Seventeenth Annual Report
of
The United States Tariff Commission

1933
LETTER OF TRANSMITTAL

UNITED STATES TARIFF COMMISSION,
Washington, November 29, 1933.

Sir: I have the honor to transmit to you the Seventeenth Annual Report of the United States Tariff Commission, in compliance with the provisions of section 332 of the act of Congress approved June 17, 1930.

Respectfully,
ROBERT LINCOLN O'BRIEN,
Chairman.

The President of the Senate,
The Speaker of the House of Representatives,
Washington, D.C.
PART I. GENERAL ASPECTS

A. Summary of Commission's activities
   General statement on work for the 3-year period of the Tariff Act of 1930
   Provisions concerning discriminations by foreign countries (sec. 338)

B. Membership of the Commission

C. Powers and duties of the Commission
   Work of the New York office
   Work of the Brussels office

D. Organization of the Commission:
   The staff: Personnel
   Finances and appropriations:
   Salaries and expenses
   Printing and binding
   Expenditures and obligations
   Cooperation with other departments

E. Litigation:
   Under section 315, Tariff Act of 1922:
   Sodium nitrite
   Under section 336, Tariff Act of 1930:
   Casein
   Tuna fish
   Woven-wire fencing and netting
   Wool-felt hat bodies and hoods
   McKay sewed shoes
   Other protests
   Under section 337, Tariff Act of 1930
   I. Recommendations to the Congress:
      Issuance of subpenas
      Temporary order of suspension from entry

PART II. INVESTIGATIONS, SURVEYS, AND REPORTS

A. Statistical record of investigations under rate-adjustment provisions
   (sec. 336)

B. Lists of rate-adjustment investigations completed and in progress
   (sec. 336)

C. Summaries of completed rate-adjustment investigations (sec. 336):
   Sperm oil and spermaceti wax
   Barley malt
   Blown-glass tableware
   Agricultural hand tools
   Folding rules, aluminum and wooden
   Precision drawing instruments
   Optical fire-control instruments
   Upholsterers' nails, chair glides, and thumb tacks
   Cocoa-fiber mats
   Rubber-soled and rubber footwear
   Cotton velveteens and velvets
   Fish packed in oil
D. Investigations under rate-adjustment provisions (sec. 336) rescinded and dismissed ..................................................... 28
E. Applications for investigations (sec. 336) pending, dismissed, or withdrawn:
   Pending applications ........................................................................ 28
   Applications dismissed or withdrawn ............................................. 28
F. Investigations under the general powers of the Commission (sec. 332) .......................................................... 29
G. Lists of investigations completed and in progress under the general powers of the Commission (sec. 332) ......................... 30
H. Summaries of completed investigations under the general powers of the Commission (sec. 332):
   The cigar industry and the tariff ..................................................... 30
   Computed and equivalent ad valorem rates on imports into the United States from principal countries, 1931 ............... 31
   Fishery products .............................................................................. 32
   Synthetic camphor .......................................................................... 33
   Investigations in response to Senate Resolution 325:
      Economic analysis of the foreign trade of the United States in relation to the tariff ................................................... 33
      Range and variety of costs of production ...................................... 34
      Tariff bargaining under most-favored-nation treaties .................. 34
I. Investigations under provisions relating to unfair practices in import trade (sec. 337):
   Russian asbestos ............................................................................ 35
   Slide fasteners ................................................................................ 36
   Parts of slide fasteners .................................................................... 37
   Oxides of iron suitable for pigment purposes ................................ 38
   Cigar lighters .................................................................................. 39
   Phosphates and apatite ................................................................. 41
J. Investigations under section 642:
   Summary of report on methods of valuation .................................. 42

PART III. APPENDICES

Appendix I. Statistical summary of applications and investigations as of November 30, 1933 .................................................................. 45
Appendix II. Publications by the Tariff Commission since the passage of the Tariff Act of 1930 ......................................................... 53
Appendix III. Recent legislation providing for the control of imports ........................................................................ 55
Appendix IV. Basis for the assessment of value of imports ................. 58
SEVENTEENTH ANNUAL REPORT OF THE UNITED STATES TARIFF COMMISSION

WASHINGTON, D.C.,
November 29, 1933.

To the Congress:

The United States Tariff Commission submits herewith its seventeenth annual report.

Part I. GENERAL ASPECTS

A. SUMMARY OF COMMISSION'S ACTIVITIES

In each of the last 3 years, the work of the Commission under the Tariff Act of 1930 has been of a distinctive type. The first year was devoted largely to work under the rate-adjustment provisions; the second to assignments by Congress, broader in scope than single commodity rates, and typified by the study of valuation and the report on the effects of depreciated foreign currencies on our import trade; the third to a continuation of rate adjustments and general investigations and a marked extension of services to other governmental agencies dealing with economic problems arising in domestic and in international trade.

The outstanding single piece of work in the past year was the “Economic Analysis of the Foreign Trade of the United States with Special Relation to the Tariff”, a part of which consisted of reports on “Tariff Bargaining” and “Range and Variety of Costs of Production.” Prepared for the Congress under Senate Resolution 325, Seventy-second Congress, it has been in demand by the Department of State, the Department of Commerce, and by the organizations in charge of the administration’s recovery programs.

This analysis of the foreign trade of the United States was requested by the Congress early in 1933 in anticipation of the Administration’s recovery programs. The report covered:

Articles of which imports have substantially decreased.
Dutiable articles of which the imports are less than 5 percent of domestic production.
Articles on which the tariff rates exceed 50 percent ad valorem.
Dutiable articles of which the imports have increased since 1929.
Dutiable articles more or less noncompetitive and with respect to which foreign countries possess advantages.
Range and variety of costs of production found in Tariff Commission investigations.
Certain information respecting tariff bargaining.

This task the Commission completed in time for use by the London Monetary and Economic Conference. Since that time the data have been in use not only by those studying reciprocal trade and tariff negotiations, but by statisticians and experts assisting the National Recovery Administration and the Agricultural Adjustment Administration.
Integrating the special facilities of the Tariff Commission with the recovery programs, the Congress provided new functions for this body when it enacted legislation making the Commission available for the service of the President in applying import-control measures should they be found necessary under the National Industrial Recovery Act. Under section 3 (e), title I of that act, the Tariff Commission is the agency named to investigate, when directed by the President, conditions of competition from increasing imports in industries where such foreign competition threatens the maintenance of codes or agreements as to increased wages, shorter hours, and better working conditions.

Promptly upon passage of the Recovery Act, the Tariff Commission instituted a statistical service to assist the National Recovery Administration and the Agricultural Adjustment Administration in keeping informed of the immediate trend of imports, production, and general conditions of competition. The Commission deals directly with the imports divisions set up in both the new agencies to receive and examine complaints of increasing imports and to obtain data on which to determine whether an investigation by the Tariff Commission is warranted. Daily contacts between the imports divisions and a liaison committee of the Commission insure prompt exchange of information and rapid utilization of the facilities of the Commission in their service. Members of the staff are on duty, part time or full time, with the National Recovery Administration and the Agricultural Adjustment Administration, supplying information on economic and technical commodity questions needed in framing codes of fair practice. The Commission also furnishes the recovery agencies with other services for which it is specially fitted.

In addition to its direct and specific duties under section 3 (e) of the National Industrial Recovery Act, the Tariff Commission cooperates under its general powers with other departments in all projects undertaken for the recovery of industry.

Another sphere of usefulness for the Commission is its advisory service to those charged with the duty of putting into effect the provision of the Agricultural Adjustment Act levying compensating taxes on imports to offset processing taxes on domestic products of agricultural origin, and the provision for the assessment of compensating taxes on competing products.

Paralleling the close working relationships established with the National Recovery Administration and the Agricultural Adjustment Administration, the Commission has extended specialized assistance to other agencies embarked on new projects having tariff or economic control phases. The Commission is in daily contact with the Department of State in its preparations for reciprocal trade negotiations. An important special service has been furnished the Department of the Treasury on its study of the tariff and taxation aspects of the liquor problem. Numerous other consultative and advisory services have been furnished the Congress and the executive branches of the Government during the year. The general government has thus benefited by the Tariff Commission's steady accumulation of organized factual material over a long period and the help rendered by its trained specialists.

When in January and February 1933 the Congress was considering problems growing out of depreciated foreign currencies, the Commis-
sion supplied extensive and detailed data on that subject, bringing up to date its comprehensive report of the previous year on the same subject.

The most important single activity of the Commission at the present time and one that will extend into the ensuing fiscal year is the preparation of summaries of tariff information required under Senate Resolution 334, Seventy-second Congress.

Part I of this resolution directs the Commission to make an analysis of the composition of the import and export trade of the United States with each of the foreign countries with which the United States has important commercial relations, together with a list of tariff and trade restrictions.

Part II of the resolution directs an early revision of the summaries of tariff information, heretofore compiled by the Commission for use in tariff legislation.

Work upon both of these subjects is going forward as rapidly as can be done with the available staff. Early in January, analyses of the import and export trade of the United States with 12 or 15 important countries will be available in mimeographed form for the confidential use of Members of the Congress and for the executive branches of the Government desiring the information for special purposes.

The summaries of tariff information called for in part II of the resolution are being drafted by all commodity divisions of the Commission for the various schedules of the tariff act. The first draft should be completed during the early part of 1934, but unless special needs arise the summaries will not be published until there is immediate official demand for them in that form. Meanwhile, the basic information contained in them will be kept up to date in the files of the Commission, ready for any use it may serve.

These summaries will contain all available pertinent information bearing upon tariff matters for all products mentioned in the tariff act and also for numerous important products not specially provided for but covered by general or basket clauses and about which information hitherto has been scanty and unreliable. They will give special attention to the competitive and tariff-bargaining aspects, as well as the present economic position, of each commodity.

Present conditions make the preparation of these summaries more difficult than in the past when data of the same sort were gathered in anticipation of tariff revision. Under normal conditions such data can be compiled from published statistics and from organized material obtained from a number of sources of information. Because of demoralized industrial conditions in the last 3 years published statistics are often out of date. It will require immediate and intimate contact with producers and importers through field work by the staff of the Commission to obtain and assemble the latest and most significant information on the domestic and foreign industries for the use of the Congress in formulating its tariff policy and enacting tariff legislation.

Illustrating the use which the Senate makes of the Tariff Commission, the Seventy-second Congress made 5 times as many calls on the Commission for formal investigations and reports as on any other single Government agency. Out of 47 Senate resolutions, 20 were directed to the Tariff Commission; next in numerical order were the
4 SEVENTEENTH ANNUAL REPORT OF TARIFF COMMISSION

Department of Agriculture and the Department of Commerce, with 4 each. Those directed to the Tariff Commission covered:

1. Wood pulp and pulpwood (completed).
2. Depreciated currencies (completed).
3. Crab meat (completed).
4. Optical instruments (completed).
5. Drawing instruments (completed).
6. Food choppers.¹
7. Leather gloves.
8. Plate glass.²
9. Pins.¹
10. Linseed oil.
11. Cast-iron pipe.
12. Cocoa and chocolate.
13. Cotton fishing nets and netting.¹
15. Cut flowers.¹
16. Cutlery.
17. Phosphates and superphosphates.
19. Tariff information on all commodities and on several general economic subjects (S.R. 334).
20. Competitive conditions in the wood-pulp industry, and ascertainment of costs in Norway, Sweden, Finland, and Canada.

Section 334 of the Tariff Act of 1930 directs the Commission to cooperate with other governmental establishments on tariff and related problems. The Commission is actively assisting the following:

1. Executive committee for coordination of commercial policy.
2. Department of State on tariff bargaining.
3. Department of State on certain aspects of imports of liquors.
4. Department of Treasury on tariff and taxation features of alcoholic beverages.
5. Department of Agriculture on agricultural commodities for tariff bargaining.
6. Department of Interior on petroleum cost and price study.

The imminence of the repeal of the prohibition amendment led the Commission to review the general situation and prepare basic factual data for general official use. The revenue acts since 1865 and the data covering tariff rates, revenues, imports, domestic production, and many other aspects of our international and domestic trade in alcoholic beverages, were compiled, analyzed, and issued in mimeographed form. The Commission was thus prepared and gave expert assistance on this subject to the joint committee of the Committee on Ways and Means and the Senate Finance Committee, the Department of the Treasury, the Department of Agriculture, the Department of State, and the President.

Although occupied with the more urgent new undertakings outlined above, the Commission has continued its work of rate adjustments under section 336, and its handling of complaints of unfair practices in import trade under section 337.

Fourteen complaints alleging unfair practices were dealt with during the year.

The new investigations ordered by the Commission from December 1, 1932, to November 30, 1933, numbered 29 (18 in rate-adjustment

¹ Report ready for consideration by the President.
² Submitted for consideration by the President and returned for supplementary data.
cases, 4 complaints of unfair practices, and 7 special studies under the general powers of the Commission). There was carried over from the previous year a total of 42 investigations (33 rate-adjustment investigations, 2 relating to unfair practices, 6 under the Commission's general powers as prescribed by section 332, and 1 dealing with methods of valuation, under section 642). The total number of investigations on which work was performed during the period December 1, 1932, to November 30, 1933, was thus 71.

During the fiscal year 1933 the Commission completed 20 investigations under the several sections prescribing its authority. As shown in the table below, two other investigations, the work on which had been done chiefly during that fiscal year, have since been completed.

Work of the Tariff Commission under certain sections of the Tariff Act of 1930

<table>
<thead>
<tr>
<th>Fiscal period</th>
<th>Applications received (secs. 336, 337)</th>
<th>Investigations ordered (secs. 332, 336, 337)</th>
<th>Applications examined and dismissed (secs. 336, 337)</th>
<th>Hearings held</th>
<th>Investigations or special studies completed</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 17, 1930, to June 30, 1931.</td>
<td>105</td>
<td>75</td>
<td>26</td>
<td>35</td>
<td>28</td>
</tr>
<tr>
<td>Fiscal year, ended:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>June 30, 1932.</td>
<td>72</td>
<td>32</td>
<td>21</td>
<td>27</td>
<td>32</td>
</tr>
<tr>
<td>June 30, 1933.</td>
<td>66</td>
<td>32</td>
<td>26</td>
<td>24</td>
<td>20</td>
</tr>
<tr>
<td>July 1 to Nov. 30, 1932.</td>
<td>7</td>
<td>6</td>
<td>2</td>
<td>5</td>
<td>2</td>
</tr>
<tr>
<td>Grand total under Tariff Act of 1930.</td>
<td>239</td>
<td>138</td>
<td>75</td>
<td>91</td>
<td>82</td>
</tr>
</tbody>
</table>

| Investigations in progress .................................................. 49 |
| Applications pending (sec. 336) .................................................. 49 |

1 Section 332, Tariff Act of 1930: Broad general investigations or projects. Section 336, Tariff Act of 1930: Rate adjustments on individual commodities. Section 337, Tariff Act of 1930: Complaints of unfair practices in import trade.

In addition to the work required on investigations formally ordered by it, the Commission and its staff have devoted much time to the preliminary consideration of applications and complaints from interested parties desiring investigations under the rate-adjustment section (336) or under the "unfair-practice" section (337). Under the so-called "flexible" section (336) the Commission has discretion as to whether it will order an investigation requested by an interested party, but in order to exercise that discretion intelligently a large body of facts must in each instance be assembled and studied. During the fiscal year 1933 the Commission received 66 new applications for investigations under that section. After careful examination of the merits of each of these applications, it denied 25 and ordered 19 investigations. Forty-nine applications are still pending.

The Commission notes again a marked increase in complaints this year under section 337 of alleged unfair practices in the importation and sale of foreign merchandise. Seven formal complaints were filed; 5 investigations were formally instituted. One complaint was dismissed without prejudice. In some of the cases of alleged unfair practices brought to its attention the Commission has been able to correct the conditions complained of without ordering formal investigations.

Important investigations ordered under the Commission's general powers, and which are still in progress at the present time, include
the subjects of asbestos, rayon, flaxseed, phosphates and superphosphates, wood pulp and pulpwood, long-staple cotton, and cutlery. The cutlery investigation, ordered in response to Senate Resolution 246 (72d Cong.), is of very wide scope, covering several tariff paragraphs, and is a difficult one.

It is here proper to emphasize again the fact that direct and indirect trade-restrictive devices continue to be added and multiplied by practically all nations. The Tariff Commission has sought to keep advised of all such measures in all countries. It endeavors not only to know the facts embodied in agreements and regulations but their history and their economic significance. Material for a revised edition of the Commission's former publication "Handbook of Commercial Treaties" is immediately available, as well as for studies of the trade policies of several important countries. The Commission continues as a matter of course to keep posted and will continue the prompt acquisition and organization of fresh material.

The technical difficulties confronting workers in tariff matters during this current period deserve more than passing mention. Not a day since the Commission has been reorganized has it had its docket cleared. The burden of work carried over from one year to the next increases. Not only has it had the continuous thrust of work demanding completion, but the accounting and economic problems, emphasized because of the abnormal period through which industry is passing, have compelled more and more exhaustive investigation. The stress of competition in industry has tended to increase the public demands for relief through the Commission either under its original powers or under the newer ones prescribed or implied in the "Recovery" legislation.

Since the sixteenth annual report several important questions have been settled by litigation. They are briefly (1) that section 336, the flexible provision in the 1930 act (like section 315 in the 1922 act) is constitutional; (2) that rates of duty may be changed thereunder whether the article be described in specific or in general terms; (3) that invoice prices may be used as evidence of production costs but not in lieu thereof; (4) that the Commission is not compellable to select a particular period as representative of costs; and (5) that confidential matters, whether or not strictly and technically trade secrets, can be withheld from disclosure.

GENERAL STATEMENT ON WORK FOR THE 3-YEAR PERIOD OF THE TARIFF ACT OF 1930

Since the enactment of the Tariff Act of 1930 on June 17 of that year, the Tariff Commission has undertaken 146 investigations and made surveys under the provisions of the several sections of that act. More than 80 of these have been completed and 14 have been dismissed, leaving less than 50 pending on the Commission's docket at this time.

Correspondence and press comments indicate that the general impression of persons familiar with the existence of a Tariff Commission is that it is concerned principally with adjustments in rates of duty prescribed in the statute, as provided for in section 336 of the Tariff Act of 1930. While the Commission does do a large volume of work under the provisions of this section, the special investigations, made at the request of Congress, which do not result in changes of duties
on specific articles, but are economic studies of various types are often more intricate and require more time than many rate-adjustment cases. These special investigations are usually made under what are known as the general powers of the Commission, provided in section 332. More than 40 surveys and special investigations under this section have been ordered since the passage of the Tariff Act of 1930. The topics covered by studies made under this section have been of such current interest as United States-Philippine tariff and trade relations, depreciated exchange, petroleum and petroleum products, vegetable and animal oils and fats, analysis of foreign trade, fishery products, and others.

**Action Under the Rate-Adjustment Tariff Provision**

The entire period since the enactment of the Tariff Act of 1930 has been one of exceptionally disturbed economic conditions both in the United States and in foreign countries, a circumstance that has made the work of the Tariff Commission under the rate-adjustment provision peculiarly difficult. The constantly changing conditions have made it uncertain whether the relation between domestic and foreign costs of production, as ascertained for a given period of time by the Commission, was still representative at the time when the final report on the given commodity was completed, and still more uncertain whether it would remain representative for the future. Not only does a Commission investigation under section 336 necessarily, for reasons already set forth, extend over a considerable number of months but the nature of cost accounts is such that the comparison made by the Commission must in most cases relate to a period of time several months, if not a year or more, before the initiation of its investigation. Few concerns keep records such that costs can be ascertained except on an annual basis, usually a calendar-year basis. Even between the period covered by a given cost comparison and the date at which the investigation was instituted, there may have been very radical changes in costs of production both at home and abroad. Throughout most of the time from the beginning of 1930 to the middle of 1933 prices of raw materials and wages of labor were declining, thus tending to reduce costs, but, on the other hand, output was also in most cases falling off, thus tending to increase overhead costs and in part, if not wholly, to offset the reduction in other cost factors. These tendencies existed both in the United States and in foreign countries but not ordinarily in equal degree. Consequently the cost difference as ascertained for a given period of time might by no means represent the cost difference at the time the report of the Commission was completed. Moreover, even if there was reason to believe that no radical change in the relation between domestic and foreign costs had taken place in the interval, there remained uncertainty whether the cost comparison would be representative of future conditions.

A special difficulty which has confronted the Commission in cost comparisons under section 336 has resulted from the instability of international exchanges. Beginning with September 1931 the currencies of many of the countries of the world fell sharply in their exchange value for the dollar; the dollar down to April 1933 remaining on the gold standard and stable as compared with other gold-standard countries. The depreciation of a foreign currency tended, at least temporarily, to reduce costs in the foreign country when expressed in
terms of dollars. Consequently, a cost comparison made for a period when the foreign currency was substantially at par with the dollar might cease to be representative when the foreign currency had depreciated. Under such conditions the Commission was forced either to make adjustments on the basis of such information as was obtainable concerning the effect of the depreciation on the foreign costs or to report to the President that costs could not be ascertained for a "representative" period as required by section 336.

The complications arising from these rapidly changing conditions affecting costs have added materially to the amount of work required in any given investigation. It has been necessary to supplement the formal investigation of cost accounts for a definite period by thoroughgoing inquiries regarding the effect of subsequent changes in cost factors. The proper interpretation of the facts ascertained has demanded from the staff and the members of the Commission the exercise of an exceptional measure of discriminating judgment.

It is obvious that during the last few months the difficulties confronting the Commission in investigations under section 336 have still further increased. The depreciation of the American dollar as compared with currencies of gold-standard countries, the changes in costs in the United States due to various activities under the recovery program, and other changes, often rapid and marked, in costs of production, both in the United States and in foreign countries, due either to natural economic or to artificial measures, have combined to increase the uncertainty as to the representative character of any given cost comparison covering a past period of time. For this reason the Commission during recent months has been less disposed than usual to grant applications of interested parties for investigations under section 336, and in certain investigations already under way it has deemed it wise to postpone temporarily their completion and final report to the President.

Notwithstanding these exceptional difficulties in cost investigations under the conditions prevailing during the last 3 years, the Commission, as shown by the present and previous reports, has succeeded in making a large number of findings regarding tariff rates under section 336, and many of these have related to commodities of major importance.

During the 3 years of the existence of the Tariff Act of 1930, there have been instituted by the Tariff Commission, under section 336, the rate-adjustment section of this tariff law, often referred to as the "flexible tariff" provision, 105 investigations. Sixty-one of these investigations were ordered on resolutions adopted by the Senate, 9 at the request of the President, and 35 on applications from interested parties. Fifty-seven rate-adjustment investigations have been completed, resulting in presidential proclamations decreasing 26 rates of duty and increasing 23. In other instances the President approved the Commission's reports which did not specify changes in duties. This action left 55 rates of duty unchanged, after investigation by the Tariff Commission under the rate-adjustment section. In the case of four items included in two of these investigations the President returned the Commission's reports for more current data.

Other Work of the Commission

Another section of the present tariff law (sec. 337) which relates to the work of the Tariff Commission provides for investigations of alleged
unfair methods of competition or unfair acts in the importation or sale of imported articles in the United States. Under this section, the Commission has instituted six investigations, and since the beginning of 1933 has completed three of them. In the other three investigations under this section, one has been completed but has not yet been submitted; the other two are nearing completion.

The first investigation completed and the only one reported on to the President under this section relates to alleged violation of the provisions of this section in the importation and sale of asbestos produced in the Union of Soviet Socialist Republics. In this case the Commission found that certain alleged unfair methods or acts complained of did not constitute a violation of the section and that the existence of certain other alleged unfair methods or acts had not been established in the investigation. The second investigation completed under this section relates to alleged infringement of United States patents by importers of certain imported slide fasteners. In accordance with the provisions of the section, copies of the Commission's findings of unfair competition and recommendations were sent to importers. Within 60 days from the date of the mailing of the findings, the time allowed in the section, appeals were taken from the Commission's findings and filed in the United States Court of Customs and Patent Appeals. One appeal was dismissed on stipulation on October 4, 1933. The other appeal is now pending. The third investigation completed under this section relates to alleged infringement of United States patents relating to the production of oxides of iron suitable for pigment purposes. The Commission found the existence of unfair methods of competition in violation of the section and sent copies of its findings to importers and the producer and shipper abroad. Within 60 days thereafter, appeals to the United States Court of Customs and Patent Appeals were taken from the Commission's findings. These appeals are now pending.

In a fourth investigation relating to the infringement of a United States patent for a certain type of cigar lighter and also relating to simulation of the designs of such lighter, the Commission promulgated its findings that infringement had been established to a certain extent but that simulation had not been established. On motion of complainant, the Commission granted a rehearing and has not yet promulgated its findings on the rehearing.

In accordance with the special proviso in paragraph 51 of the existing tariff law, the Commission has completed the first of a series of investigations to assist the President in determining whether at the end of stated periods the duty on synthetic camphor should be reduced. The first report was called for and made at the end of 3 years (June 17, 1933) after the passage of the Tariff Act of 1930, and showed that no change should be made in the existing rate of duty at 5 cents per pound. The President has approved the Commission's report.

One of the most extensive investigations conducted by the Commission was that provided for in section 340 of the tariff law. This investigation was completed in June 1932. The section directed the Commission to ascertain with respect to the ad valorem duties the rates which, if applied upon the basis of domestic value in principal markets of the United States, would have resulted in the imposition, during the 2 years ended June 30, 1929, of amounts of duty equal to that which would have been collectible at the rate specified in the
Tariff Act of 1930 upon the present basis of valuation; namely, foreign value in most cases.

Upon completion of the investigation under section 340, President Hoover requested the Commission to make a survey of the bases for valuation of imported merchandise for the assessment of customs duties, particularly with a view to determining the extent to which values in the United States may properly be used as a basis for the assessment of duties. Section 642 of the tariff law provides that the President shall designate the agency to make this survey. The survey was completed and sent to the President on February 28, 1932.

PROVISIONS CONCERNING DISCRIMINATION BY FOREIGN COUNTRIES
(SEC. 338)

The tariff policy underlying this section of the act is known as unconditional most-favored-nation treatment. In return for the equal tariff treatment accorded by the United States in levying the same rate of duty on the like products of every foreign country (except only Cuba), the United States expects that its products shall receive in foreign countries tariff treatment as favorable in all respects as the treatment accorded to the like products of the "most-favored" foreign country. The opinion is sometimes expressed that it is unjust for the United States, without conceding reductions in its tariff rates, to ask or receive the "reduced" rates agreed upon by foreign countries in "reciprocity" treaties. In fact, however, numerous foreign "preferences" have been accorded not by tariff reductions but by raising rates against all but the favored country, and many if not most of the apparent "concessions" made from European tariffs are merely nominal concessions from rates which had been previously raised for the purpose of bargaining. As long as the United States does not pad its tariff rates for bargaining purposes, reductions made in return for reductions in the bargaining tariffs of European countries might prove to be genuine concessions exchanged for nominal concessions from padded rates. To bargain on equal terms with certain countries, the United States would have to adopt surtaxes or maximum tariff rates of some kind, corresponding to their maximum or bargaining tariffs. In line with this policy, section 338 provides for the imposition, by proclamation of the President whenever he finds that the public interest will be served thereby, of new or additional rates of duty not to exceed 50 percent ad valorem or its equivalent, on any or all products of any foreign country which discriminates against the commerce of the United States "in such manner as to place the commerce of the United States at a disadvantage compared with the commerce of any foreign country." If, after such proclamation, the foreign country maintains or increases its discrimination against the commerce of the United States, the President is further empowered, if he deems it consistent with the interests of the United States, to exclude any products of such country from importation into the United States.

A "foreign country" means, for the purpose of this statute, any "empire, country, dominion, colony, or protectorate, or any subdivision or subdivisions thereof * * * within which separate tariff rates or separate regulations of commerce are enforced."
The function of the Tariff Commission is stated in subdivision (g) of section 338:

It shall be the duty of the Commission to ascertain and at all times to be informed whether any of the discriminations against the commerce of the United States enumerated in * * * this section are practiced by any country; and if and when such discriminatory acts are disclosed, it shall be the duty of the Commission to bring the matter to the attention of the President, together with recommendations.

B. MEMBERSHIP OF THE COMMISSION

Mr. Robert Lincoln O’Brien, of Massachusetts, continued by reappointment of the President on December 1, 1932, as chairman of the Commission.

Mr. Thomas Walker Page, of Virginia, appointed vice chairman by the President on reorganization of the Commission in 1930, continued in that office by Presidential reappointment on September 17, 1933.

The other members of the Commission, who continue to serve are: Edgar B. Brossard, of Utah; John Lee Coulter, of North Dakota. Commissioner Ira M. Ornburn, of Connecticut, served until the expiration of his term June 16, 1933.

Commissioner Charles R. Crisp, of Georgia, given a recess appointment on September 27, 1932, assumed official duties on October 7, 1932. He resigned on December 30, 1932.

To fill the vacancy existing, James W. Collier, of Mississippi, was appointed by the President on March 27, 1933. Commissioner Collier died on September 28, 1933.

In resolutions adopted on the death of Commissioner Collier, the Commission said in part:

The members of the Commission are unanimous in expressing their affectionate esteem and their loss of a warm personal friend by his death. The Commission has lost a member of broad and valued public experience, unique in his long, active association with the problems of national revenues, tariffs, and taxation. The State and the Nation have lost a servant whose life has been devoted earnestly, exclusively, and with great honor to public affairs.

C. POWERS AND DUTIES OF THE COMMISSION

Previous reports have dealt with the powers and duties of the Commission in some detail, tracing their legislative history and development. To them the interested reader is referred. It will suffice at this time to say generally that the Commission is an arm of Congress and the President for obtaining special types of information and for performing certain special work. It has today six legally defined functions. These in briefest outline are:

1. To investigate and report upon tariff matters in general. (Sec. 332, Tariff Act of 1930.)
2. To cooperate with other governmental establishments. (Sec. 334.)
3. To investigate and report to the President the differences in the cost of production of domestic commodities and like or similar foreign articles and any necessary tariff changes to equalize these differences. (Sec. 336.)
4. To investigate and report upon unfair practices in importation and sale of foreign merchandise. (Sec. 337.)
5. To keep informed of discriminations against the foreign trade of the United States. (Sec. 338.)
The Tariff Act of 1930 provides also for several special investigations and reports, now completed.

Through the National Industrial Recovery Act the Commission has a new function, namely.—

6. At the direction of the President, to investigate import conditions as they endanger or threaten the maintenance of codes of fair practice or other agreements by domestic industries under the Industrial Recovery Act.

Having consideration for the interests to be affected by tariff changes in normal times, the present law provides for the lapse of certain time between announcement of proposed action and the effective dates. The procedures adopted also recognize that there are several parties interested in all tariff matters and that each is entitled to fair consideration.

As the Commission has indicated on previous occasions, the impression seems widespread that the rate-adjustment provision, the so-called "flexible" clause, section 336, affords a quick means of changing statutory rates of duty. Emergency relief is frequently asked of the Commission on this mistaken premise. The law requires a public hearing after due public notice, and the Commission follows the rule of 30-days' notice. The law also provides for changes in rates of duty by Presidential proclamation and sets the effective date of the new rates 30 days after the issuance of the proclamation. In addition to the 60 days thus demanded, the law requires the ascertainment of foreign as well as domestic costs of production. If the situation in any investigation be such that cost accountants and other investigators must go to distant "principal competing" countries and ascertain the current facts, the time necessary for travel both ways, and for work at the end of the journey each way becomes an important factor. Even were investigators to start the day of announcing both a formal investigation and a public hearing, the 30 days during which public notice runs, is not enough to travel to and from a European country, conduct an investigation, and write the results before the hearing. Much more time would be required to conduct field work in countries on other continents.

Other reasonable assumptions are:

1. At the conclusion of the field work, the hearing, and after the filing of briefs, the Commission needs some time to review the facts and write the report.
2. The President on receiving the report will need some time to consider the case and obtain the views of those advisers he may wish to consult.

Two other considerations must also be mentioned. One is that with much work pending, the Commission cannot take up each new application and instantly order a new investigation. Its forces and finances are not so large. New applications, save in exceptional circumstances therefore must wait until preceding and equally important work is cleared away. The second consideration is that the merits of an application may not warrant a formal investigation at that particular time. To ascertain the existing facts about a commodity subject to complaint requires some little time and work, possibly some work at the New York customhouse, or other work in the field.

This discloses the numerous, essential stages through which investigations pass. Those restraints on quick action to change rates of duty, where they are not imposed by the law itself, are dictated by
any intelligent plan for handling this kind of public business under the present legislation for rate adjustments.

However, this explanation does not mean that in exceptional cases under section 336 (rate adjustment) the Commission itself cannot move quickly. It can and has. If freed of the necessity for travel beyond North America, the Commission by efficient and economical use of its resources, can handle urgent cases from start to finish in say 6 or 7 weeks, but other work must at times be pushed aside to maintain this schedule on the preferred cases.

The Commission’s general powers to make studies of tariff problems and report thereon do not stipulate any formalities respecting hearings, public notices, or Presidential proclamations. The rapidity therefore with which the Commission can move under its general powers is governed by the kind of information it must procure.

For its work under the import control clauses of the National Industrial Recovery Act, the Commission is working out prompt and expeditious methods of making the required investigations.

D. ORGANIZATION OF THE COMMISSION

The Commission in previous reports has described the way in which it is organized for the conduct of its work. That organization continues, with one substantial change effected this year, namely, the consolidation of the sugar division with the agricultural division. The office of the Commission at the New York customhouse and the European office of the Commission in Brussels, Belgium, continue to function as described at some length in the annual reports for 1931 and 1932.

WORK OF THE NEW YORK OFFICE

Because of rapidly changing conditions in industry, the demand for current statistics of specific imports prior to the time that the official compilations become available has increased materially during the last year. This demand has increased the regular work in the New York office, and the material obtained therefrom has been of great assistance, especially on work connected with the special tasks required of the Commission this year.

WORK OF THE BRUSSELS OFFICE

Since July 1, 1932, work has been carried on through the Commission’s European headquarters in 14 investigations in Belgium, France, Germany, Great Britain, Holland, and Italy. The work involved many difficult problems and a large number of companies in major industries widely dispersed throughout the several countries concerned. Field work has been completed except as to two investigations, which are still pending.

E. THE STAFF

Personnel

The Commission and its staff, as organized at the close of the fiscal year 1933, consisted of 301 persons, a net decrease of 66 under last year. This total comprised 5 Commissioners and 296 employees, 190 of whom were men and 111 were women. Sixty-three members of the staff rendered military or naval service. The total number within the civil service retirement law was 175. The amount of money
deducted from their salaries under the retirement law during the fiscal year 1933 was $13,443.07. The following changes in personnel occurred during the fiscal year ended June 30, 1933:

<table>
<thead>
<tr>
<th>Appointments:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Permanent employees</td>
<td>8</td>
</tr>
<tr>
<td>Temporary employees</td>
<td>2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>10</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Separations:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Resignations</td>
<td>11</td>
</tr>
<tr>
<td>Temporary appointments completed</td>
<td>65</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>76</strong></td>
</tr>
</tbody>
</table>

Net decrease in staff: 66

A brief comparative table of the staff follows:

<table>
<thead>
<tr>
<th>Departmental and field services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Title</td>
</tr>
<tr>
<td>Commission in Europe</td>
</tr>
<tr>
<td>Executive assistant to the chairman</td>
</tr>
<tr>
<td>Administrative officer</td>
</tr>
<tr>
<td>Chiefs of divisions</td>
</tr>
<tr>
<td>Acting chief of division</td>
</tr>
<tr>
<td>Special experts</td>
</tr>
<tr>
<td>Clerks, including stenographers</td>
</tr>
<tr>
<td>Secretaries and stenographers assigned to Commissioners</td>
</tr>
<tr>
<td>Operators, office devices</td>
</tr>
<tr>
<td>Telephone operators and stock clerks</td>
</tr>
<tr>
<td>Messengers</td>
</tr>
<tr>
<td>Skilled laborer</td>
</tr>
<tr>
<td><strong>Total</strong></td>
</tr>
</tbody>
</table>

1 vacancy. 2 vacancies.

The Commission has endeavored to obtain, but without success, legislation extending to its employees stationed abroad, the same allowances and privileges afforded other Government agents serving in similar capacities. The death of one of our agents during the past year and the distressing circumstances incident to the return of the body and family, the cost of which had to be borne by private funds, emphasize the need for a law providing equal rights to all employees stationed in foreign countries.

F. FINANCES AND APPROPRIATIONS

Salaries and Expenses

The appropriation for salaries and expenses for the fiscal year ended June 30, 1933, was $1,000,000. Of this sum there was returned to the Treasury $99,729.90 impoundments under the Economy Act, and $32,526.30 unexpended balance.

Printing and Binding

The appropriation for all printing and binding during the fiscal year ended June 30, 1933, was $20,000. By allotment the Bureau of the Budget reduced that amount to $15,000. Of the latter amount $1,027.26 was returned to the Treasury unexpended.
Expenditures and Obligations

Expenditures for the fiscal year ended June 30, 1933, and the outstanding obligations as of that date are as follows:

Salaries:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Six Commissioners</td>
<td>$54,446.30</td>
</tr>
<tr>
<td>Employees</td>
<td></td>
</tr>
<tr>
<td>Departmental service</td>
<td>644,146.84</td>
</tr>
<tr>
<td>Field service</td>
<td>82,625.54</td>
</tr>
</tbody>
</table>

Travel expenses:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>In the United States</td>
<td>39,225.92</td>
</tr>
<tr>
<td>In foreign countries</td>
<td>24,250.61</td>
</tr>
<tr>
<td>Books of reference and publications</td>
<td>2,890.75</td>
</tr>
<tr>
<td>Printing and binding</td>
<td>13,972.74</td>
</tr>
<tr>
<td>Telephone and telegraph</td>
<td>3,715.98</td>
</tr>
<tr>
<td>Rent of office (foreign)</td>
<td>737.73</td>
</tr>
<tr>
<td>Repairs and alterations</td>
<td>1,106.62</td>
</tr>
<tr>
<td>Office equipment, supplies, miscellaneous expense</td>
<td>14,597.81</td>
</tr>
</tbody>
</table>

Total: 881,716.54

G. COOPERATION WITH OTHER DEPARTMENTS

As required by section 334 of the tariff act, there has been close contact and full cooperation during the year between the Tariff Commission and other departments of the Government. The Commission desires particularly to acknowledge with appreciation the valuable assistance given by—

The Department of State, through the regular service of consular and diplomatic reports and through special service in all investigations in foreign countries. In the Commission's report to the Senate on tariff bargaining under most-favored-nation treaties (submitted in response to S.Res. 325, 72d Cong., 2d sess.) the Department supplied valuable data relating to tariff bargaining and concerning commercial treaties and agreements of the United States in force.

On the other hand, the Commission has cooperated actively with the Department of State in many matters, particularly in extensive preparatory studies for use in negotiating tariff reciprocity agreements with other countries, and in studying the policy to be pursued in regard to alcoholic beverages. One of the Commission's staff assisted the American delegates at the World Economic Conference in London, and another was American representative on an international committee which discusses uniformity of nomenclature for trade statistics and tariffs.

The Department of the Treasury, through the Bureau of Customs and the collectors of customs: The loan of original documents and active assistance on many special occasions.

The Department of Agriculture: Continuous information on cotton and other information on agricultural products under special investigation by the Tariff Commission.

The Department of Commerce, through the Bureau of Foreign and Domestic Commerce, division of statistics in Washington, and the section of customs statistics at New York: Continuous furnishing of all types of information relating to imports, foreign tariffs, and special information on foreign commerce. Through the Bureau of Fisheries: Special information and assistance in the Commission's survey of fishery products.
The Government Printing Office: For special assistance in completing the “Analysis of the Foreign Trade of the United States with Relation to the Tariff” in final printed form in time for the use of the American delegation to the London Monetary and Economic Conference.

H. LITIGATION

UNDER SECTION 315, TARIFF ACT OF 1922

The United States Supreme Court denied petitions for writs of certiorari to review the decisions of the Court of Customs and Patent Appeals referred to in the sixteenth annual report under the headings “Cheese” and “Men’s Sewed Straw Hats” (287 U.S. 628.)

Sodium Nitrite

_Norwegian Nitrogen Products Co. v. United States_, 288 U.S. 294.—On February 6, 1933, the Supreme Court affirmed the judgment of the Court of Customs and Patent Appeals, 20 C.C.P.A. (Cust.) 27, and held that the right to a hearing accorded by section 315 in the case of a foreign producer refusing to reveal its costs of production although its domestic competitor offered to reveal its own costs did not include the right to examine the statement of costs which the domestic producer furnished the Commission in confidence; or the right to inspect data gathered confidentially by the Commission as to foreign costs; or the right to elicit such information by examination of the domestic producer’s officers and the Commission’s agents—such confidential information being withheld in accordance with the practice of the Commission in like cases. The hearing accorded by section 315 is one of the same order as has customarily been allowed by congressional committees in the tariff-making process. The function of the Commission was declared to be that of an adviser of the President or of the Congress, not that of an arbiter between adverse litigants. The court held that where the disclosure of confidential information might work hardship or injustice or hamper the work of the Commission, the Commission’s refusal so to disclose was not arbitrary and that in the absence of arbitrary refusal the Commission’s action was not improper.

UNDER SECTION 336, TARIFF ACT OF 1930

Casein

_National Cooperative Milk Producers Federation, Inc., v. United States Tariff Commission._—The facts in this case are more fully set forth on page 16 of the sixteenth annual report. Briefly, they involve the right of parties interested in investigations under section 336 to have access to the records of the Commission and to examine the Commission’s investigators as to facts ascertained in the investigations. On February 14, 1933, the Supreme Court of the District of Columbia denied plaintiff’s motion to strike out defendant’s answer to the bill of complaint and to award plaintiff a decree pro confesso. The court thus sustained the Commission’s position that the matter contained in the answer was relevant. On June 19, 1933, Justice Luhring signed an order pursuant to his decision of February 14, 1933.

Tuna Fish

_Frederick T. Seggerman v. United States Tariff Commission._—The facts in this case are more fully set forth on page 16 of the sixteenth
annual report. The case concerns the right of importers to compel the Commission to conduct a cost investigation abroad and/or to select any particular period as the representative period. On January 5, 1933, the Supreme Court of the District of Columbia dismissed the bill of complaint, thereby upholding the Commission's contention that it was for the Commission and not the court to determine whether foreign costs were readily ascertainable and also what constitutes a representative period. Complainant noted an appeal from the court's decision, but that appeal was never perfected.

**Woven-Wire Fencing and Netting**

*United States v. Sears, Roebuck & Co., 20 C.C.P.A. 295.*—Following its decisions in the *Fox River Butter Company* and other cases under section 315 of the Tariff Act of 1922 (20 C.C.P.A. 15, 38, 45, and 49), the Court of Customs and Patent Appeals reversed the decision of the Customs Court (T.D. 45534) and held that the President's proclamation under section 336 of the Tariff Act of 1930 (T.D. 44605), changing the classification by giving a specific designation to a commodity provided for in general terms in paragraph 397 (woven-wire fencing and netting), is constitutional. Section 336 was declared not to authorize the Tariff Commission to accept invoice prices in lieu of costs of production but as evidence thereof. The action of the President under section 336 was held to be administrative and not judicial in character and may be reviewed by the courts to determine whether the powers delegated by the section have been exceeded. The court declared that the duty had been lawfully changed in this case. On October 9, 1933, the Supreme Court denied a petition for a writ of certiorari to review the decision of the Court of Customs and Patent Appeals.

**Wool-Felt Hat Bodies and Hoods**

*Feltex Corporation (The United States, Impleaded) and The United States (Feltex Corporation, Impleaded) v. Dutchess Hat Works (an American manufacturer).*—Both the Government and the importer appealed from the decision of the Customs Court (T.D. 45974), referred to in the sixteenth annual report of the Commission. The case was argued on October 9, 1933. On November 28, 1933, the Court of Customs and Patent Appeals issued an order that "counsel for the respective parties be requested to file briefs upon the question whether or not, under section 336 of the Tariff Act of 1930, the President is confined to a consideration of the facts contained in the report of the Tariff Commission as a basis for his judgment upon the matter involved in his proclamation, or he may consider all of the facts adduced before the Commission in its investigation, whether or not contained in such report." The Dutchess Hat Works filed the brief so requested on December 27, 1933. The United States filed its brief on December 28, 1933, as did also the Feltex Corporation.

**McKay Sewed Shoes**

*William Filene's Sons Co. v. United States, T.D. 46665.*—Under the authority of *Hampton v. United States*, 276 U.S. 394, and other cases mentioned in this and previous annual reports, the Customs Court overruled a protest challenging an increase in duty under section 336 of the Tariff Act of 1930 on McKay sewed shoes and held section 336 to be constitutional.
Other Protests

Many protests have been filed against changes in duties under section 336 of the Tariff Act of 1930. These protests pending before the Customs Court involve, in addition to the commodities mentioned, such products as sewed straw hats, infants' wool knits, outerwear, cocoa-fiber mats, thumb tacks, dried egg products, rubber footwear, olive oil in tins, bicycle bells, glue, peppers, green or unripe peas, window glass, bentwood furniture, hemp cordage, Fourdrinier wire cloth, and turned leather shoes.

UNDER SECTION 337, TARIFF ACT OF 1930

Appeals on questions of law have been taken from the Commission's findings respecting slide fasteners and oxides of iron, which findings were promulgated on March 20, 1933, and August 16, 1933, respectively. Pursuant to the court's mandate, the Commission has transmitted the record and the cases are now pending. On November 6, 1933, the court denied a motion on behalf of the Hookless Fastener Co., to dismiss the appeal of the Orion Co. in the slide fastener matter. The court at the same time denied a motion of the Orion Co. to remand the matter to the Tariff Commission. The appeal of the Hermes Leather Co. in the same case was dismissed on stipulation of counsel on October 4, 1933. To date no rulings have been handed down by the court in the matter of oxides of iron.

I. RECOMMENDATIONS TO THE CONGRESS

The Commission repeats the following recommendations from its sixteenth annual report:

ISSUANCE OF SUBPENAS

In investigations the requirement that commissioners sign subpenas for witnesses may cause embarrassment in that a person desired as a witness may disappear before a subpena can be issued by a Commissioner. If agents of the Commission who are duly authorized by a Commissioner be permitted to sign subpenas, difficulties possible under the present law would be obviated. The purpose herein suggested may be accomplished by amending the last sentence of section 333 (a) to read as follows:

* * * Any member of the Commission and any agent of the Commission duly authorized by a member of the Commission may sign subpenas, and members and agents of the Commission, when authorized by the Commission, may administer oaths and affirmations, examine witnesses, take testimony, and receive evidence.

TEMPORARY ORDER OF SUSPENSION FROM ENTRY

Section 337 provides for action by the President upon a prima facie showing made by complainants of unfair methods of competition or unfair acts in the importation or sale of imported products in the United States. This provision is contained in subdivision (f), which reads:

Whenever the President has reason to believe that any article is offered or sought to be offered for entry into the United States in violation of this section but has not information sufficient to satisfy him thereof, the Secretary of the Treasury shall, upon his request in writing, forbid entry thereof until such investigation as the President may deem necessary shall be completed; except that
such articles shall be entitled to entry under bond prescribed by the Secretary of the Treasury.

It will be seen that entries are required to be suspended in all cases where "the President has reason to believe" that the law is being violated but has not information sufficient to satisfy him thereof. The like provision in section 316 of the Tariff Act of 1922 was repeatedly called to the attention of the Congress in annual reports of the Tariff Commission. (See tenth annual report, 1926, p. 22; eleventh annual report, 1927, p. 16; twelfth annual report, 1928, p. 21; thirteenth annual report, 1929, p. 28.) The provision was, however, reenacted in section 337 of the Tariff Act of 1930 as set forth above without any change except in the proviso, which permits entry under bond as a right rather than as a privilege.

Under that law, importations are stopped, unless bond is given with a heavy penalty. No provision is made in the law for any form of indemnity for respondents who make entry under bond in accordance with subdivision (f) where violation of section 337 is not finally established. Requirement that complainants furnish bond for reimbursement of the premium on bonds filed by importers in such cases would appear to be just.

Part II. INVESTIGATIONS, SURVEYS, AND REPORTS

A. STATISTICAL RECORD OF INVESTIGATIONS UNDER RATE-ADJUSTMENT PROVISIONS (SEC. 336)

The appendix contains a statistical record and detailed tables of the work of the Commission under the rate-adjustment, or so-called "flexible" provisions of the tariff act from December 1, 1932, to November 30, 1933.

B. LISTS OF RATE-ADJUSTMENT INVESTIGATIONS COMPLETED AND IN PROGRESS (SEC. 336)

The commodities upon which investigations have been completed during this year are listed below:

- Sperm oil and spermaceti wax
- Barley malt
- Blown-glass tableware
- Agricultural hand tools
- Folding rules, aluminum and wooden
- Precision drawing instruments
- Optical fire-control instruments
- Upholsterers' nails, chair glides, and thumb tacks
- Cocoa-fiber mats
- Crab meat
- Rubber-soled and rubber footwear
- Cotton velveteens and velvets
- Fish packed in oil

A summary of each report on the above commodities is given in section C.

The following investigations were under way on November 30, 1933; 12 were in response to Senate resolutions. Of the remaining 22, 8 were based on requests by the President, and 14 on applications from interested parties, industries, or organizations. Of the 8 investigations ordered at the request of the President, the Commission also

* Completed and proclamation issued by the President December 14, 1933.
had applications for investigation on 2 of the items, and of the 12 ordered in response to Senate resolution, there were also 2 applications from interested parties on file with the Commission.

Casein
Linseed oil
Chinaware and earthenware
Fluorspar
Electric light bulbs
Quarry tiles
Plate glass
Pins
Food-chopping machines
Cast-iron pipe and fittings
Cotton ties
Sugar
Candied fruits
Cut flowers
Cocoa and chocolate and cacao butter
Rye
Cherries, sulphured or in brine

Tomatoes, prepared or preserved
Ale, porter, stout, and beer
Clams packed in airtight containers
Mackerel
Swordfish
Cotton fishing nets
Rag rugs
Grass or straw rugs
Wool-felt hat bodies and hats
Filaments and yarns of rayon
Laminated products, etc.
Leather gloves
Calf and kip leather
Goat, kid, and cabretta leather
Matches
Cork insulation
Tooth and toilet brushes

C. SUMMARIES OF COMPLETED RATE-ADJUSTMENT INVESTIGATIONS (SEC. 336)

In the sixteenth annual report of the Tariff Commission, considerable information was given concerning investigations then in progress under section 336. For those that have since been completed and reported upon to the President, a few additional facts are here given.

Sperm Oil and Spermaceti Wax

This investigation, covering crude and refined sperm oil and spermaceti wax, was ordered May 11, 1932. A report was submitted to the President February 24, 1933, specifying that the rate of duty on crude sperm oil be reduced from 10 to 5 cents a gallon and that on spermaceti wax from 6 to $3\frac{1}{2}$ cents a pound. No change in the present rate of 14 cents a gallon on refined sperm oil was specified. The President approved the findings of the Commission, and the new rates became effective April 1, 1933.

Crude sperm oil.—Practically the entire production of crude sperm oil is refined, little industrial use being made of that in the crude state. Because of the growing scarcity of sperm whales and the substitution of petroleum products for sperm oil, the domestic production of crude sperm oil has declined greatly, in recent years averaging only about 100,000 gallons a year. Imports have averaged about 170,000 gallons a year, coming almost entirely from Canada and being used as raw material for the domestic refining industry at Bayway, N.J.

Refined sperm oil.—Refined sperm oil is used principally as a lubricant and in treating leather and textiles. Production in recent years has averaged about 200,000 gallons and imports about 100,000 gallons a year.

Spermaceti wax.—Spermaceti wax is a coproduct obtained in the refining of crude oil and is used principally in the manufacture of cosmetics. Production in recent years has averaged about 200,000 pounds annually and imports about 120,000 pounds, coming principally from the United Kingdom.

1 Report ready for consideration by the President.
2 Submitted to the President for consideration and returned by him for supplementary data.
Barley Malt

In response to an application of domestic producers, the Commission instituted its investigation of barley malt on February 18, 1932, and submitted its report to the President in November 1932, specifying that no change be made in the rate of duty, which is 40 cents per 100 pounds.

The production of barley malt, largely used by the brewing and distilling industries, declined sharply after the passage of the eighteenth amendment, production in 1930 amounting to only 20,000,000 bushels as compared with 75,000,000 bushels in years prior to 1919. Likewise, during this period United States exports of barley malt declined, with a marked falling off in 1931 and 1932, since which time there have been relatively heavy imports from Canada.

The Commission's investigation indicated that, with allowance for depreciation of Canadian money in terms of United States dollars, the difference between Canadian and domestic costs is equalized by the present duty.

Blown-Glass Tableware

The Commission's investigation of blown-glass tableware was instituted in July 1930 but because of many practically insoluble problems the report was not submitted to the President until November 1932. No change was specified in the present rate of duty, which is 60 percent ad valorem.

Production in the period covered by the investigation (1929 and 1930) of both hand-blown and machine-blown glass tableware was between 14 and 16 million dollars annually. Imports of hand-blown glassware in 1929 were valued at about $1,500,000 and came principally from Czechoslovakia. Little, if any, machine-blown glass is imported.

For hand-blown glassware, cost data were obtained in both the United States and Czechoslovakia; for machine-blown, costs were obtained only in the United States. The investigation disclosed wide variations as between the foreign and domestic costs of producing the different types of glassware. Changes from the rate prescribed by the act of 1930 were indicated by the cost differences for low and high grade hand-blown glassware and for intermediary values, but to make the changes indicated would involve a reclassification of the articles falling within paragraph 218 (f). In view of the fact that such a reclassification would not be feasible in the administration of the customs law, the Commission specified no changes in rates.

Agricultural Hand Tools

On June 20, 1930, in response to a Senate resolution, the Commission ordered an investigation with respect to agricultural hand tools, including shovels, spades, scoops, forks, hoes, rakes, scythes, sickles, grass hooks, corn knives, and drainage tools, and later extended to include hay and manure forks. Under the Tariff Act of 1930 all these tools are assessed 30 percent ad valorem except hay and manure forks, which are dutiable as cutlery at 8 cents each plus 45 percent. As a result of its investigation the Commission submitted a report to the President, in November 1932 specifying decreases in the rates of duty on forks, hoes, and rakes. This report was returned by the President in December 1932 with the request that the Commission review its findings in the light of changes in currency values through-
out the world. A reexamination of the facts confirmed the results obtained in the investigation. In February 1933, the Commission submitted to the President a supplementary statement outlining briefly the essential data supporting this conclusion. On April 3, 1933, by Presidential proclamation the duty on hay and manure forks was reduced from 8 cents each and 45 percent to 4 cents and 22½ percent; on other agricultural forks, and on hoes and rakes the duty was reduced from 30 to 15 percent, the new rates to be effective May 3, 1933.

**Folding Rules, Aluminum and Wooden**

In response to an application filed by a domestic producer, the Commission on March 14, 1932, instituted an investigation of aluminum and wooden folding rules. On November 30, 1932, a report was sent to the President, specifying that the rate of duty on aluminum rules be increased from 45 to 65 percent ad valorem and on wooden rules from 40 to 60 percent ad valorem. The changes in rate were approved by the President and proclaimed by him December 14, 1932.

Germany was found to be the principal competing country for aluminum and wooden rules most nearly comparable with domestic production. The year 1931 was selected as a representative period in the industry for cost purposes. France supplied a greater percentage of the imports of wooden rules in 1931 than did Germany, but the French rules differed from the bulk of the domestic rules in material, construction, and finish and sold at lower prices. A cost comparison between the French and the domestic product, with adjustment for such differences, would give substantially the same result as a cost comparison between domestic and German rules.

**Precision Drawing Instruments**

On June 15, 1932, in compliance with a resolution by the United States Senate, the Commission instituted an investigation with respect to precision drawing instruments. In its report to the President the Commission specified no change in the prescribed rate. The investigation was confined to high-grade instruments used by architects, engineers, and professional draftsmen, as distinguished from the less expensive instruments used by students.

Under the act of 1930, all drawing instruments, irrespective of quality, are dutiable at 45 percent ad valorem. Only the highest grades are produced in the United States, the entire supply of low-grade instruments being imported. Importations of all grades amounted to $457,282 in 1930, $220,620 in 1931, $122,368 in 1932, and $62,358 in the first 9 months of 1933. On the basis of value about 8 percent of the total importations are high-grade instruments, the remaining 92 percent being of the school grades. Domestic production in 1929, according to public testimony before the Senate Finance Committee, was approximately $60,000.

Germany was held to be the principal competing country during the period covered by the report. Because of the lack of strict comparability between the imported and the domestic product and anticipated difficulties in customs administration, the Commission found no proper basis for a change in the rate of duty. To raise the rate on all drawing instruments would impose a burdensome duty on the low-grade instruments not made in the United States and used largely by
university, college, and high-school students. To raise the rate on high-grade instruments only would necessitate a new tariff classification segregating high-grade from low-grade instruments. Such a segregation was considered impracticable, as the two grades are not sufficiently distinctive in value or physical characteristics to permit their separation for customs administration.

Optical Fire-Control Instruments

On June 15, 1932, in response to a resolution by the United States Senate, the Commission instituted an investigation with respect to optical instruments of the type used for fire control by the Army and Navy and their respective air forces.

In November 1932 the Commission submitted to the President a report on this investigation. In accordance with the findings in this report, the President, on December 14, 1932, issued a proclamation increasing the duty on prism-binoculars having a foreign value of more than $12 and a magnification greater than 5 diameters and on frames and mountings therefor and parts by changing the rate of 60 percent on foreign value to 60 percent on basis of American selling price. The Commission found no basis for a change in the rate of duty on other optical fire-control instruments.

Among the instruments included in this investigation are range and height finders, periscopes, gun sights, panoramic telescopes, spotting telescopes, and prism-binoculars. Practically all such instruments are built in Government ordnance shops or by domestic manufacturers who engage to keep secret the details of their construction and operation. Most of them have special features introduced to meet peculiar military needs and are not salable to the general public. For these reasons it was impossible to compare costs of production. The only significant exceptions are commercial prism-binoculars. For these, the Commission made cost comparisons for instruments having a foreign value of more than $12 each and a magnification greater than 5 diameters.

The report shows that although the total imports of prism-binoculars are large, imports of the high-grade instruments suitable for military use are comparatively small and come from Germany.

Upholsterers' Nails, Chair Glides, and Thumb Tacks

At the request of nine domestic producers, the Commission, on February 18, 1932, instituted an investigation with respect to upholsterers' nails, chair glides, and thumb tacks, finished or unfinished. In its report to the President, the Commission made the following findings as to changes in rates of duty: On upholsterers' nails, thumb tacks, and chair glides made of iron or steel in two or more pieces, an increase from 3 cents to 4½ cents a pound; on one-piece thumb tacks made of iron or steel and on all thumb tacks of material other than iron or steel, an increase from 4½ cent to 5 cent per pound. Under date of December 14, 1932, the President proclaimed the changes specified by the Commission, and the new rates became effective January 13, 1933.

In 1931 the domestic production of these articles amounted to 635,578,000 pieces, a decline of about 47 percent from 1929. Imports increased materially from 1929 to 1931, amounting in the latter year to more than 50 percent of domestic consumption. Thumb tacks constitute the largest item of the group in both imports and domestic production; chair glides are relatively unimportant.
Germany was almost the sole source of imports. Costs of production were obtained directly from German manufacturers for 4 of the 29 articles selected for cost comparison. As costs were not readily ascertainable for the remaining 25 articles, the Commission used the weighted average of invoice prices as evidence of costs.

Cocoa-Fiber Mats

As the result of an application filed by a domestic manufacturer, the Commission on June 30, 1932, instituted an investigation with respect to pile mats and floor coverings, wholly or in chief value of cocoa fiber. In its report on the investigation, the Commission specified that the duty be increased to the maximum permitted by statute, namely, from 8 cents a square foot to 12 cents a square foot. The President approved the change and on December 14, 1932, proclaimed the new rate, which became effective January 13, 1933.

Cocoa-fiber mats are made of coir yarn spun from a fiber obtained from the husk of the coconut. They are used at doorways for cleaning shoes. Domestic production and imports consist largely of pile mats ranging in size from 14 by 24 inches to 30 by 48 inches, with a negligible proportion of larger sizes made on special order. In 1931 domestic consumption amounted to about 2,570,000 square feet; in the first 6 months of 1932 to about 832,000 square feet. Slightly more than 90 percent of consumption in each period was supplied by imports. Although imports have decreased in recent years they still supply a large percentage of domestic consumption. Along with the decrease in volume of imports, there has been a decline in unit value, from about 10 cents per square foot during the decade preceding the Tariff Act of 1930 to 6 cents per square foot in the first 6 months of 1932. This decline in value was due not only to the general fall in prices but to the depreciated exchange of British India, the principal competing country.

Certain types of imported cocoa-fiber mats are like or similar to certain types of mats made in the United States. Other types are not produced in the United States. On the basis of figures obtained for foreign and domestic costs, the Commission found that the difference was such as to warrant the maximum increase permitted by statute. In specifying the increase, the Commission called the attention of the President to the large proportion of consumption supplied by imports and to the fact that India imposes an export tax on the raw material used in making cocoa-fiber mats, which material is derived from the same source as the imported mats themselves.

Crab Meat

In compliance with a resolution of the United States Senate, the Commission on May 26, 1932, instituted an investigation with respect to crab meat, fresh or frozen, or prepared or preserved. In its report submitted to the President on November 30, 1932, the Commission stated that it found no adequate or proper basis for determining the duty necessary to equalize the differences between foreign and domestic costs of production.

In the United States the commercial production of hard crabs, the raw material for crab meat, is limited to 10 States on the Atlantic and Gulf coasts and to 3 Pacific Coast States and Alaska. Chesapeake Bay is the principal area of production, supplying about 85 percent of the total United States output in 1930.
Japan is the principal source of imports, 76 percent of all imported crab meat consumed in the United States in 1930 coming from that country.

The imported and the domestic crab meat are produced from widely differing species of crabs, each yielding meat distinctive in color, taste, and texture. There are differences also in packing and in marketing the imported and domestic products.

About 75 percent of the imported product is high-grade, fancy meat, whereas only 29 percent of the domestic is of such grade. All of the imported is nonperishable, packed in sealed tins, and capable of national distribution. The bulk of the domestic pack is put up in unsealed cans and must therefore be kept in crushed ice and sold for immediate consumption; being highly perishable it is subject to sharp fluctuations in price and cannot be marketed widely. Because of these differences between imported and domestic crab meat, the Commission found that the duty could not be changed in accordance with the procedure prescribed by section 336 of the Tariff Act of 1930.

**Rubber-Soled and Rubber Footwear**

In compliance with a request of the President and in response to an application filed by The Rubber Manufacturers' Association, Inc., representing about 80 percent of the domestic industry, the Commission on October 14, 1932, instituted an investigation with respect to rubber-soled and rubber footwear. In reporting to the President the Commission specified that the basis of assessment should be changed from the foreign value of the articles to the American selling price of the like or similar domestic products. The President approved the Commission's findings.

The articles covered by the investigation are: (1) Rubber-soled footwear with fabric uppers, dutiable at 35 percent ad valorem under paragraph 1530 (e), and (2) boots and shoes and other footwear wholly or in chief value of rubber, not specially provided for, dutiable at 25 percent ad valorem under paragraph 1537 (b) of the Tariff Act of 1930.

The principal articles of the first group are tennis oxfords, beach sandals, and lace-to-toe shoes, the domestic production of which in 1931 amounted to 28,082,000 pairs, valued at $17,155,000. On the basis of partial returns, there appears to have been some increase in production in 1932. Imports were not separately reported until 1932, when they totaled 2,978,000 pairs, the equivalent of about 10 percent of domestic production. Competition came principally from Japan in the trade in tennis oxfords and beach sandals, and from Czechoslovakia in lace-to-toe shoes.

Of the second group, namely, rubber boots and shoes and other footwear, production in 1931 amounted to 28,115,000 pairs, valued at $30,851,000. Partial returns for 1932 indicate that there was some decrease in domestic production in that year. Imports, not separately reported until 1932, amounted to 919,000 pairs, the equivalent of less than 3 percent of domestic production, and came principally from Czechoslovakia.

The Commission found (one Commissioner dissenting) that the differences in cost of production in the United States and the principal competing country could not be equalized in the case of either group of products by increasing the present duty 50 percent, and
therefore specified the assessment of the present rate of duty on the basis of the American selling price of the like or similar domestic articles. This is the maximum ad valorem rate permitted by section 336 of the act of 1930. The President approved the findings of the Commission and issued a proclamation changing the basis of assessment of the duty on rubber-soled footwear with fabric uppers to 35 percent and on rubber boots and shoes and other footwear to 25 percent on the American selling price of the domestic articles. The proclamation became effective March 3, 1933.

Cotton Velveteens and Velvets

On November 30, 1932, the Commission submitted to President Hoover a report on its investigation with respect to cotton velveteens and velvets, including ribbons, instituted February 12, 1931, in compliance with a resolution by the United States Senate. The Commission recommended a reduction in the duty on cotton velveteens and an increase in the duty on cotton velvets. It specified no change in the duty on ribbons of cotton velvet or velveteen.

The President approved the report as to cotton velveteens other than upholstery velveteens, also that on cotton upholstery velvets and ribbons of cotton velveteens or cotton velvets. He requested, however, that the Commission review its findings as to cotton velveteens because of changes in international trade resulting from depreciation of the currency of certain countries subsequent to the period covered by the report. In conformity with this request, the Commission obtained up-to-date information on conditions in the industry, but found that the changes occurring subsequent to the period covered by its original report were not such as to alter its conclusions. A supplemental report on cotton velveteens was submitted to President Roosevelt on June 16, 1933.

As finally published, the report is in three parts: (1) Cotton velveteens; (2) cotton velvets; and (3) cotton velveteen or velvet ribbons.

_Cotton velveteens._—In 1929 and 1930, the years covered by the Commission’s original report, there was a large domestic production of cotton velveteens, and imports were also large. The principal competing country at that time was Germany. Since 1930 domestic production has declined sharply, and imports have almost ceased. This situation appears to be due to the general reduction in demand resulting from the business depression, overproduction, and over-importation in 1929 resulting in accumulation of large stocks, and changes in styles by reason of which the demand for velveteens has fallen more than for most other textiles. In 1932 domestic production amounted to only 1,136,971 square yards, or 18 percent of the quantity produced in 1929, and imports had fallen to 3,884 square yards, or less than 1 percent of the quantity entered in 1929. This small volume of imports in 1932 came chiefly from the United Kingdom.

In regard to the effect of currency depreciation on costs, the Commission in its supplemental report called attention to the fact that the currency of Germany, the principal competing country in the years covered by the cost comparison, had not at any recent time been depreciated, and that although the United Kingdom was off the gold standard, the virtual cessation of imports from that source rendered a new comparison of foreign and domestic costs inadvisable.
In view of these circumstances, the Commission again submitted its report specifying a reduction in duty on plain-back velveteens from 62½ percent ad valorem to 31½ percent, and on twill-back velveteens from 62½ percent to 44 percent. These reductions in rate were made by Presidential proclamation June 24, 1933.

Cotton velvets.—The principal types of cotton velvets are millinery velvets and upholstery velvets made in various types, qualities, and weights. The Commission selected for cost comparison millinery velvet made with cotton back and rayon pile. Because of difficulties in establishing comparability between the domestic and foreign products, cotton upholstery velvets were excluded from the Commission’s findings.

The domestic production of cotton millinery velvets amounted to 952,185 linear yards in 1930 and to 2,224,508 linear yards in 1931. Imports in 1931 amounted to more than 500,000 linear yards and came principally from France.

Cost differences, as ascertained by the Commission, showed an increase from 62½ to 70 percent ad valorem to be necessary to equalize the foreign and domestic costs of producing cotton velvets other than upholstery velvets. The President, on December 14, 1932, proclaimed this change in rate.

Cotton velveteen or velvet ribbons.—Imports of these ribbons, valued at $365,078 in 1931, were almost exclusively fast-edge ribbons made in France. As domestic production consists entirely of cut-edge ribbons, which are made by a different process and are more limited in their use, comparability could not be established, and the Commission therefore made no findings.

Fish Packed in Oil

In response to applications from domestic producers of sardines and tuna, the Commission on June 28, 1932, instituted an investigation with respect to fish, prepared or preserved in any manner, when packed in oil or in oil and other substances. In reporting to the President, the Commission (one Commissioner dissenting) made the following findings: That the duty on tuna be increased from 30 to 45 percent; on other fish packed in oil, when of a value not exceeding 9 cents per pound, including the weight of the immediate container, an increase from 30 to 44 percent; on other fish packed in oil, when valued at more than 9 cents per pound, no change in duty. The President on December 14, 1933, issued a proclamation changing the rates as specified by the Commission, the new rates to be effective January 13, 1934.

Production in the United States of fish packed in oil consists of tuna, bonito, yellowtail, sardines, smoked salmon, and antipasto. Imports are confined to tuna, sardines, anchovies, antipasto, smoked salmon, and sundry specialties.

California is the center of the tuna-packing industry, furnishing about 95 percent of the total domestic output. Production there reached its peak in 1930, when 45,000,000 pounds were packed. In 1931 and 1932 the pack was about 28,000,000 pounds. Imports, principally from Japan, amounted in 1931 to 935,000 pounds and in 1932 to 5,945,000 pounds. Imports prior to 1931 are not available, but are known to have been insignificant.

*The report on fish packed in oil was approved by the President and proclamation issued Dec. 14, 1933.*
Maine produces 96 percent of the total pack of sardines in oil, and California the remainder. The record pack for Maine was in 1904, when 69,278,000 pounds were produced. The pack of 11,259,000 pounds in 1932 was the smallest since 1898. Between 1904 and 1932 production ranged from 19,075,000 to 66,511,000 pounds. The California pack averaged 872,000 pounds for the period 1923 to 1931, ranging from 634,000 pounds in 1923 to 1,685,000 pounds in 1924. Imports of sardines in 1932 amounted to 42,000,000 pounds, about 70 percent of which came from Norway and 25 percent from Portugal.

D. INVESTIGATIONS UNDER RATE-ADJUSTMENT PROVISIONS (SEC. 336) RESCINDED AND DISMISSED

Two investigations under section 336 were discontinued and dismissed without prejudice by the Commission during the past year. The subjects of these investigations were fresh tomatoes and embossing rollers.

E. APPLICATIONS FOR INVESTIGATIONS (SEC. 336) PENDING, DISMISSED, OR WITHDRAWN

Pending Applications

There remain on the calendar the following applications for investigation under the provisions of section 336 of the Tariff Act of 1930. These applications are being given the usual preliminary study.

<table>
<thead>
<tr>
<th>Commodity</th>
<th>Application no.</th>
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<tbody>
<tr>
<td>Lemons</td>
<td>80</td>
</tr>
<tr>
<td>Alsike clover seed</td>
<td>128</td>
</tr>
<tr>
<td>Cattle weighing less than 700 pounds each and 700 pounds or more each</td>
<td>136, 140, 141, 143, 153</td>
</tr>
<tr>
<td>Tinse l wires and lami or lahn</td>
<td>170</td>
</tr>
<tr>
<td>Casks and barrels</td>
<td>180</td>
</tr>
<tr>
<td>Iron and steel products: Structural shapes</td>
<td>165</td>
</tr>
<tr>
<td>Steel bars, except concrete reinforcement bars</td>
<td>185</td>
</tr>
<tr>
<td>Plates, sheets, and strip</td>
<td>187</td>
</tr>
<tr>
<td>Wire rods</td>
<td>188</td>
</tr>
<tr>
<td>Hoops, bands, scrolls, and strips, n.s.p.</td>
<td>189</td>
</tr>
<tr>
<td>Bronze and aluminum powders</td>
<td>194</td>
</tr>
<tr>
<td>Manufactured enzys and marble</td>
<td>197</td>
</tr>
<tr>
<td>Barytes, crude and manufactured</td>
<td>198</td>
</tr>
<tr>
<td>Tooth and tooth brushes, ornamented; brushes, n.s.p.f. and hair pencils</td>
<td>201</td>
</tr>
<tr>
<td>Canvas seed</td>
<td>204</td>
</tr>
<tr>
<td>Rubber erasers</td>
<td>205</td>
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<tr>
<td>Dolls and toys of pyroldin plastics</td>
<td>207</td>
</tr>
<tr>
<td>Combs, except metal</td>
<td>208</td>
</tr>
<tr>
<td>Sewing machines</td>
<td></td>
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<thead>
<tr>
<th>Commodity</th>
<th>Application no.</th>
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<tbody>
<tr>
<td>Mouldings and carvings</td>
<td>209</td>
</tr>
<tr>
<td>Mixed feed</td>
<td>210</td>
</tr>
<tr>
<td>Quicksilver</td>
<td>211</td>
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<tr>
<td>Cold storage pheasants</td>
<td>212</td>
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<tr>
<td>Pulpboard in rolls</td>
<td>213</td>
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<tr>
<td>Yacht ducks and sails</td>
<td>217</td>
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<tr>
<td>Ethyl chloride U.S.P.</td>
<td>218</td>
</tr>
<tr>
<td>Tennis and other racquets</td>
<td>219</td>
</tr>
<tr>
<td>Cotton imitation oriental rugs</td>
<td>220</td>
</tr>
<tr>
<td>Abrasive papers and cloths</td>
<td>221, 222</td>
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<tr>
<td>Sesame oil</td>
<td>223</td>
</tr>
<tr>
<td>Jute webbing</td>
<td>227</td>
</tr>
<tr>
<td>Military boots and shoes</td>
<td>228, 229</td>
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<tr>
<td>Cotton veineteens</td>
<td>230</td>
</tr>
<tr>
<td>Mesh bags</td>
<td>231</td>
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<tr>
<td>Cricket bats and balls</td>
<td>232</td>
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<tr>
<td>Tungsten and ferrotungsten</td>
<td>233</td>
</tr>
<tr>
<td>Menthol</td>
<td>234</td>
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<tr>
<td>Rubber-soled and rubber footwear</td>
<td>235</td>
</tr>
<tr>
<td>Beans, green or unripe</td>
<td>236</td>
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<tr>
<td>Salt herring</td>
<td>237</td>
</tr>
<tr>
<td>Shelled peas</td>
<td>238</td>
</tr>
<tr>
<td>Pedaline braid and hat bodies made of straw and synthetic material</td>
<td>239</td>
</tr>
<tr>
<td>Straw board</td>
<td>240</td>
</tr>
</tbody>
</table>

Applications Dismissed or Withdrawn

The Commission does not, when dismissing an application, state the reason for such action. In all cases, however, action in regard to an application is taken only after the Commission has considered not only the facts presented by the applicants, but also information gathered by the staff of the Commission. The denial or dismissal of an application after consideration of this information shows that the Commission does not believe an investigation to be warranted on the facts before it at the time the decision is rendered. The denial of an
application is not prejudicial to the refiling of an application on the same subject if the applicant believes such course desirable, particularly when there has been a change in economic conditions. A list of the applications dismissed without prejudice by the Commission follows.

*Applications denied and dismissed (sec. 336) between Dec. 1, 1932, and Nov. 30, 1933*

<table>
<thead>
<tr>
<th>Commodity</th>
<th>Application no.</th>
<th>Commodity</th>
<th>Application no.</th>
</tr>
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<tbody>
<tr>
<td>Rayon nets</td>
<td>145</td>
<td>Linen buck towels</td>
<td>51</td>
</tr>
<tr>
<td>Developed negative and positive news-</td>
<td>194</td>
<td>Towels and napkins of flax, hemp, or</td>
<td>75</td>
</tr>
<tr>
<td>rael films</td>
<td></td>
<td>ramie.</td>
<td></td>
</tr>
<tr>
<td>Bone black</td>
<td>203</td>
<td>Mineral waters and bottles and jugs</td>
<td>206</td>
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<tr>
<td>therefor</td>
<td></td>
<td>therefor</td>
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An application with respect to encaustic tiles was withdrawn during the year.

**F. INVESTIGATIONS UNDER THE GENERAL POWERS OF THE COMMISSION (SEC. 332)**

The Commission this year has devoted a large part of its effort to general studies under the provisions of section 332. The work in response to Senate Resolutions 325 and 334 accounted for the major part of these activities.

Senate Resolution 325 called for an economic analysis of the foreign trade of the United States. In February 1933 the Commission began a very complete analysis of the import and export trade of the United States since 1919. This study, published in May 1933, has since found wide use, especially in trade negotiations now under consideration.

Senate Resolution 334, the work on which is not yet complete, called for (1) an analysis of the trade of the United States with the principal foreign countries and a list of the trade restrictions imposed by those countries since January 1, 1922, and (2) a revision of the summaries of tariff information, with particular emphasis on the character of the trade, the advantages and disadvantages affecting the sale of products in foreign countries, concentration of control in foreign and domestic industries, and other tariff problems.

The study being made in compliance with the first part of this resolution is well under way, and it is hoped that it will be completed by the end of March. Supplementary to the statistical analysis made of the trade of the United States with each specified country is a supplementary statement as to the trade of each and the extent to which that trade is affected by tariff barriers. The material being gathered for this work has from time to time been made available to other Government departments as the need for it has arisen.

The work on the second part of the resolution, namely, the summaries of tariff information, has reached an advanced stage, summaries having been prepared for 50 to 75 percent of the commodities mentioned in the tariff act. Holding that the principal value of this material is in its being up to date at the time of its use, the Commission decided not to print it until such time as it might be desired by Congress. The revision of such a volume of data would be much easier and less costly in the manuscript form.
G. LISTS OF INVESTIGATION COMPLETED AND IN PROGRESS UNDER THE GENERAL POWERS OF THE COMMISSION (SEC. 332)

Under this section the Commission has this year completed investigations and made reports upon the following subjects:

- The cigar industry and the tariff.
- Computed duties and equivalent ad valorem rates on imports into the United States from principal countries, 1931.
- Fishery products.
- Synthetic camphor.
- Investigations in response to Senate Resolution 325:
  - Economic analysis of the foreign trade of the United States in relation to the tariff. (In two parts.)
  - Range and variety of costs of production.
- Tariff bargaining under most-favored-nation treaties.

Investigations in progress include the following subjects:

- Asbestos.
- Cutlery.
- Flaxseed.
- Synthetic camphor.
- Rayon.
- Phosphates and superphosphates.
- Analysis of the composition of the import and export trade of the United States and revision of summaries of tariff information.
- Competitive conditions in the wood-pulp industry of the United States.
- Survey of the long-staple cotton industry.

H. SUMMARIES OF COMPLETED INVESTIGATIONS UNDER THE GENERAL POWERS OF THE COMMISSION (SEC. 332)

The reports on investigations made during the year under the provisions of section 332 are here summarized.

THE CIGAR INDUSTRY AND THE TARIFF

"The cigar industry and the tariff" is a subject of current interest because of recent legislation providing for the independence of the Philippine Islands, and the importance of cigars in our total trade with those Islands.

In its report under this caption, the Commission traces the tariff treatment of cigars from 1804 to 1930 and compares statistics of production with those for receipts from Puerto Rico and the Philippines and with imports from Cuba and other countries.

Available statistics of production, consumption, imports, prices, and costs indicate that the domestic cigar industry, as a whole, occupies a strong competitive position. With an annual production in recent years of between 5,000,000,000 and 6,500,000,000 cigars, the United States industry is among the largest and most favorably situated in the world. Exports of cigars from this country are small, domestic markets consuming practically the entire production of continental United States, as well as considerable quantities from Puerto Rico, the Philippines, and Cuba. Most of the leaf tobacco, the raw material of the industry, is produced in this country, where the crop is grown in greater variety and abundance than in any other. A wide selection of domestic filler, binder, and wrapper leaf is available for blending and making up the many different types of cigars. The only kinds of cigar leaf imported in considerable quantity are Sumatra and Java wrapper from the Netherlands and Habana filler from Cuba.

\* Reported upon in part, as required in par. 51 of the Tariff Act of 1930.
In the mechanization of the industry, the United States is the leader. With the development of larger producing units, cigar manufacture is being transformed from a handicraft to a machine industry adapted to the well-known American conditions favoring mass production.

In the last decade there has been a decrease, both absolute and relative, in the volume of production of cigars, but this has been due to a falling off in demand rather than to any increase in competition from imported cigars. In fact, imports also have decreased during the last few years. Statistics of consumption indicate a steady reduction in the use of imported cigars from 29,000,000 in the fiscal year 1927–28 to 9,000,000 in the fiscal year 1931–32. In the latter year, imports constituted less than one half of 1 percent of the total number of cigars consumed. In the consumption of higher priced cigars, however, imports have been of considerable importance. Out of the total consumption in 1931–32 of 10,000,000 class E cigars, i.e., cigars retailing at more than 15 cents each, 8,000,000 were imported from Cuba.

**Computed Duties and Equivalent Ad Valorem Rates on Imports into the United States from Principal Countries, 1931**

Under the above title, the Commission has published a statistical report showing the proportions of free and of dutiable imports, and the relative height of duties paid on imports, from each leading country in 1931. These figures are of wide interest and of some significance, but the Commission, of course, does not present them as measuring the height of the American tariff or the relative obstacle which it presents to the products of various countries. As the averages are based upon the values of imports, it is evident that high duties, to the extent that they have cut off dutiable imports, are not reflected in the average rate of duty and result in higher percentages of free imports than would otherwise be indicated.

The report covers the 31 countries from which imports in 1931 amounted to $10,000,000 or more in value, and in addition New Zealand, Egypt, and the Union of South Africa. Imports from these 34 countries represent about 93 percent of the total from all countries.

A series of six tables summarizes comprehensively the data gathered. Table 1 is a comparison of the total imports from each of the 34 countries for 1929 and 1931; for each year free and dutiable imports are shown separately, as is the percentage share of total imports from each country and the equivalent ad valorem rate of duty on total and on dutiable imports.

Table 2 shows for each of the 11 major commodity groups, as classified in Department of Commerce statistics, the value of total imports from each of the 34 countries in 1931, the share of each country in imports of that group, for free and dutiable separately, and the equivalent ad valorem rate of duty on total and on dutiable imports for each country in each group.

In tables 3 to 6, inclusive, the material appearing in table 2 is arranged by countries, showing for each country separately the value of total imports by commodity groups for 1929 and 1931; for each group the ratio of dutiable imports to the total and the average rate of duty computed on total imports and on dutiable imports are shown for both years.
These published tables are summaries of more detailed information for numerous subgroups and individual articles. The Commission has this detailed information for 1931 available for distribution in mimeographed form.

FISHERY PRODUCTS

In a comprehensive survey of high-sea and inshore fisheries, the Commission deals with many important tariff problems relating to the trade of the United States in fresh- and salt-water fish and fishery products.

The annual world production of fish (including shellfish) amounts to more than 25 billion pounds, of which the United States, Norway, and the United Kingdom each supply about 10 percent, Soviet Russia 16 percent, and Japan 24 percent.

In the United States fisheries there are 78,000 vessels, employing 124,000 fishermen. In addition, coastal fish factories give employment to about 86,000 workers. The total investment in the industry is about $300,000,000.

During the 23-year period 1908 to 1930, the domestic catch of all fish increased from 2,111,267,000 pounds, valued at $65,878,000, to 3,286,580,000 pounds, valued at $109,349,000—an increase of 56 percent in quantity and of 66 percent in value. This expansion in production has, however, prevented an increase in imports, which rose in value from $13,136,000 in 1908 to $38,353,000 in 1931. Of the total domestic consumption of fish and fishery products in 1930, about 20 percent in quantity was supplied by imports. At present (1933) the value of imports exceeds that of exports by 280 percent, as compared with 113 percent in 1908. To a large extent this adverse ratio may be attributed to our declining production of whale oil and of certain kinds of salted fish, such as cod, herring, and mackerel.

The history of the United States commerce in fish has been marked by a falling trade in salt fish, an expansion in canning and freezing, and the utilization of waste, shells, and other byproducts of fishing enterprises. Because of inherent difficulties in distributing and merchandising fresh fish, increasing quantities are being frozen and canned. Through extensive research the industry has perfected freezing methods to a degree that frozen fish when thawed cannot readily be distinguished from fresh fish. This development is as yet too new to affect production appreciably. In the preservation of fishery products to be used for food, canning is now (1933) the most important single factor. In 1908 the total quantity of fish and shellfish canned was 293,559,175 pounds; by 1930 it had risen to 576,685,454 pounds. The waste from canning is used largely in the production of oil for industrial and medicinal purposes and meal for animal and poultry feed and for fertilizer.

In addition to general information concerning the industry as a whole—its history, organization, and trends indicating its probable future development—the report contains economic data on the individual fish and fishery products provided for in the Tariff Act of 1930. Supplementary to these are a series of appendices giving treaties, conventions, and awards with respect to the fisheries of the United States in force December 1, 1932, statistics of the fisheries of foreign countries, and a summary of United States tariff rates and trade in fishery products.
SYNTHETIC CAMPHOR

Under the Tariff Act of 1930 (par. 51) the rate of duty on synthetic camphor was reduced from 6 cents to 5 cents per pound, with the provision that if at the end of 3 years the President finds that during the preceding 6 months the domestic production did not exceed 25 percent of the domestic consumption, or at the end of 4 years that during the preceding 6 months such domestic production did not exceed 30 percent of such consumption, or at the end of 5 years that during the preceding 6 months such domestic production did not exceed 50 percent of such consumption, he shall by proclamation so declare, 6 months thereafter, the rate shall be 1 cent per pound.

The Commission ascertained the ratio of domestic production to domestic consumption of synthetic camphor during the first of these 6-month periods (Dec. 18, 1932, to June 17, 1933). This investigation showed that the domestic production substantially exceeded the 25 percent of the domestic consumption specified in the law, and that no change was warranted in the present rate of duty. The President approved the Commission’s report.

The total domestic consumption of synthetic camphor during this period was 397,138 pounds.

The Commission found that during the first 6 months of 1931 the domestic consumption of synthetic camphor was 1,783,979 pounds and of natural BB (crude) camphor was 600,471 pounds; during the first 6 months of 1932, 573,174 pounds of synthetic and 1,222,418 pounds of natural crude camphor; and during the first 6 months of 1933, the domestic consumption of synthetic camphor was 434,437 pounds and of natural crude camphor, 980,815 pounds.

INVESTIGATIONS IN RESPONSE TO SENATE RESOLUTION 325

In a four-part report, the Commission has furnished the specific information called for by Senate Resolution 325. Parts I and II, analyzing the foreign trade of the United States in relation to the tariff, deal with significant phases of our import and export trade, respectively. Part III is a study of costs of production in selected industries, and Part IV a report on the relation of tariff bargaining to most-favored-nation treaties. A more detailed account of the contents of these four volumes, constituting one general report, is given below.

Economic Analysis of the Foreign Trade of the United States in Relation to the Tariff

Part I, dealing with imports, shows the trend of imports in relation to production and height of duties. Separate lists group imports which have declined or increased since 1929, those representing a small proportion of domestic production, and those more or less noncompetitive and with respect to which foreign producers have an advantage. Another list arrays by tariff schedules the items on which the rates of duty exceed 50 percent ad valorem according to the height of duty in 1931. In this list special attention is given to agricultural products and agricultural raw materials by comparing the tariff rate with the ad valorem equivalent based on the average price for the 10-year period 1920–29.
Part II, dealing with exports, gives statistics for (1) articles exported in decreasing quantity since 1929, and (2) articles produced in the United States with advantages which were factors in causing them to be exported in substantial quantities.

Range and Variety of Costs of Production

Part III, published as a separate volume, shows the range and variety of costs of production in 44 investigations made by the Tariff Commission. These 44 constitute roughly 40 percent of the total number of investigations made by the Commission since 1920. For each investigation there are shown the rates of duty on the product in question, the period for which costs were obtained, the scope of the investigation, and such averages and comparisons of foreign and domestic costs as will provide a background for the information given.

Tariff Bargaining Under Most-Favored-Nation Treaties

Part IV of the report is in compliance with that section of the resolution which calls upon the Tariff Commission to report upon the extent to which existing conditional and unconditional most-favored-nation clauses in commercial treaties may affect tariff bargaining, and "generally to advise such ways and means for tariff bargaining as may appear relevant.* * *"

This report contains factual summaries or lists (1) of the reciprocity experiences of the United States (pp. 10-13); (2) of countries entitled by treaty or agreement to conditional or unconditional most-favored-nation treatment from the United States (pp. 3-4); (3) of commercial treaties and agreements of the United States in force April 1, 1933 (pp. 14-17); and (4) of commercial treaties of all nations in force January 1, 1933, pledging most-favored-nation treatment with respect to customs duties (pp. 18-40).

The common form of most-favored-nation clause, the unconditional, is a pledge by one government to a second government that products of no third country will be granted more favorable commercial treatment than those of the second country. The conditional form of the most-favored-nation clause assures the second country that it will freely receive any favor granted gratuitously to a third country and that it will receive any other concession made to a third country provided it gives to the first country an equivalent concession.

European countries use the unconditional clause almost exclusively; other countries use it predominantly. Prior to 1922 all United States commercial treaties with three exceptions were conditional, but more recent treaties contain the unconditional provision.

The outstanding advantage of the unconditional form of most-favored-nation agreement is that it, and it alone, assures the export trade of the country entitled to its benefits against open discrimination in foreign tariffs throughout the term of the treaty. Foreign countries bound by unconditional most-favored-nation treaties must immediately and gratuitously extend to American products all concessions which they may make to products of other countries;* in return, the United States must give to them immediately and gratuitously any concessions made to any country except Cuba.* The

*That is, any third country not specifically excepted from the most-favored-nation obligation, as the United States excepts its concessions to Cuba.
conditional form of most-favored-nation clause avoids all grants of gratuitous favors by the simple process of renouncing all right to receive gratuitous favors.

There is no incompatibility between tariff bargaining and unconditional most-favored-nation treaties, as is proved by the general use of the unconditional pledge by the countries of continental Europe, which are parties to scores of tariff treaties. But with unconditional treaties in force, necessitating the extension of every concession to a considerable number of other countries, it is customary to confine each tariff negotiation to a limited list of articles of which the country with which the negotiation is taking place is the chief source of importation.

Without expressing an opinion upon the propriety of adopting a bargaining policy, the Commission's suggestions, in the event that such a policy were adopted, included the following:

1. On grounds set forth by the Tariff Commission in its report on Reciprocity and Commercial Treaties in 1919 in favor of a policy of equality of tariff treatment for foreign countries, the bargaining should be as far as practicable on the basis of unconditional most-favored-nation treatment.

2. In bilateral bargaining with any country, the concessions granted by the United States should be confined generally to articles of which that country is a principal supplier of the United States.

3. The Congress should by law extend the concessions so made, immediately and unconditionally, not only to all countries which have unconditional most-favored-nation treaties or agreements with the United States, but likewise to all other countries which the President shall find do not maintain unreasonable burdens on the commerce of the United States.

7. The Congress should formulate restrictions designed to prevent the inclusion in reciprocity agreements of illusory concessions; that is, the removal of trade barriers or the reduction of tariff rates when such barriers and rates had been raised in anticipation of tariff bargaining, the amount of the concessions being smaller than or not greater than the previous increases of barriers and rates.

I. INVESTIGATION UNDER PROVISIONS RELATING TO UNFAIR PRACTICES IN IMPORT TRADE (SEC. 337)

Russian Asbestos

For the prior history of this investigation see the Sixteenth Annual Report of the Commission, pages 68 and 69.

In January 1933 the Commission reported to the President in this investigation recommending the removal of the temporary suspension from entry. No action having been taken on this report, the Commission on March 7, 1933, again called his attention to the matter. On April 3, 1933, the President approved the Commission's report and requested the Secretary of the Treasury to terminate the temporary order promulgated on April 22, 1931.

Briefly, findings of the Commission were that the existence of unfair methods of competition or unfair acts in violation of section 337 had not been established.

In France and Spain especially there has been considerable criticism of the unconditional most-favored-nation policy. Insofar as this criticism has affected the policy of the governments it has led them not to the conditional form of most-favored-nation pledge but to efforts to confine unconditional pledges to restricted lists of articles.
The principles established by the Commission in this investigation were as follows:

(a) The mere facts that the United States has not given official recognition to a government of a foreign nation and has no commercial treaty with such nation are not unlawful under section 337, nor does the form of government per se constitute a proper basis for a finding of unfair methods of competition.

(b) Political or economic conditions as such in Russia do not form a proper basis for action under that section. While the organization of the government may place it in a position to be able to commit unfair acts, such fact of itself does not denote unfairness.

(c) The Commission recognizes that when a national government or subsidiary division thereof engages in business (whether as a monopoly or in competition with its own nationals) that government places itself in an especially strong position to commit unfair acts since (1) it is able to control the destiny of the enterprise; (2) it is able to sell the product at any price it chooses less than the cost of production and make up losses from profits in other enterprises; (3) it is able to sell at any price below the cost of production and make up the losses by a general levy of taxation upon its people; (4) it is able to use the power of eminent domain to seize the basic physical properties; (5) it is able to compel its nationals to work at wages and under conditions which it may determine; and (6) it has other powers which need not be enumerated. However, the Commission took the position that there must be an actual unfair act in the importation or sale with the statutory effect or tendency to violate section 337 and that mere ability to commit unfair acts was not unlawful under that section.

(d) The fact that a foreign government permits the organization of monopolies or cartels or other associations within its own boundaries either under or free from regulation or supervision by the government contrary to the principles maintained in the United States under the Sherman Anti-Trust Law or other laws cannot per se be considered an unfair method of competition, nor can the fact that the foreign government permit its nationals to join the nationals of other countries in the formation of such monopolies, cartels, associations, etc., be per se recognized as an unfair method of competition.

(e) The fact that asbestos in Russia might be produced by convict, forced, or indentured labor does not bring the matter within section 337. Section 307 is applicable. Dumping was declared to be a form of underselling which was held of itself not to constitute an unfair method or act within section 337.

(f) Other matters set forth in the complaint, such as interference inducing breach of contract, intimidation and coercion of buyers, misgrading, mixing, and palming off, conspiracy to restrain trade and commerce, and create monopoly and infringement of certain patents were found not to have been established.

Slide Fasteners

For the prior history of this investigation see the Sixteenth Annual Report of the Commission, pages 69 to 71.

On March 2, 1933, the President, upon recommendation by the Commission, requested the Secretary of the Treasury to modify the temporary order of exclusion so that thereafter only slide fasteners
specified construction should be excluded from entry. The order covered such slide fasteners whether or not attached to or forming parts of other articles. On March 8, 1933, the Treasury Department promulgated instructions to customs officers in accordance with the President's request.

On March 20, 1933, the Tariff Commission promulgated its findings and sent copies to importers or consignees of slide fasteners and articles containing such fasteners. The Commission found that articles infringing certain patents of the Hookless Fastener Co. had been imported into the United States and had been sold at such low prices as to cause serious injury to the Hookless Fastener Co. The importation and sale of such articles were held to be unfair within section 337.

The Commission further found that certain imported slide fasteners had been represented to purchasers in the United States as being made in accordance with a United States patent, when in fact they were not so made. This misrepresentation accompanied by the underselling as aforesaid was found to constitute unfair methods of competition in violation of the section. The Commission also found that the business of manufacturing slide fasteners in the United States was efficiently and economically operated.

The Hermes Leather Co. and the Orion Co. filed appeals in the Court of Customs and Patent Appeals on questions of law. The record was transmitted to the court. The appeal of the Hermes Leather Co. was dismissed on stipulation of counsel on October 4, 1933. On November 6, 1933, the court denied a motion of the Hookless Fastener Co. to dismiss the appeal of the Orion Co. The Court at the same time denied a motion of the Orion Co. to remand the matter to the Tariff Commission.

Parts of Slide Fasteners

On March 21, 1933, the Hookless Fastener Co., a Pennsylvania corporation having its principal office in Meadville, Pa., filed with the Tariff Commission a complaint under oath asking relief under section 337 of the Tariff Act of 1930 from unfair methods of competition and unfair acts in the importation and sale of parts of slide fasteners whether separate or in combination and whether or not attached to or forming parts of slide fasteners or other articles. The complaint alleged that parts of slide fasteners had been or were about to be imported into the United States in violation of complainant's patents and also in evasion of the temporary order of exclusion then in effect respecting slide fasteners. Upon consideration of the complaint the Tariff Commission on May 4, 1933, instituted an investigation for the purposes of section 337 with respect to parts of slide fasteners imported separately or in combination and whether or not attached to or forming parts of incomplete slide fasteners.

The Commission recommended to the President exclusion from entry except under bond and on May 10, 1933, the President requested the Secretary of the Treasury to forbid such entry except under bond in accordance with the provisions of subdivision (f) of section 337. On May 12, 1933, the Secretary of the Treasury issued instructions to collectors of customs in accordance with the President's request. On May 15, 1933, the Commission published notice of its investigation and sent copies of such notice and copies of the petition to the Orion
Co., Columbia Fastener Co., and the Grayrock Manufacturing Co., Inc., all of New York City, and to S. S. Schultz of Long Beach, N.Y., respondents named in the complaint. In the notice of investigation provision was made for answer by respondents on or before June 15, 1933, and notice was given of a public hearing to be held by the Commission at its office in Washington, D.C., at 10 o’clock a.m. on June 27, 1933. On June 15, 1933, an answer was filed on behalf of the Orion Co. denying that said company had imported or sold any parts of slide fasteners infringing complainant’s patents and requesting the dismissal of the investigation insofar as it concerned the Orion Co. The answer further requested that the Commission recommend to the President revocation of the temporary order of exclusion. No other answers were received. On June 16, 1933, at the request of complainant the hearing was postponed until September 25, 1933. On September 21, 1933, at the request of complainant the hearing was again postponed until October 24, 1933. The hearing was held on October 24 and 25, 1933. The Commission fixed November 20, 1933, as the date for filing of briefs. Prior to the hearing, counsel for complainant requested that the Commission obtain from the Bureau of Customs certain sample parts of slide fasteners which had been imported. This request was complied with and these samples are official exhibits in the investigation.

At the hearing, on motion of complainant, the record in the investigation of slide fasteners was incorporated in this record without the necessity of its physical attachment. This ruling was made in accordance with the Commission’s view that this investigation is ancillary or supplementary to our investigation respecting slide fasteners and its chief purpose is to prevent evasion of the temporary order of exclusion and of the permanent order if entered as recommended by the Commission by the importation of separate parts of slide fasteners.

On November 29 the Commission on motion of complainant granted permission for filing of reply briefs not later than December 11.

Oxides of Iron Suitable for Pigment Purposes

On October 18, 1932, Magnetic Pigment Co., a New York corporation having its principal office in New York City, filed with the Tariff Commission a complaint asking relief under section 337 from unfair methods of competition and unfair acts in the importation and sale of hydrated yellow oxides of iron. Complaint was made concerning alleged violation of patent and trade mark rights of petitioner and of selling at low prices. Upon consideration of this complaint, the Commission, on February 24, 1933, instituted an investigation for the purposes of section 337 with respect to oxides of iron suitable for pigment purposes produced by the method or methods disclosed in United States letters patent nos. 1327061 and 1368748. Pursuant to recommendation of the Tariff Commission the President, on March 2, 1933, requested the Secretary of the Treasury to forbid entry of certain oxides of iron under subdivision (f) of section 337, and on March 8, 1933, the Secretary of the Treasury issued instructions to collectors of customs in accordance with the President’s request. On March 9, 1933, the Commission published notice of its investigation and sent copies of such notice and copies of the petition as amended to four respondents named in the complaint. In the
notice of investigation, provision was made for answer by respondents on or before April 10, 1933, and notice was given of a public hearing to be held at the Commission's office in Washington, D.C., at 10 o'clock a.m. on April 25, 1933. On April 6, 1933, pursuant to request of respondents, the Commission postponed the date for hearing to May 10, 1933. On April 10, 1933, the four respondents filed separate answers, each denying having committed any act in violation of section 337 and challenging the jurisdiction of the Commission to determine questions of patent infringement. They furthermore contended that section 337 is unconstitutional. Each answer requested the dismissal of the investigation and that a report be sent to the President recommending the cancellation and revocation of the temporary order of exclusion. Copies of the answers were promptly sent to complainant. The hearing was held in Washington, D.C., on May 10 and 11, 1933. The Commission fixed June 10, 1933, as the date for filing of briefs. At request of counsel for respondents this date was extended to June 15. On June 23, 1933, at the request of counsel for complainant permission was given to file reply briefs not later than July 6, 1933, and counsel for respondents were notified thereof. On request of counsel for both complainant and respondents the time for filing reply briefs was extended to July 21.

Since the investigation involved, among other things, the use of a certain process at the plant of the Northern Pigment Co., the Commission sent its agents to New Toronto, Canada, for personal examination of the process in use. The Northern Pigment Co. refused to permit access to its plant to these investigators either to witness the process in totality or to examine certain stages of the process or to take samples from certain stages of the process. The officers of the Northern Pigment Co. had previously submitted in confidence to the Commission what they claimed was a full disclosure of their process but refused access to the plant for the purpose of checking this disclosure. The Commission found that a process patented in the United States but not in Canada had been used in the production of certain oxides of iron that had been imported into the United States and that these imported oxides furthermore infringed the product claims of one of the patents. The Commission also found that the imported oxides had been sold at such low prices as to cause serious injury to the business of complainant. The Commission made no finding with regard to trade marks. Having found a violation of section 337, the Commission, on August 16, 1933, promulgated its findings and sent copies thereof to importers or consignees. The four respondents mentioned above filed appeals as provided in section 337 in the Court of Customs and Patent Appeals. Pursuant to the mandate of that court, the Commission transmitted the record and the case is now pending before that tribunal.

Cigar Lighters

On April 24, 1933, Art Metal Works, Inc., a New Jersey Corporation having its principal office in Newark, N.J., filed with the Tariff Commission a complaint under oath asking relief under section 337 of the Tariff Act of 1930 from unfair methods of competition and unfair acts in the importation and/or sale of cigar lighters. Complaint was made concerning alleged violation of patent rights and unfair simulation of complainant's products together with selling at
low prices. Upon consideration of the complaint, the Tariff Commission, on June 14, 1933, instituted an investigation for the purposes of section 337 with respect to cigar lighters made in accordance with the terms of United States letters patent no. 1673727 or in simulation of such lighters. Pursuant to recommendation of the Commission the President, on July 6, 1933, requested the Secretary of the Treasury to forbid entry of cigar lighters made in accordance with the terms of the patent under subdivision (f) of section 337 and on July 8, 1933, the Secretary of the Treasury issued instructions to collectors of customs in accordance with the President's request. On July 8, 1933, the Commission published notice of its investigation and sent copies of such notice and copies of the petition to companies in Japan who were alleged to manufacture and/or ship cigar lighters to the United States and to importers and dealers in the United States who were charged with handling the imported cigar lighters. In the notice of investigation provision was made for answer by respondents on or before September 11, 1933, and notice was given of a public hearing to be held at the Commission's office in Washington, D.C., at 10 o'clock a.m. on September 19, 1933. Two companies in the United States, one of whom had been named as a respondent, informed the Commission that they had never stocked or sold cigar lighters infringing complainant's patent. The Commission, on September 14, 1933, received from a Japanese manufacturer an informal letter denying that the lighters of that company infringed complainant's patent. No formal answers were received. The hearing was held in Washington, D.C., on September 19, 1933. The Commission fixed October 9, 1933, as the date for filing briefs. The Commission promulgated its findings on October 27, 1933. The Commission found that certain imported cigar lighters did and certain others did not infringe complainant's patent. The Commission further found that complainant had not established to the Commission's satisfaction that it was entitled to a finding of unfair competition on the score of simulation. The Commission found the industry of complainant to be efficiently and economically operated and that it was likely to be seriously injured if the unfair importation of the cigar lighters in question was permitted to continue. Being dissatisfied with the Commission's findings insofar as they related to the lighters held not to infringe the patent and also to the subject of simulation, complainant, on November 11, 1933, requested a rehearing. On November 17, 1933, the Commission granted complainant's request with a view to permitting complainant to introduce new evidence in the proceedings. Notice of this rehearing was cabled to Japan through the State Department and the information also sent to the effect that if parties in Japan wished to attend the rehearing and could not do so because of lack of time, the rehearing would be postponed upon request on or before November 25, 1933. No request for postponement was received. At the rehearing on November 28, complainant introduced evidence in support of its contention that the lighters found by the Commission not to infringe its patent did in fact infringe the patent and also that it was entitled to relief on the score of simulation.
Phosphates and Apatite

On October 21, 1932, the International Agricultural Corporation, a New York corporation, Phosphate Recovery Corporation, a Delaware corporation, and the American Cyanamid Co., a Maine corporation, all having their principal offices in the city of New York, filed with the Tariff Commission a complaint under oath asking relief under section 337 from alleged unfair methods of competition and unfair acts in the importation and/or sale of phosphate rock from Russia. Complaint was made concerning the alleged use in Russia of a process patented in the United States and to which Phosphate Recovery Corporation has an exclusive license in the United States. It is further charged that the phosphate rock or apatite from Russia is offered for sale and sold at such low prices in the United States as to cause serious injury to the business of complainants. International Agricultural Corporation and American Cyanamid Co. own mines in the United States for the production of phosphate rock and Phosphate Recovery Corporation has licensed these two companies to use the patented processes. Upon consideration of this complaint the Commission, on December 15, 1932, instituted an investigation for the purposes of section 337 with respect to phosphates and apatite and combinations and mixtures thereof or of either with any other substance or substances, all the foregoing concentrated or floated by any process described in United States letters patent nos. 1,547,732, 1,780,022, and 1,795,100, the processes disclosed in which patents were charged to have been used in concentrating apatite in U.S.S.R. On December 16, 1932, the Commission published notice of its investigation and sent copies of such notice and copies of petition to Standard Wholesale Phosphate and Acid Works of Baltimore, Md., and to Amtorg Trading Corporation of New York City, respondents named in the complaint. In the notice of investigation provision was made for answer by respondents on or before January 19, 1933.

On January 18 and 19, 1933, answers were received from the Standard Wholesale Phosphate and Acid Works and Amtorg Trading Corporation, respectively, each denying having committed any act in violation of section 337 and requesting the dismissal of the complaint. On February 9, 1933, the Commission ordered a public hearing to be held at its office in Washington, D.C., at 10 o'clock a.m. on April 17, 1933. On March 25, at the request of the respondents, this hearing was postponed to a date to be announced. On April 4 the Commission set the date of May 22 for a hearing and on May 10 at the request of respondents this hearing was again postponed until June 5. Due notices were given of the hearing. On June 1, 1933, counsel for respondent, Amtorg Trading Corporation, filed an amended answer which was received by the Commission in the absence of objection on the part of complainants. The Commission procured samples of domestic phosphate rock and imported apatite, concentrated and unconcentrated, which it had analyzed by the Bureau of Chemistry and Soils of the Department of Agriculture. These samples and their analyses are official exhibits. The hearing was held in Washington, D.C., on June 5 to 8, inclusive, 1933. The Commission fixed July 10, 1933, as the date for filing of briefs and
July 17, 1933, as the date for filing reply briefs. Briefs were filed by counsel for complainants and by counsel for the respondent Amtorg Trading Corporation. The Commission has not yet promulgated its findings in this investigation.

J. INVESTIGATION UNDER SECTION 642

SUMMARY OF REPORT ON METHODS OF VALUATION

Section 642 of the Tariff Act of 1930 requires the President to have made a survey on methods of valuing imports for levying duties thereon. Early in 1933 the Tariff Commission completed and sent to the President a report on this subject.

The several methods of valuation used in the United States and in important foreign countries are as follows: (1) The so-called foreign-value basis, which the United States uses primarily; (2) the landed cost, or c.i.f. value (cost, insurance, freight); (3) the domestic value, namely, the selling price in the country of importation of the imported article, inclusive of duty and all other charges paid; and (4) the American value, namely, the value of the domestic product which is like or similar to the imported product.

Methods of valuation in foreign countries, especially in the British Empire, are also set forth with a tabular analysis of the imports, segregating by groups the commodities subject to each form of duty. For the United States and Canada, a comparison is made in some detail by groups of products, with ad valorem equivalent rates calculated for imports as a whole, for those subject to ad valorem rates, and for those subject to specific rates.

Some indication is given of the extent of the valuation problems arising under the present system by a tabulation of cases before the United States Customs Court in 1931 for Reappraisements of Merchandise. The decisions rendered on these cases are considered in the following order: (1) Those of some importance affecting unit values; (2) those of minor importance; and (3) those in which matters of detail are involved, such as questions of packing, freight charges, and foreign taxes. The appeals from reappraisal are also listed with an indication of the final decision.

The last portion of the report consists of a discussion, with supporting tabular material, of the advantages and disadvantages of the various forms of valuation. Our experience with “American Valuation” with respect to coal-tar products, which have been dutiable in part upon the American value for about 10 years, is also given in some detail.

In addition to textual and tabular material, the report contains as appendices a transcript of the testimony given and reproductions of briefs filed at the hearing.

This report should be distinguished from an earlier and dissimilar report of the Commission under the provisions of section 340 of the Tariff Act of 1930, entitled “Domestic Value—Conversion of Rates.”

8 In the appendix will be found the text of section 402 of the Tariff Act of 1930 explaining the several methods used in assessing rates of duty on imports into the United States.
APPENDICES
### APPENDIX I

**Statistical Summary of Applications and Investigations as of November 30, 1933**

#### Under Section 322 (General Functions)

<table>
<thead>
<tr>
<th>Description</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of investigations or surveys undertaken</td>
<td>32</td>
</tr>
<tr>
<td>Number dismissed</td>
<td>1</td>
</tr>
<tr>
<td>Number completed</td>
<td>23</td>
</tr>
</tbody>
</table>

#### Under Section 336 (Adjustment of Rates of Duty)

**Applications:**

- Total number received (as of Nov. 30, 1933): 237
- Number pending before the Commission: 49
- Number withdrawn: 11
- Number denied and dismissed without prejudice: 68

**Investigations:**

- Total number ordered (as of Nov. 30, 1933): 105
- Ordered at request of Senate: 61
- Ordered by the President: 9
- Ordered by application from parties interested: 35
- Discontinued: 13
- Completed: 37

#### Under Section 337 (Unfair Practices in Importation or Sale)

**Complaints:**

- Total number received (as of Nov. 30, 1933): 16
- Denied and dismissed without prejudice: 6
- Investigations ordered: 6

#### Under Section 462

This section requests the President to have a survey made of the bases for values of imported merchandise. The report of this survey was sent to the President in February 1933. (See discussion in the body of this report, p. 42.)

1 Includes investigation concerning synthetic camphor provided for in par. 51 of Tariff Act of 1930.
2 Part of 1 investigation was discontinued.
Table I.—Applications for investigation received since Nov. 30, 1932

UNDER SECTION 336

For a list of others received since the passage of the Tariff Act of 1930, see the Sixteenth Annual Report.

<table>
<thead>
<tr>
<th>Paragraph no.</th>
<th>Commodity</th>
<th>Date application received</th>
<th>Nature of request</th>
<th>Applicant</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>23, 218</td>
<td>Scheduled 1.—Chemicals, oils, and paints</td>
<td>Feb. 16, 1933</td>
<td>Increase</td>
<td>Franco American Chemical Works</td>
<td>Pending, Do.</td>
</tr>
<tr>
<td>51</td>
<td>Menthol</td>
<td>June 24, 1933</td>
<td>Increase</td>
<td>California Menthol Growers Association</td>
<td>Pending, Do.</td>
</tr>
<tr>
<td>202</td>
<td>Scheduled 2.—Earths, earthenware, and glassware</td>
<td>June 23, 1933</td>
<td>Decrease</td>
<td>Omer F. Ernster</td>
<td>Withdrawn, Investigation ordered.</td>
</tr>
<tr>
<td>211, 212</td>
<td>Encaustic tiles</td>
<td>Feb. 2, 1933</td>
<td>Increase</td>
<td>U.S. Potter Association</td>
<td>Do.</td>
</tr>
<tr>
<td>302 (o), (g), (h)</td>
<td>Tungsten and ferrotungsten</td>
<td>June 15, 1933</td>
<td>Decrease</td>
<td>The David Taylor Co., Inc.</td>
<td>Pending, Do.</td>
</tr>
<tr>
<td>386</td>
<td>Quicksilver</td>
<td>Jan. 9, 1933</td>
<td>do</td>
<td>Quicksilver Producers Association</td>
<td>Do.</td>
</tr>
<tr>
<td>412</td>
<td>Scheduled 4.—Wood and manufactures of mouldings and carvings</td>
<td>Jan. 5, 1933</td>
<td>do</td>
<td>Boynton &amp; Co.</td>
<td>Do.</td>
</tr>
<tr>
<td>712</td>
<td>Scheduled 7.—Agricultural products and provisions</td>
<td>Jan. 11, 1933</td>
<td>do</td>
<td>North American Game Breeders' Association</td>
<td>Do.</td>
</tr>
<tr>
<td>719(4)</td>
<td>Cold storage pheasants for food</td>
<td>Aug. 26, 1933</td>
<td>do</td>
<td>Juneau Chamber of Commerce</td>
<td>Do.</td>
</tr>
<tr>
<td>730</td>
<td>Salt herring</td>
<td>Jan. 6, 1933</td>
<td>do</td>
<td>Imperial Fish Mills</td>
<td>Do.</td>
</tr>
<tr>
<td>760</td>
<td>Shelled pecans</td>
<td>Oct. 5, 1933</td>
<td>Increase</td>
<td>National Pecan Shellers Association</td>
<td>Do.</td>
</tr>
<tr>
<td>760</td>
<td>Beans, green or unripe</td>
<td>Aug. 24, 1933</td>
<td>Decrease</td>
<td>G. W. Staples</td>
<td>Do.</td>
</tr>
<tr>
<td>805</td>
<td>Scheduled 8.—Spirits, wines, and other beverages</td>
<td>May 18, 1933</td>
<td>do</td>
<td>John F. Sullivan</td>
<td>Investigation ordered.</td>
</tr>
</tbody>
</table>
| Schedule 9.—Cotton manufactures
<table>
<thead>
<tr>
<th>Product</th>
<th>Date</th>
<th>Location</th>
<th>Company</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yacht ducks made of American and Egyptian cotton</td>
<td>Feb. 9, 1933</td>
<td>Chas. P. McClean</td>
<td>New York Mills Corporation, Waterside Mills</td>
</tr>
<tr>
<td>Cotton velveteens</td>
<td>May 1, 1933</td>
<td>Do</td>
<td>Do</td>
</tr>
<tr>
<td>Cotton imitation oriental rugs</td>
<td>Mar. 2, 1933</td>
<td>Do</td>
<td>Do</td>
</tr>
<tr>
<td>Cotton fishing nets and netting</td>
<td>May 17, 1933</td>
<td>Do</td>
<td>Do</td>
</tr>
<tr>
<td>Yacht sails made from duck of both American and Egyptian cotton</td>
<td>Do</td>
<td>Do</td>
<td>Do</td>
</tr>
</tbody>
</table>

| Schedule 10.—Flax, hemp, jute, and manufactures | Increase | Do |
| Jute webbing not exceeding 12 inches in width | Apr. 7, 1933 | Do |

| Schedule 14.—Papers and books | Increase | Do |
| Strawboard | Nov. 16, 1933 | Do |
| Fibroboard manufacture of wall board | Jan. 11, 1933 | Do |
| Tubes of paper commonly used for holding yarn or thread | Aug. 16, 1933 | Do |

| Schedule 15.—Sundries | Increase | Do |
| Cricket bats and balls | May 24, 1933 | Do |
| Tennis, squash, badminton, and other rackets | Feb. 15, 1933 | Do |
| Pedaline dolls and toys and parts thereof composed of any material | Oct. 25, 1933 | Do |
| Handles and backs for toothbrushes composed of any product provided for in par. 31 of Tariff Act of 1930 | Dec. 2, 1932 | Do |
| Abrasive papers and clothes | Feb. 23, 1933 | Do |
| Matches with plain stems | May 17, 1933 | Do |
| Do | June 1, 1933 | Do |
| Matches with colored stems | May 17, 1933 | Do |
| Do | June 20, 1933 | Do |
| Mesh bags | May 10, 1933 | Do |
| Military type boots and shoes of leather | Apr. 7, 1933 | Do |
| Goats, kid, and cabretta leather | May 15, 1933 | Do |
| Calf and kid upper leather | Feb. 13, 1933 | Do |
| Rubber-soled footwear | July 8, 1933 | Do |
| Rubber footwear | Dec. 2, 1932 | Do |

| Paragraph 10 of the Tariff Act of 1930 | Increase | Do |
| Peni | | | |
### Table I.—Applications for investigation received since Nov. 30, 1932—Continued

<table>
<thead>
<tr>
<th>Commodity</th>
<th>Date application received</th>
<th>Nature of request</th>
<th>Applicant</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Parts of slide fasteners</td>
<td>Mar. 21, 1933</td>
<td>Relief under sec. 337</td>
<td>Hookless Fastener Co.</td>
<td>Investigation ordered.</td>
</tr>
<tr>
<td>Certain cigar lighters</td>
<td>Apr. 21, 1933</td>
<td>Do</td>
<td>Art Metal Works, Inc.</td>
<td>Do. Dismissed without prejudice.</td>
</tr>
</tbody>
</table>

Note.—There are 2 complaints pending under sec. 337.

### Table II.—Commodities upon which applications are pending

<table>
<thead>
<tr>
<th>Schedule</th>
<th>Commodity</th>
<th>Nature of request</th>
</tr>
</thead>
<tbody>
<tr>
<td>Schedule 1: Chemicals, oils, and paints</td>
<td>Ethylchloride U.S.P. in glass tubes</td>
<td>Increase.</td>
</tr>
<tr>
<td>23, 218</td>
<td>Ethyl alcohol</td>
<td>Do.</td>
</tr>
<tr>
<td>51</td>
<td>Methanol</td>
<td>Decrease.</td>
</tr>
<tr>
<td>54</td>
<td>Sesame oil</td>
<td>Do.</td>
</tr>
<tr>
<td>67</td>
<td>Barytes ore, crude and ground</td>
<td>Do.</td>
</tr>
<tr>
<td>232 (d)</td>
<td>Gypsum and marble, manufactured</td>
<td>Increase.</td>
</tr>
<tr>
<td>302 (e)</td>
<td>Tungsten and ferrotungsten</td>
<td>Decrease.</td>
</tr>
<tr>
<td>304</td>
<td>Iron and steel products</td>
<td>Increase.</td>
</tr>
<tr>
<td>307, 308</td>
<td>Steel bars, except concrete reinforcement</td>
<td>Do.</td>
</tr>
<tr>
<td>312</td>
<td>Structural shapes</td>
<td>Do.</td>
</tr>
<tr>
<td>313</td>
<td>Hoops, bands, scrolls, and strips</td>
<td>Do.</td>
</tr>
<tr>
<td>315</td>
<td>Wire rods</td>
<td>Do.</td>
</tr>
<tr>
<td>372</td>
<td>Sewing machines and parts thereof</td>
<td>Do.</td>
</tr>
<tr>
<td>382</td>
<td>Bronze and aluminum powders</td>
<td>Decrease.</td>
</tr>
<tr>
<td>385</td>
<td>Brass wire and lame of lame</td>
<td>Do.</td>
</tr>
<tr>
<td>395</td>
<td>Quicksilver</td>
<td>Do.</td>
</tr>
<tr>
<td>407</td>
<td>Casks and barrels</td>
<td>Do.</td>
</tr>
<tr>
<td>412</td>
<td>Moldings and carvings</td>
<td>Do.</td>
</tr>
</tbody>
</table>

[Table includes all pending applications as of Nov. 30, 1933]
Schedule 7: Agricultural products and provisions

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>Schedule</th>
</tr>
</thead>
<tbody>
<tr>
<td>701</td>
<td>Cattle weighing less than 700 pounds each, and cattle weighing 700 pounds or more each.</td>
<td>Increase.</td>
</tr>
<tr>
<td>712</td>
<td>Cold storage pheasants for food.</td>
<td>Decrease.</td>
</tr>
<tr>
<td>719 (4)</td>
<td>Salt herring.</td>
<td>Do.</td>
</tr>
<tr>
<td>720</td>
<td>Mixed feed.</td>
<td>Do.</td>
</tr>
<tr>
<td>743</td>
<td>Lemons.</td>
<td>Do.</td>
</tr>
<tr>
<td>764</td>
<td>Canary seed.</td>
<td>Increase.</td>
</tr>
<tr>
<td>765</td>
<td>Beans, green or yellow.</td>
<td>Decrease.</td>
</tr>
<tr>
<td>904</td>
<td>Yacht sails made of American and Egyptian cotton.</td>
<td>Do.</td>
</tr>
<tr>
<td>909</td>
<td>Cotton velveteens.</td>
<td>Do.</td>
</tr>
<tr>
<td>921</td>
<td>Cotton imitation, oriental rugs.</td>
<td>Do.</td>
</tr>
<tr>
<td>923</td>
<td>Yacht sails made of duck of both American and Egyptian cotton.</td>
<td>Do.</td>
</tr>
<tr>
<td>924</td>
<td>Cotton velveteens.</td>
<td>Do.</td>
</tr>
<tr>
<td>1015</td>
<td>Jute webbing, not exceeding 12 inches in width.</td>
<td>Do.</td>
</tr>
<tr>
<td>1402, 1413</td>
<td>Pulpboard in rolls for use in the manufacture of wall board.</td>
<td>Increase.</td>
</tr>
<tr>
<td>1402</td>
<td>Strawboard.</td>
<td>Do.</td>
</tr>
<tr>
<td>1413</td>
<td>Tubes of paper commonly used for holding yarn or thread.</td>
<td>Increase.</td>
</tr>
<tr>
<td>1503</td>
<td>Cricket bats and balls.</td>
<td>Decrease.</td>
</tr>
<tr>
<td>1505</td>
<td>Tennis, squash, badminton, and other racquets.</td>
<td>Increase.</td>
</tr>
<tr>
<td>1506</td>
<td>Braid pencils.</td>
<td>Do.</td>
</tr>
<tr>
<td>1507</td>
<td>Ornamental toilet brushes.</td>
<td>Do.</td>
</tr>
<tr>
<td>1508</td>
<td>Rubber erasers.</td>
<td>Do.</td>
</tr>
<tr>
<td>1509</td>
<td>Rubber-soled and rubber footwear.</td>
<td>Do.</td>
</tr>
<tr>
<td>1510</td>
<td>Combs, except metal.</td>
<td>Do.</td>
</tr>
<tr>
<td>1514</td>
<td>Abrasive papers and cloths.</td>
<td>Decrease.</td>
</tr>
<tr>
<td>1527</td>
<td>Mesh bag.</td>
<td>Increase.</td>
</tr>
<tr>
<td>1528</td>
<td>Military-type boots, and shoes of leather.</td>
<td>Do.</td>
</tr>
<tr>
<td>1537 (b)</td>
<td>Rubber erasers.</td>
<td>Increase.</td>
</tr>
</tbody>
</table>

Schedule 9: Cotton manufactures

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>Schedule</th>
</tr>
</thead>
<tbody>
<tr>
<td>702</td>
<td>Cattle weighing less than 700 pounds each, and cattle weighing 700 pounds or more each.</td>
<td>Increase.</td>
</tr>
</tbody>
</table>

Schedule 10: Flax, hemp, jute, and manufactures

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>Schedule</th>
</tr>
</thead>
<tbody>
<tr>
<td>1402, 1413</td>
<td>Pulpboard in rolls for use in the manufacture of wall board.</td>
<td>Increase.</td>
</tr>
<tr>
<td>1502</td>
<td>Cricket bats and balls.</td>
<td>Decrease.</td>
</tr>
</tbody>
</table>

Schedule 14: Papers and books

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>Schedule</th>
</tr>
</thead>
<tbody>
<tr>
<td>1506</td>
<td>Braid pencils.</td>
<td>Do.</td>
</tr>
<tr>
<td>1507</td>
<td>Ornamental toilet brushes.</td>
<td>Do.</td>
</tr>
<tr>
<td>1508</td>
<td>Rubber erasers.</td>
<td>Do.</td>
</tr>
<tr>
<td>1509</td>
<td>Rubber-soled and rubber footwear.</td>
<td>Do.</td>
</tr>
<tr>
<td>1510</td>
<td>Combs, except metal.</td>
<td>Do.</td>
</tr>
<tr>
<td>1514</td>
<td>Abrasive papers and cloths.</td>
<td>Decrease.</td>
</tr>
<tr>
<td>1527</td>
<td>Mesh bag.</td>
<td>Increase.</td>
</tr>
<tr>
<td>1528</td>
<td>Military-type boots, and shoes of leather.</td>
<td>Do.</td>
</tr>
<tr>
<td>1537 (b)</td>
<td>Rubber erasers.</td>
<td>Increase.</td>
</tr>
</tbody>
</table>

Schedule 15: Sundries

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>Schedule</th>
</tr>
</thead>
<tbody>
<tr>
<td>1506</td>
<td>Braid pencils.</td>
<td>Do.</td>
</tr>
<tr>
<td>1507</td>
<td>Ornamental toilet brushes.</td>
<td>Do.</td>
</tr>
<tr>
<td>1508</td>
<td>Rubber erasers.</td>
<td>Do.</td>
</tr>
<tr>
<td>1509</td>
<td>Rubber-soled and rubber footwear.</td>
<td>Do.</td>
</tr>
<tr>
<td>1510</td>
<td>Combs, except metal.</td>
<td>Do.</td>
</tr>
<tr>
<td>1514</td>
<td>Abrasive papers and cloths.</td>
<td>Decrease.</td>
</tr>
<tr>
<td>1527</td>
<td>Mesh bag.</td>
<td>Increase.</td>
</tr>
<tr>
<td>1528</td>
<td>Military-type boots, and shoes of leather.</td>
<td>Do.</td>
</tr>
<tr>
<td>1537 (b)</td>
<td>Rubber erasers.</td>
<td>Increase.</td>
</tr>
</tbody>
</table>

Note.—There are 2 complaints under sec. 337 also pending. The subject of such complaints are held in confidence until acted upon by the Commission.
### Table III.—Commodities covered by applications for investigation and by applications denied and dismissed without prejudice or withdrawn by the applicant since Nov. 30, 1932

#### UNDER SECTION 336

[For list of applications previously disposed of in this manner see Sixteenth Annual Report]

<table>
<thead>
<tr>
<th>Schedule</th>
<th>Paragraph no.</th>
<th>Commodity</th>
<th>Nature of request</th>
<th>Disposition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Schedule 1: Chemicals, oils, and paints</td>
<td>69</td>
<td>Bone black</td>
<td>Increase</td>
<td>Denied and dismissed without prejudice.</td>
</tr>
<tr>
<td>Schedule 2: Earths, earthenware, and glassware</td>
<td>202</td>
<td>Encaustic tiles</td>
<td>Decrease</td>
<td>Denied and dismissed without prejudice.</td>
</tr>
<tr>
<td>Schedule 3: Spirits, wines, and other beverages</td>
<td>809, 810</td>
<td>Mineral waters and imitations of natural mineral waters and artificial mineral waters</td>
<td>Increase</td>
<td>Denied and dismissed without prejudice.</td>
</tr>
<tr>
<td>Schedule 5: Flax, hemp, jute, and manufactures</td>
<td>1014</td>
<td>Bottles and jugs in which such waters are imported</td>
<td>Increase</td>
<td>Denied and dismissed without prejudice.</td>
</tr>
<tr>
<td>Schedule 10: Rayon nets</td>
<td>1014</td>
<td>Towels and napkins of flax, hemp, or ramie, not exceeding 130 threads to the square inch</td>
<td>Decrease</td>
<td>Do.</td>
</tr>
<tr>
<td>Schedule 15: Sundries</td>
<td>1529</td>
<td>Linen huck towels</td>
<td>Do.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>1551</td>
<td>Rayon nets</td>
<td>Increase</td>
<td>Do.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Developed negative and positive motion-picture newsreel film</td>
<td>Decrease</td>
<td>Do.</td>
</tr>
</tbody>
</table>

#### UNDER SECTION 337

| Free list | 1685 | Ammonium sulphate and nitrogen products | Relief from alleged unfair methods of competition and unfair acts in the importation and sale | Denied and dismissed without prejudice. |
### Table IV.—Investigations instituted and surveys ordered to be made since Nov. 30, 1932

#### UNDER SECTION 332

[List of other investigations and surveys instituted since passage of the Tariff Act of 1930 will be found in the Sixteenth Annual Report]

<table>
<thead>
<tr>
<th>Subject Source of request</th>
<th>Source of request</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Synthetic camphor</td>
<td>Special provision in par. 51 of Tariff Act of 1930.</td>
<td>Investigation covering first period completed.</td>
</tr>
<tr>
<td>Rayon</td>
<td>Commission's own initiative.</td>
<td>Subsequent studies to be made covering the later periods referred to in par. 51.</td>
</tr>
<tr>
<td>Phosphates and superphosphates</td>
<td>S. Res. 206, 72d Cong.</td>
<td></td>
</tr>
<tr>
<td>Analysis of the composition of the import and export trade of the United States.</td>
<td>S. Res. 354, 72d Cong</td>
<td></td>
</tr>
<tr>
<td>Competitive conditions in the wood-pulp industry of the United States.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Survey of the long-staple cotton industry.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### UNDER SECTION 336

<table>
<thead>
<tr>
<th>Paragraph no.</th>
<th>Date ordered</th>
<th>Source of application</th>
<th>Subject of investigation</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>202 (a)</td>
<td>Dec. 13, 1932</td>
<td>Wm. H. Revis, Inc.</td>
<td>Quarries or quarry tiles</td>
<td>In progress.</td>
</tr>
<tr>
<td>211, 212</td>
<td>Feb. 3, 1933</td>
<td>United States Potters Association; The Sebring Pottery Co.</td>
<td>Table and kitchen earthenware and stoneware, and china, porcelain, and other vitrified table and kitchen wares, and manufacturers in chief value of such wares.</td>
<td></td>
</tr>
<tr>
<td>229</td>
<td>Dec. 12, 1932</td>
<td>The President</td>
<td>Incandescent electric-light bulbs</td>
<td></td>
</tr>
<tr>
<td>717 (a)</td>
<td>Dec. 12, 1932</td>
<td>The President; Massachusetts Fisheries Association and Federated Fishing Boats of America.</td>
<td>Swordfish, frozen.</td>
<td></td>
</tr>
<tr>
<td>728</td>
<td>Oct. 21, 1933</td>
<td>The President</td>
<td>Rye.</td>
<td>In progress.</td>
</tr>
<tr>
<td>729</td>
<td>Mar. 10, 1933</td>
<td>S. Res. 309</td>
<td>Cut flowers, fresh.</td>
<td></td>
</tr>
<tr>
<td>723</td>
<td>Dec. 5, 1933</td>
<td>The President</td>
<td>Alfalfa seed.</td>
<td></td>
</tr>
<tr>
<td>772</td>
<td>Feb. 4, 1933</td>
<td>The President</td>
<td>Tomatoes in their natural state</td>
<td></td>
</tr>
<tr>
<td>Paragraph no.</td>
<td>Date ordered</td>
<td>Source of application</td>
<td>Subject of investigation</td>
<td>Status</td>
</tr>
<tr>
<td>---------------</td>
<td>--------------</td>
<td>-----------------------</td>
<td>--------------------------</td>
<td>--------</td>
</tr>
<tr>
<td>921</td>
<td>Dec. 12, 1932</td>
<td>The President; S. Res. 961; R. J. Ether Co.; The Linen Thread Co.; Henry H. Brownell.</td>
<td>Rag rugs wholly or in chief value of cotton</td>
<td>In progress.</td>
</tr>
<tr>
<td>1301</td>
<td>Dec. 7, 1933</td>
<td>S. Res. 361; R. J. Ether Co.; The Linen Thread Co.; Henry H. Brownell.</td>
<td>Filaments and yarns of rayon or other synthetic textile, not specially provided for.</td>
<td>Do.</td>
</tr>
<tr>
<td>1506</td>
<td>Dec. 12, 1932</td>
<td>The President; American Brush Manufacturers Association; Pyroxylin Plastic Manufacturers Association.</td>
<td>Tooth and other toilet brushes, except toilet brushes ornamented, mounted, or fitted with gold, silver, or platinum, or wholly or partly plated with gold, silver, or platinum, whether or not enamelled; also handles and treads for tooth brushes and other toilet brushes, composed wholly or in chief value of any product provided for in par. 31 of the Tariff Act of 1930.</td>
<td>Do.</td>
</tr>
<tr>
<td>1511</td>
<td>Apr. 19, 1933</td>
<td>Luss-Stevenson Co.</td>
<td>Cork insulation, wholly or in chief value of cork, cork waste, or granulated or ground cork, in blocks, slabs, boards, or planks.</td>
<td>Do.</td>
</tr>
<tr>
<td>1515</td>
<td>Sept. 21, 1933</td>
<td>New York Match Co., Inc.; Match Import Co., Inc.; International Match Corporation.</td>
<td>Upper leather made from calf or kip skins, partly finished, or finished, or cut or wholly or partly manufactured into uppers, vamps, or any forms or shapes suitable for conversion into boots, shoes, or footwear.</td>
<td>Do.</td>
</tr>
<tr>
<td>1530 (b), (c)</td>
<td>May 16, 1933</td>
<td>S. Res. 68.</td>
<td>Goat, kid, and cabretta leather</td>
<td>Do.</td>
</tr>
</tbody>
</table>

**UNDER SECTION 337**

<table>
<thead>
<tr>
<th>Paragraph no.</th>
<th>Date ordered</th>
<th>Source of application</th>
<th>Subject of investigation</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>72</td>
<td>Feb. 24, 1933</td>
<td>Magnetic Pigment Co.</td>
<td>Oixides of iron suitable for pigment purposes</td>
<td>Appeal taken from findings of Tariff Commission now pending in court.</td>
</tr>
<tr>
<td>307</td>
<td>May 4, 1933</td>
<td>Hookless Fastener Co.</td>
<td>Parts of slide fasteners</td>
<td>In progress.</td>
</tr>
<tr>
<td>1527 (c)</td>
<td>June 14, 1933</td>
<td>Art Metal Works, Inc.</td>
<td>Certain cigar lighters</td>
<td>Findings of Commission sent to interested parties. Upon request of complainant rehearing was held.</td>
</tr>
<tr>
<td>1740</td>
<td>Dec. 15, 1932</td>
<td>International Agricultural Corporation; Phosphate Recovery Corporation; American Cyanamid Co.</td>
<td>Phosphates and apatite</td>
<td>In progress.</td>
</tr>
</tbody>
</table>
APPENDIX II

PUBLICATIONS BY THE TARIFF COMMISSION SINCE THE PASSAGE OF THE TARIFF ACT OF 1930

Annual Reports:
- Fourteenth.
- Fifteenth.
- Sixteenth.
- Seventeenth.

Agricultural Hand Tools.
*Anthracite Coal Industry of Soviet Russia.

Barley Malt.
Basics of Value for Assessment of Ad Valorem Duties in Foreign Countries.
Bells, Chimes, and Carillons.
Bent-Wood Furniture.
Blown-Glass Tableware.
Boots and Shoes.
Cement.
*Census of Dyes and of Other Synthetic Organic Chemicals, 1930.¹
Cheese.
Cigar-Wrapper Tobacco.
Cocoa-Fiber Mats.
Comparison of Tariff Acts of 1922 and 1930 (by items).
Comparison of Tariff Acts of 1913, 1922, and 1930 (by paragraphs).
Computed Duties and Equivalent Ad Valorem Rates on Imports into the United States, 1929.

Copper.
Crab Meat.
Crin Vegetal, Flax Upholstery Tow, and Spanish Moss.
Crude Petroleum and Its Liquid-Refined Products.
Crude Petroleum, Cost of.
Cylinder, Crown, and Sheet Glass.
Dead or Creosote Oil.
Depreciated Exchange.
*Differential between Raw and Refined Sugar.
Domestic Value—Conversion of Rates.
Dried Beans and Black-Eye Cowpeas.
Dried Egg Products.

Economic Analysis of Foreign Trade of the United States in Relation to the Tariff.
- Part I. Imports.
- Part II. Exports.
- Part III. Range and Variety of Costs.
Tariff Bargaining under Most-Favored-Nation Treaties.

Edible Gelatin.
Feldspar.
Fish and Other Marine Products.
Fish Packed in Oil.
Fishery Products.
Folding Rules, Aluminum and Wooden.
Fourdrinier Wires, Woven Wire Cloth, and Cylinder Wires.

¹ The Commission has discontinued the publication of the annual census of dyes.
* Out of print.
Fresh Vegetables:
- Beans, Snap or String, Green or Unripe.
- Cucumbers in Their Natural State.
- Eggplant in Its Natural State.
- Lima Beans, Green or Unripe.
- Okra.
- Peas, Green or Unripe.
- Peppers in Their Natural State.
- Tomatoes in Their Natural State.

Furniture of Wood.
Gauge Glass Tubes.
Hats, Bonnets, and Hoods of Straw.
Hemp Cordage.
Hides and Skins of Cattle of Bovine Species.
Inedible Gelatin, Glue, Glue Size, and Fish Glue.
Infants' Wool Knit Outerwear.
Iron in Pigs and Iron Kentledge.
Lumber and Timber.
* Maple Sugar and Maple Syrup.
Methods of Valuation.
Olive Oil.
Optical Fire-Control Instruments.
Pens.
Pigskin Leather.
Pineapples.
Pipe Organs.
Precision Drawing Instruments.
Regulation of Tariffs in Foreign Countries by Administrative Action.
Relation of Duties to Value of Imports.
Rubber Soled Footwear.
Rules of Practice and Procedure (revised).
Russian Asbestos.
Silicon Aluminum, Aluminum Silicon, Alsimin, Ferro-Silicon Aluminum, and Ferro-Aluminum Silicon.
Smokers' Articles.
Sperm Oil and Spermaceti Wax.
Sponges.
Subject Index of Tariff Commission Publications (revised).
Tariff Bargaining Under Most-Favored-Nation Treaties.
The Cigar Industry.
* Ultramarine Blue.
Umbrellas and Umbrella Frames and Skeletons.
United States-Philippine Tariff and Trade Relations.
Upholsterers' Nails, Chair Glides, Thumb Tacks.
* Wood Flour.
Wood Pulp and Pulpwoods, Effect of Depreciated Currency Upon Imports of:
- Wool-felt Hat Bodies and Hats.
* Wool Floor Coverings.
* Woven-Wire Fencing and Netting.

The Commission has distributed during the current year approximately 23,000 copies of its publications. The Superintendent of Documents reports that during the fiscal year 1932, which is the latest year for which information is available, over 5,500 copies of reports of the Tariff Commission were sold. The receipts from the sale of these reports were in excess of $600.

* Out of print.
APPENDIX III

RECENT LEGISLATION PROVIDING FOR THE CONTROL OF IMPORTS

Previous annual reports contain the laws relating to the United States Tariff Commission, many of which provide for the control of imports. The earlier reports also contain the Commission's rules of practice and procedure adopted thereunder.

Since the last annual report certain new legislation affecting the Tariff Commission has been enacted, as follows:

CODES OF FAIR COMPETITION

(Sec. 3 (e) National Industrial Recovery Act)

On his own motion, or if any labor organization, or any trade or industrial organization, association, or group, which has complied with the provisions of this title, shall make complaint to the President that any article or articles are being imported into the United States in substantial quantities or increasing ratio to domestic production of any competitive article or articles and on such terms or under such conditions as to render ineffective or seriously to endanger the maintenance of any code or agreement under this title, the President may cause an immediate investigation to be made by the United States Tariff Commission, which shall give precedence to investigations under this subsection, and if, after such investigation and such public notice and hearing as he shall specify, the President shall find the existence of such facts, he shall, in order to effectuate the policy of this title, direct that the article or articles concerned shall be permitted entry into the United States only upon such terms and conditions and subject to the payment of such fees and to such limitations in the total quantity which may be imported (in the course of any specified period or periods) as he shall find it necessary to prescribe in order that the entry thereof shall not render or tend to render ineffective any code or agreement made under this title. In order to enforce any limitations imposed on the total quantity of imports, in any specified period or periods, of any article or articles under this subsection, the President may forbid the importation of such article or articles unless the importer shall have first obtained from the Secretary of the Treasury a license pursuant to such regulations as the President may prescribe. Upon information of any action by the President under this subsection the Secretary of the Treasury shall, through the proper officers, permit entry of the article or articles specified only upon such terms and conditions and subject to such fees, to such limitations in the quantity which may be imported, and to such requirements of license, as the President shall have directed. The decision of the President as to facts shall be conclusive. Any condition or limitation of entry under this subsection shall continue in effect until the President shall find and inform the Secretary of the Treasury that the conditions which led to the imposition of such condition or limitation upon entry no longer exists.

The National Industrial Recovery Act also contains the following provisions for licensing business enterprises including those engaged in foreign commerce.

AGREEMENTS AND LICENSES

(Sec. 4 (a) (b) National Industrial Recovery Act)

(a) The President is authorized to enter into agreements with, and to approve voluntary agreements between and among, persons engaged in a trade or industry, labor organizations, and trade or industrial organizations, associations, or groups, relating to any trade or industry, if in his judgment such agreements will aid in
effectuating the policy of this title with respect to transactions in or affecting interstate or foreign commerce, and will be consistent with the requirements of clause (2) of subsection (a) of section 3 for a code of fair competition.

(b) Whenever the President shall find that destructive wage or price cutting or other activities contrary to the policy of this title are being practiced in any trade or industry or any subdivision thereof, and, after such public notice and hearing as he shall specify, shall find it essential to license business enterprises in order to make effective a code of fair competition or an agreement under this title or otherwise to effectuate the policy of this title, and shall publicly so announce, no person shall, after a date fixed in such announcement, engage in or carry on any business, in or affecting interstate or foreign commerce, specified in such announcement, unless he shall have first obtained a license issued pursuant to such regulations as the President shall prescribe. The President may suspend or revoke any such license, after due notice and opportunity for hearing, for violations of the terms or conditions thereof. Any order of the President suspending or revoking any such license shall be final if in accordance with law. Any person who, without such a license or in violation of any condition thereof, carries on any such business for which a license is so required, shall, upon conviction thereof, be fined not more than $500, or imprisoned not more than six months, or both, and each day such violation continues shall be deemed a separate offense. Notwithstanding the provisions of section 2 (e), this subsection shall cease to be in effect at the expiration of one year after the date of enactment of this act or sooner if the President shall by proclamation or the Congress shall by joint resolution declare that the emergency recognized by section 1 has ended.

In addition to the import control measures provided for in section 3 (e) of the National Industrial Recovery Act, there are somewhat similar features in the Agricultural Adjustment Act which, while not directly affecting the Tariff Commission, are of interest in connection with our import trade and are therefore reproduced below:

LICENSES FOR IMPORTERS AND OTHERS

(Sec. 8 (2), (3), (4), (5) Agricultural Adjustment Act)

(2) To enter into marketing agreements with processors, associations of producers, and others engaged in the handling, in the current of interstate or foreign commerce of any agricultural commodity or product thereof, after due notice and opportunity for hearing to interested parties. The making of any such agreement shall not be held to be in violation of any of the antitrust laws of the United States, and any such agreement shall be deemed to be lawful: Provided, That no such agreement shall remain in force after the termination of this act. For the purpose of carrying out any such agreement the parties thereto shall be eligible for loans from the Reconstruction Finance Corporation under section 5 of the Reconstruction Finance Corporation Act. Such loans shall not be in excess of such amounts as may be authorized by the agreements.

(3) To issue licenses permitting processors, associations of producers, and others to engage in the handling, in the current of interstate or foreign commerce, of any agricultural commodity or product thereof, or any competing commodity or product thereof. Such licenses shall be subject to such terms and conditions, not in conflict with existing acts of Congress or regulations pursuant thereto, as may be necessary to eliminate unfair practices or charges that prevent or tend to prevent the effectuation of the declared policy and the restoration of normal economic conditions in the marketing of such commodities or products and the financing thereof. The Secretary of Agriculture may suspend or revoke any such license, after due notice and opportunity for hearing, for violations of the terms or conditions thereof. Any order of the Secretary suspending or revoking any such license shall be final if in accordance with law. Any such person engaged in such handling without a license as required by the Secretary under this section shall be subject to a fine of not more than $1,000 for each day during which the violation continues.

(4) To require any licensee under this section to furnish such reports as to quantities of agricultural commodities or products thereof bought and sold and the prices thereof, and as to trade practices and charges, and to keep such systems of accounts, as may be necessary for the purpose of part 2 of this title.

(5) No person engaged in the storage in a public warehouse of any basic agricultural commodity in the current of interstate or foreign commerce, shall deliver
any such commodity upon which a warehouse receipt has been issued and is outstanding, without prior surrender and cancellation of such warehouse receipt. Any person violating any of the provisions of this subsection shall, upon conviction, be punished by a fine of not more than $5,000, or by imprisonment for not more than two years, or both. The Secretary of Agriculture may revoke any license issued under subsection (3) of this section, if he finds, after due notice and opportunity for hearing, that the licensee has violated the provisions of this subsection.

COMPENSATORY TAXES ON IMPORTS

(Sec. 15 (e) Agricultural Adjustment Act)

(e) During any period for which a processing tax is in effect with respect to any commodity there shall be levied, assessed, collected, and paid upon any article processed or manufactured wholly or in chief value from such commodity and imported into the United States or any possession thereof to which this title applies, from any foreign country or from any possession of the United States to which this title does not apply, a compensating tax equal to the amount of the processing tax in effect with respect to domestic processing at the time of importation: Provided, That all taxes collected under this subsection upon articles coming from the possessions of the United States to which this title does not apply shall not be covered into the general fund of the Treasury of the United States but shall be held as a separate fund and paid into the treasury of the said possessions, respectively, to be used and expended by the governments thereof for the benefit of agriculture. Such tax shall be paid prior to the release of the article from customs custody or control.

(Sec. 16 (a), (b) Agricultural Adjustment Act)

(a) Upon the sale or other disposition of any article processed wholly or in chief value from any commodity with respect to which a processing tax is to be levied, that on the date the tax first takes effect or wholly terminates with respect to the commodity, is held for sale or other disposition (including articles in transit) by any person, there shall be made a tax adjustment as follows:

1. Whenever the processing tax first takes effect, there shall be levied, assessed, and collected a tax to be paid by such person equivalent to the amount of the processing tax which would be payable with respect to the commodity from which processed if the processing had occurred on such date.

2. Whenever the processing tax is wholly terminated, there shall be refunded to such person a sum (or if it has not been paid, the tax shall be abated) in an amount equivalent to the processing tax with respect to the commodity from which processed.

(b) The tax imposed by subsection (a) shall not apply to the retail stocks of persons engaged in retail trade, held at the date the processing tax first takes effect; but such retail stocks shall not be deemed to include stocks held in a warehouse on such date, or such portion of other stocks held on such date as are not sold or otherwise disposed of within thirty days thereafter. The tax refund or abatement provided in subsection (a) shall not apply to the retail stocks of persons engaged in retail trade, held on the date the processing tax is wholly terminated.
APPENDIX IV

BASIS FOR THE ASSESSMENT OF VALUE OF IMPORTS

(Sec. 406, Tariff Act of 1930)

(a) Basis.—For the purposes of this Act the value of imported merchandise shall be—
(1) The foreign value or the export value, whichever is higher;
(2) If the appraiser determines that neither the foreign value nor the export value can be satisfactorily ascertained, then the United States value;
(3) If the appraiser determines that neither the foreign value, the export value, nor the United States value can be satisfactorily ascertained, then the cost of production;
(4) In the case of an article with respect to which there is in effect under section 336 a rate of duty based upon the American selling price of a domestic article, then the American selling price of such article.

(b) Review of appraiser's decision.—A decision of the appraiser that foreign value, export value, or United States value cannot be satisfactorily ascertained shall be subject to review in reappraisal proceedings under section 501; but in any such proceeding, an affidavit executed outside of the United States shall not be admitted in evidence if executed by any person who fails to permit a Treasury attaché to inspect his books, papers, records, accounts, documents, correspondence, pertaining to the value or classification of such merchandise.

(c) Foreign value.—The foreign value of imported merchandise shall be the market value or the price at the time of exportation of such merchandise to the United States, at which such or similar merchandise is freely offered for sale to all purchasers in the principal markets of the country from which exported, in the usual wholesale quantities and in the ordinary course of trade, including the cost of all containers and coverings of whatever nature, and all other costs, charges, and expenses incident to placing the merchandise in condition, packed ready for shipment to the United States.

(d) Export value.—The export value of imported merchandise shall be the market value or the price, at the time of exportation of such merchandise to the United States, at which such or similar merchandise is freely offered for sale to all purchasers in the principal markets of the country from which exported, in the usual wholesale quantities and in the ordinary course of trade, for exportation to the United States, plus, when not included in such price, the cost of all containers and coverings of whatever nature, and all other costs, charges, and expenses incident to placing the merchandise in condition, packed ready for shipment to the United States.

(e) United States value.—The United States value of imported merchandise shall be the price at which such or similar imported merchandise is freely offered for sale, packed ready for delivery, in the principal market of the United States to all purchasers, at the time of exportation of the imported merchandise, in the usual wholesale quantities and in the ordinary course of trade, with allowance made for duty, cost of transportation and insurance, and other necessary expenses from the place of shipment to the place of delivery, a commission not exceeding 6 per centum, if any has been paid or contracted to be paid on goods secured otherwise than by purchase, or profits not to exceed 8 per centum and a reasonable allowance for general expenses, not to exceed 8 per centum on purchased goods.

(f) Cost of production.—For the purpose of this title the cost of production of imported merchandise shall be the sum of—
(1) The cost of materials of, and of fabrication, manipulation, or other process employed in manufacturing or producing such or similar merchandise, at a time preceding the date of exportation of the particular merchandise under consideration which would ordinarily permit the manufacture or production of the particular merchandise under consideration in the usual course of business;
(2) The usual general expenses (not less than 10 per centum of such cost) in the case of such or similar merchandise;
(3) The cost of all containers and coverings of whatever nature, and all other costs, charges, and expenses incident to placing the particular merchandise under consideration in condition, packed ready for shipment to the United States; and
(4) An addition for profit (not less than 8 per centum of the sum of the amounts found under paragraphs (1) and (2) of this subdivision) equal to the profit which ordinarily is added, in the case of merchandise of the same general character as the particular merchandise under consideration, by manufacturers or producers in the country of manufacture or production who are engaged in the production or manufacture of merchandise of the same class or kind.

(g) American selling price.—The American selling price of any article manufactured or produced in the United States shall be the price, including the cost of all containers and coverings of whatever nature and all other costs, charges, and expenses incident to placing the merchandise in condition packed ready for delivery, at which such article is freely offered for sale to all purchasers in the principal market of the United States, in the ordinary course of trade and in the usual wholesale quantities in such market, or the price that the manufacturer, producer, or owner would have received or was willing to receive for such merchandise when sold in the ordinary course of trade and in the usual wholesale quantities, at the time of exportation of the imported article.