of section 484(e) of the Tariff Act of 1930, by the Interagency Committee for Statistical Annotation of Tariff Schedules, which is chaired by the Tariff Commission representative (see p. 21).

In this period the Commission, in cooperation with the Bureau of Customs, the Bureau of the Census, and the Office of Management and Budget, also initiated a special study on the reliability of import statistics. By the end of the reporting year a preliminary analysis of six months' data was underway. Further work on this study is in progress.

Customs Cooperation Council

Problems respecting the adequacy and comparability of U.S. statistics on production and foreign trade are also closely related to similar problems of other countries engaged in foreign trade. On November 5, 1970, the United States joined the Customs Cooperation Council,³ an international technical organization whose function is the improvement and coordination of international customs operations and practices. Upon accession to the convention, a Federal interagency committee was established, consisting of the Departments of Treasury, State, Transportation, Commerce, and the Tariff Commission, to participate in the formulation of U.S. policy positions presented before the Council. This committee is chaired by the Commissioner of Customs.

The Commission also participated in a program initiated by the Department of Transportation to establish a universal system for the description of goods moving in domestic and international trade. This group, consisting of Federal agencies and private organizations, is coordinating its work with other countries through the Permanent Technical and the Nomenclature Committees of the Customs Cooperation Council.

Summaries of Trade and Tariff Information

The Commission published five volumes in its con-

³ Pursuant to Senate Resolution of Oct. 4, 1968, giving advice and consent to U.S. accession to the Convention Establishing the Customs Cooperation Council, together with its protocol concerning the European Customs Union Study Group.

tinuing series, *Summaries of Trade and Tariff Information*.⁴

Flavoring Extracts and Essential Oils (TC Publication 337, 1970)

Fabrics, Woven, Knit, Pile, Tufted, and Narrow (TC Publication 346, 1970)

Fibers, Yarns, Waste, and Intermediate Products of Cotton, Other Vegetable Fibers, and Wool (TC Publication 366, 1971)

Flat Glass and Products; and Other Glass Products Used Primarily in Construction (TC Publication 365, 1971)

Organic Chemicals I (TC Publication 387, 1971).

These summaries of commodity information are organized by TSUS item numbers. They contain statistical and other information relating to recent commercial and technological developments in the industries concerned. The summaries are intended to meet the needs of wide and varied interests, including the Congress, the courts, Government agencies, importers, business concerns, trade associations, and research organizations.

Periodic Reports on Commodities

Synthetic organic chemicals

The Commission regularly prepares annual and monthly reports on U.S. production, sales, and imports of synthetic organic chemicals. The annual reports have been published since 1918; the monthly production reports evolved from studies of 250 industrial organic chemicals and 75 medicinal chemicals begun during World War II. Monthly reports on production and sales of plastics and resin materials began in 1948, to assist the Commission, other Government agencies, and the business community.

Annual reports.—On July 2, 1970, the Commission released its 52d annual report on U.S. synthetic organic chemical products having a production volume greater than 1,000 pounds, or total sales exceeding \$1,000.⁵ Fourteen groups of synthetics were involved:

Tar and tar crudes

⁴ For references to previously published volumes in the series, see annual reports of the United States Tariff Commission for fiscal years 1967 through 1970 (TC Publications 227, 273, 301, and 356).

⁵ *Synthetic Organic Chemicals, United States Production and Sales, 1968*, TC Publication 327, 1970.

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
Miscellaneous cyclic and acyclic organic chemicals.

Statistics used in the overall report were based on 1968 data from more than 800 manufacturers, covering some 8,000 individual chemicals and chemical products. Also included were a directory of manufacturers and a summary of imports of related products in 1967 and 1968 (i.e., benzenoid intermediates, dyes, medicinal chemicals, and other finished coal-tar products).

Another annual report issued in July 1970 gave data on imports of benzenoid intermediates, dyes, organic pigments, medicinals and pharmaceuticals, flavor and perfume materials, and other benzenoid products, entered under schedule 4, parts 1B and 1C, of the TSUS.⁶ The data were obtained by analyzing invoices covering most of the general imports of benzenoid chemicals and products entered during 1969.

Monthly reports.—During the year two series of reports were issued by the Commission on the monthly production and sales of certain chemical products.⁷ One series (Series C) summarized data on the U.S. production and sales of certain synthetic organic chemicals, and the other (Series P), plastics and resin materials.

Quantitative determinations

As required by law, the Commission submitted annual reports on U.S. consumption of watch movements and brooms.

Watch movements.—In compliance with headnote 6(c), subpart E, part 2 of schedule 7 of the TSUS,⁸ the Commission made its fifth annual determinations of U.S. consumption of watch movements and the number of watches and movements made in the Virgin

⁶ *Imports of Benzenoid Chemicals and Products, 1969*, TC Publication 328, 1970.

⁷ S.O.C. Series C; S.O.C. Series P.

⁸ Public Law 89-805 (80 Stat. 1521, 1522).

Islands, Guam, and American Samoa which may enter duty free during calendar year 1971. The report was published in the *Federal Register* and duly sent to the Secretaries of the Treasury, Interior, and Commerce.

Brooms.—As required by Executive Order 11377⁹ the Commission sent the President its determination of U.S. consumption of brooms made of broomcorn and other materials in 1970. This, the fourth yearly report, was submitted to assist the President to administer the tariff-rate quotas on broomcorn brooms under the Tariff Schedules Technical Amendments Act of 1965.¹⁰

Assistance to the Congress

In fiscal year 1971, as in the past, a substantial part of the Commission's activity involved responses to requests from the Congress for information on tariff and trade matters.

In late fiscal 1970 and early fiscal 1971, the House Committee on Ways and Means requested technical information and research assistance on a wide range of proposals for trade legislation. In connection with hearings held from May 11 to June 25, 1970, on the proposed Trade Act of 1970, the Commission supplied pertinent data on all commodities on which trade and tariff legislation had been proposed by the Congress. The results were contained in a special report entitled *Background Material on Selected Trade Legislation Introduced in the U.S. House of Representatives*, published by the Ways and Means Committee, House of Representatives. During the hearings and in subsequent executive sessions, staff members served as technical advisers to the Committee.

The Commission also developed, for all TSUS items, information on recent changes in the relationship between U.S. imports and domestic consumption to assist the Congress in a determination of the impact of quantitative restraints proposed for certain import-sensitive products.

During fiscal 1971, the Commission also submitted 16 formal reports on proposed legislation involving tariffs and international trade. Staff members furnished technical information at a number of other congressional hearings, and they responded to over 450 requests for information from individual Members of

⁹ Executive Order 11377 implements headnote 3, subpart A, part 8, schedule 7 of the TSUS.

¹⁰ Public Law 89-241, 79 Stat. 948, 949.

Congress. In the aggregate, such activities required many hours of research and considerable statistical compilations.

Assistance to Executive Agencies

Section 334 of the Tariff Act of 1930 directs the Commission to cooperate with other Government agencies on matters of common interest concerning international trade and customs and tariff policy. During fiscal 1971, the Commission worked extensively with established committees in the Bureau of the Census and the Bureau of Customs. Commission staff members also served on the following permanent interdepartmental committees (in addition to other committees previously mentioned in this report):

Technical Committee on Standard Industrial Classification

Interagency Committee on Automatic Data Processing

Federal Committee on International Statistics

U.S. Metric Study Committee

Interagency Committee To Identify and Classify Cheeses and Other Dairy Products Offered for Importation

Commodity Advisory Committees under the Office of Emergency Preparedness.

The Commission also supplied the Bureau of Domestic Commerce and other Government agencies concerned with national defense with data on strategic and critical materials.

Assistance to the Public

Industry, technical societies, businessmen, lawyers students, and others consistently turn to the Commission for technical information and data on a broad range of subjects involving international trade. Fiscal year 1971 was no exception. The Commission's professional staff members—commodity analysts, lawyers and international economists—replied to numerous requests. In some instances, Commissioners or staff members responded orally or informally to inquiries of this nature at meetings of trade associations and other professional groups. During field work to gather data required for the work of the Commission, the staff often receive requests for information which they respond to orally or by mail after returning to Washington.

3. administration and finances

Organization of the Commission

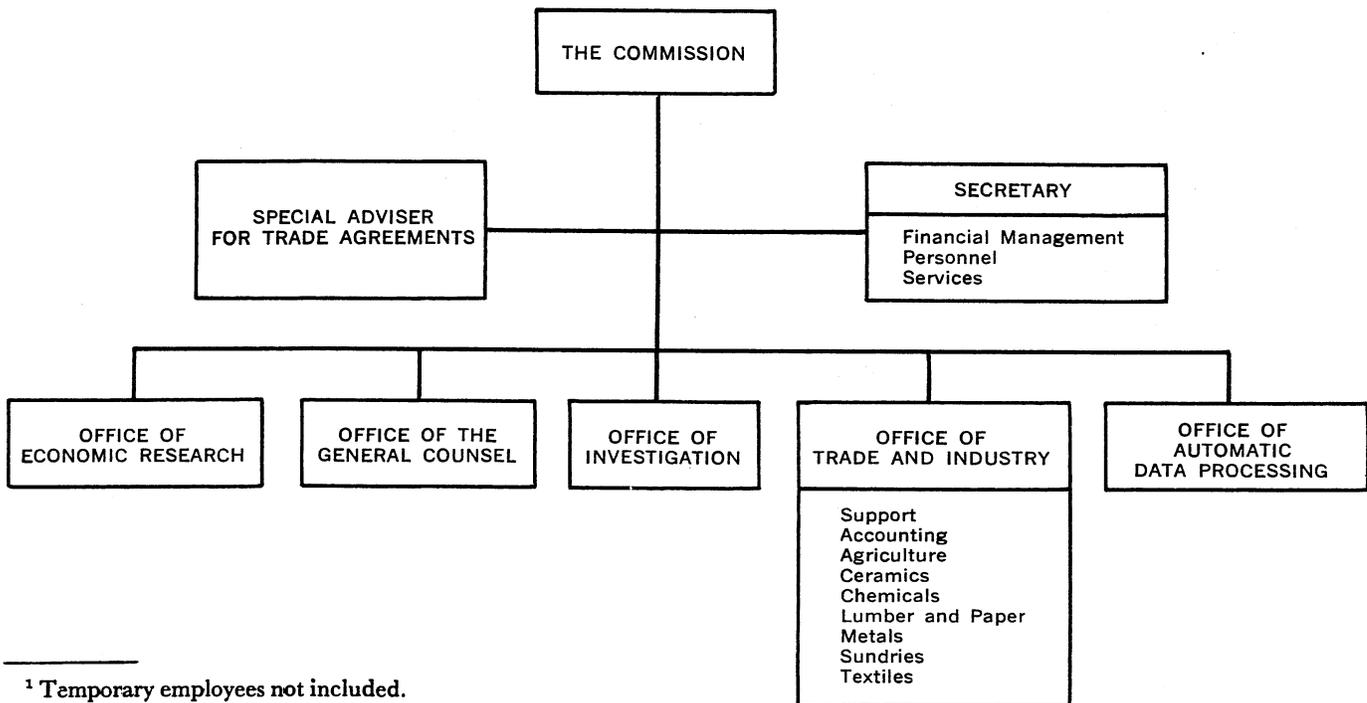
On June 30, 1971, the Tariff Commission was composed of four Commissioners and 244 staff members.¹ On the same date in 1970, the Commission was composed of five Commissioners and 219 staff members. The accompanying chart depicts the Commission's organization at the end of fiscal 1971.

The Secretary serves the Commission in the general conduct of its business, including relations with other Government agencies and the 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 on trade agreements. The General Counsel acts as the Commission's liaison officer with the Congress on legislative matters.

The Director of Investigation, the General Counsel, and the Directors of the Office of Economic Research and of the Office of Trade and Industry are responsible for the direction of the Commission's day-to-day activities involving legal, investigative, and general research duties. A new unit, the Office of Automatic Data Processing, was established during the latter part of fiscal 1971 in order to increase the utility of available data and thereby improve the Commission's analysis of problems relating to U.S. foreign trade.

UNITED STATES TARIFF COMMISSION
June 30, 1971



¹ Temporary employees not included.

Appropriations and Employment

The appropriated funds available to the U.S. Tariff Commission during fiscal year 1971 amounted to \$4,495,000. Reimbursements received totaled \$10,422, making available a grand total of \$4,505,422. Obligations for fiscal year 1971 were as follows:

Salaries	\$3, 722, 27
Personnel benefits.....	294, 10
Travel and transportation.....	52, 47
Rentals and communications service.....	73, 17
Printing and reproduction.....	38, 71
Contractual services.....	24, 90
Services performed by other agencies.....	122, 25
Supplies and materials.....	58, 11
Equipment	66, 03
Total	4, 452, 04

Average employment in fiscal year 1971 (in terms of man-years) was 237 persons.

4. tariff commission publications

During fiscal 1971, the Commission prepared 116 publications, comprising 5,572 pages of material. This published matter covered virtually all aspects of the Commission's work—its formal investigations of firms and industries, its research projects, and work regularly conducted under standing commitments, such as the TSUSA. The following table provides a reference to public documents published by the Tariff Commission in fiscal year 1971.

<i>TC pub.</i>	<i>Subject or short title</i> ¹
No.	
386	Advance Ross Electronics Corp. (W)
390	AMBAC Industries, Inc. (W)
333	American Motors Corp. (W)
345	Ampicillin (337)
356	Annual Report of Tariff Commission, fiscal year 1970
342	Arista Mills Co. (F)
371	Arista Mills Co. (W)
384	Beaunit Corp. (W)
385	Bel-Tronics Corp. (F)
328	Benzenoid Chemicals
388	Bernie Shoe Co. (F)
374	Billiard Balls (I)
368	Capacitors from Japan (AA)
353	Caressa, Inc. (W)
383	Carpenter Technology Co. (W)
350	Carpets (AR)
373	Continental Can Co. (W)
351	C P Electronics, Inc. (W)
338	Dairy Products (AAA)
340	Dairy Products (332)

¹ (AA) designates case under the Antidumping Act, 1921.
 (AAA) designates investigation under sec. 22 of the Agricultural Adjustment Act.
 (AR) designates an annual review of an industry pursuant to sec. 351(d)(1) of the TEA.
 (F) designates "firm" case under sec. 301(c)(2) of the Trade Expansion Act of 1962 (TEA).
 (I) designates industry case under sec. 301(b) of the TEA.
 (W) designates "worker" case under sec. 301(c)(1) of the TEA.
 (332) designates investigation under sec. 332 of the Tariff Act of 1930.
 (337) designates investigation under sec. 337 of the Tariff Act of 1930.

<i>TC Pub.</i>	<i>No.</i>	
	332	Eggs from Holland (AA)
	400	Eggs from Mexico (AA)
	380	Emerson Television and Radio Co. (W)
	360	Ferrite Cores from Japan (AA)
	362	Fibre Form Corp. (F) (W)
	357	FMC Corp. (W)
	329	General Instrument Corp. (W)
	382	Glass from Japan (AA)
	370	Haveg Industries, Inc. (W)
	355	H. H. Scott, Inc. (F)
	347	International Silver Co. (W)
	348	International Silver Co. (W)
	335	Ion Capacitor Corp. (F)
	361	Jodi Shoe Co., et al. (W)
	392	Key Blanks from Canada (AA)
	349	Lear Jet Stereo, Inc. (W)
	391	Lightweight Luggage (337)
	375	Lone Star Textiles, Inc. (F)
	379	Louis Shoe Co., Inc. (F)
	399	Lown-Salvage Shoe Corp. (W)
	372	Mattel, Inc. (W)
	389	Meprobamate (337)
	397	M. P. Moller, Inc. (W)
	359	Nonrubber Footwear (I)
	378	Ornsteen Shoe Co., et al. (W)
	377	Panty Hose (337)
	363	Pianos (AR)
	398	Pig Iron from Canada, et al. (AA)
	376	RCA Corp. (W)
	396	RCA Corp. (W)
	358	R. C. Allen, Inc. (F) (W)
	393	Royal Silver Co., Inc. (F)
	369	Smith Shoe Corp., et al. (W)
	394	Sprague Electric Co. (F)
	395	Sprague Electric Co. (W)
	327	Synthetic Organic Chemicals
	354	Syracuse China Corp. (W)
	343	Tariff Act of 1930, provisions of
	344	Tariff Schedules of the United States Annotated (1971)
	344	Tariff Schedules of the United States Annotated (1971), Supp. 1
	344	Tariff Schedules of the United States Annotated (1971), Supp. 2
	367	Television Sets from Japan (AA)
	381	Tile from the United Kingdom (AA)
	401	Tractor Parts (337)

