

*Thirty-Second*  
**Annual Report**  
*of the*  
**United States Tariff Commission**  
*1948*



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## UNITED STATES TARIFF COMMISSION

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**LETTER OF TRANSMITTAL**

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UNITED STATES TARIFF COMMISSION,  
*Washington, January 3, 1949.*

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

Respectfully,

OSCAR B. RYDER,  
*Chairman.*

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



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## INTRODUCTION AND SUMMARY

During 1948 the United States Government continued to be active in measures designed to assist in the recovery and expansion of world trade and in the reduction of trade barriers. Pending formal acceptance of the General Agreement on Tariffs and Trade entered into at Geneva, Switzerland, in 1947, all but one of the 23 signatory countries, including the United States, put the trade agreement into provisional effect as regards tariff concessions, and also as regards its general provisions insofar as not inconsistent with legislation existing at the time. The Congress extended for 1 year, but with significant revisions, the authority of the President to make trade agreements. New negotiations were planned to start in Geneva in April 1949 with a view to accession of 11 more countries to the General Agreement on Tariffs and Trade. The European Economic Assistance Plan received legislative approval and was put into effect. The final draft of the charter for the proposed International Trade Organization (ITO) was agreed upon by the representatives of more than 50 countries at the United Nations Conference on Trade and Employment held in Habana, Cuba, from November 1947 to March 1948, and ratification of that charter is now pending before the various signatory countries.

Throughout 1948 the activities of the Tariff Commission were affected by all these developments and by the general interest in problems relating to tariff, commercial policy, and international trade. Its work, moreover, was augmented by new duties and by the resumption of applications for investigations under the flexible-tariff provision (sec. 336 of the Tariff Act of 1930).

### *New duties of the Commission*

Several major recent developments in commercial policy affected the work of the Tariff Commission in 1948 and may affect it still more in 1949.

(1) The Trade Agreements Extension Act of 1948 extended to June 30, 1949, the authority of the President to make trade agreements, but in doing so significantly altered the functions of the Tariff Commission in connection with such agreements. Under this act, members of the Commission and Commission experts may no longer participate either in the negotiation of trade agreements or in making decisions as to the terms of trade agreements by serving on the Interdepartmental Committee on Trade Agreements or its auxiliary committees. However, in addition to furnishing as in the past pertinent trade and technical information to assist the trade-agreement authorities, the Commission is now required to determine for each import item listed by the President for trade-agreement negotiation what concession may be made by the United States in a trade agreement without causing or threatening serious injury to the domestic industry. This determination must be made and reported to the President within 120 days after receipt from the President of the list of articles to be included in negotiations. Within this time also the Commission must hold hear-

ings in connection with this investigation. Obviously, this time limit will oblige the Commission during periods when negotiations are pending to devote most of its time and personnel to the discharge of these responsibilities.

(2) A recent Executive order requires the Commission to indicate what steps the President might take to protect a domestic industry when investigation indicates that serious injury has occurred or is threatened by reason of increase, absolute or relative, in imports as a result of a concession already made in a trade agreement containing the safeguarding clause ("escape clause").

(3) Section 22 of the Agricultural Adjustment Act, providing for restrictions on imports which interfere with programs for the promotion of agriculture, has been amended so as to increase considerably the programs which may be thus protected. This expansion may add greatly to the work of the Commission.

(4) The European Economic Assistance Plan, though bearing less directly on the work of the Commission than the Trade Agreements Extension Act, nevertheless constitutes a new development which materially affects international trade and hence the work of the Commission.

(5) The Commission has been requested by the Ways and Means Committee of the House of Representatives to prepare for its assistance an analysis of the ITO charter as drafted at the Habana Conference. Should the charter be ratified, it will doubtless result in new work for the Commission.

#### *Work for the Congress*

By far the largest single task of the Commission during the year, undertaken at the request of Congress, was the revision of the Summaries of Tariff Information. This assignment, begun late in 1947, occupied a large part of the Commission's staff throughout 1948 and will not be completed until after the close of the year. This is the first time since 1929 that the Commission has undertaken to make a tariff report of so wide a scope. The summaries, representing a completely revised and up-to-date survey of the available information concerning all dutiable import commodities, number almost 2,000. Although their primary purpose is to assist Congress in the consideration of basic tariff legislation, these summaries are of great value to the Commission in connection with its various duties, especially those relating to trade agreements. The summaries already released, moreover, have proved of great interest to industry and the general public.

Other projects completed or begun during the current year on behalf of the Ways and Means Committee of the House and the Finance Committee of the Senate include a report on procedure and criteria in connection with the escape clause in trade agreements, as well as reports on 43 bills and resolutions relating to tariffs or foreign trade that were submitted to the Commission for study and comment. Although most of the Commission's work for Congress was requested by these two committees, a number of requests for information relating to tariffs and trade came from other congressional committees, and over 100 written requests and numerous oral requests came from individual members of Congress. As a result of the increase in requests from Congress, a much larger part of the time of the Commission's



staff was devoted to work for that body in 1948 than in any other recent year: the proportion was about two-fifths compared with one-fourth in 1946.

*Other activities*

That part of the Commission's time not taken up with congressional work was spent largely on its regular tasks of keeping abreast of developments in commercial policy, in industry, and in international trade; supplying information to trade-agreement authorities (both before and after the amendment of the Trade Agreements Act), to the Executive, and on special requests to various Government agencies, private industries, and individuals; and making investigations and performing other duties required by various special provisions of law.

Until the latter part of 1948 trade-agreement activities of the Commission were light compared with the heavy responsibilities, involving most of the staff, incident to the Commission's part in preparation for negotiations with 22 foreign countries at Geneva in 1947. Foremost in scope and time required was the preparation during 1948 of the Commission's first report to the President on the Operation of the Trade Agreements Program, a report which was required by Executive order and covered the period from the initiation of the program in 1934 to April 1948, after the Geneva General Agreement on Tariffs and Trade. The Commission, operating under the Executive order which defines its responsibilities in connection with the escape clause in certain trade agreements, also received three applications (involving marrons, whisky, and spring clothespins) for investigation under the provisions of this clause. One important former activity of the Commission in connection with trade agreements—that of participating in the work of the Committee on Reciprocity Information—ceased after June 1948 as a result of the redefinition of the Commission's responsibilities in the Trade Agreements Extension Act. The Commission, however, continues to supply great quantities of factual information to the Interdepartmental Committee on Trade Agreements.

In the latter half of 1948 much time was devoted to preparing statistical analyses of the import trade of the United States from each of the 11 foreign countries with which trade-agreement negotiations are to be undertaken at Geneva in April 1949. The data so furnished were the principal basis for recommendations to the President regarding the list of commodities to be considered for concessions by the United States in these forthcoming negotiations. On November 5, 1948, the President made public this list of commodities. The work of the Commission in reporting to the President regarding them, as required by section 3 of the Trade Agreements Extension Act, will be its principal activity during the next few months.

Activities of the Tariff Commission other than those mentioned above were numerous and varied during 1948. They included the following projects: (1) An investigation was made and a report was sent to the President with respect to import quotas on long-staple cotton under provisions of the Agricultural Adjustment Act. (2) A compilation was prepared, jointly with the Bureau of Customs of the Treasury Department, of all United States import duties in effect on August 1, 1948, indicating the changes made since the Tariff Act of

1930. (3) A formal investigation of almonds was initiated under the flexible-tariff provision of the Tariff Act of 1930. (4) A new edition of the Commission's Rules of Practice and Procedure was issued. (5) The customary annual report on the production and sales of synthetic organic chemicals, long recognized as a valuable contribution on this industry, was released. (6) Work was continued on the series of reports containing comprehensive economic and trade data for the 20 Latin American countries; 3 more reports were released in this series, which is now nearly complete. (7) Another report was added to the War Changes in Industry Series.

*Postponed work*

Owing to the Commission's inability to expand its staff sufficiently to carry on all the work required of it, numerous projects have had to be postponed or dropped. Pressing requests for current information and tasks required by law naturally take priority over less pressing long-range projects.

Among the projects which have been allowed to lapse because of the pressure of more urgent work is a series of studies dealing with the commercial policies and trade of certain foreign countries. Before 1948 the Commission had done considerable work on these studies.

For some time before the war the Commission had issued a number of comprehensive surveys of basic American industries as affected by tariff policy and foreign competition. During the war and early postwar period, the Commission issued at the request of Congress surveys of a less comprehensive type relating to major industries whose foreign-trade position had been changed by the war. It was not possible, by reason of inadequate staff, to cover as many industries in this War Changes in Industry Series as originally contemplated. Moreover, now that world trade is slowly reviving, there is a growing need for the surveys of the former more comprehensive type, and the Commission plans to resume this work as soon as it has an adequate staff.

Similarly, it has not been possible to make much progress with the review of the customs administrative laws and regulations, and of the classifications of the tariff, with a view to bringing them into accord with developments that have taken place during the past 20 years.

The numerous instances in which the Commission has been unable to carry on certain important functions because priority had to be given to more pressing duties indicate the need for more personnel in the Commission's research branches. Charged with a wide diversity of duties, some of them new and many of them urgent, the Commission is in fact now undertaking to do more work with a staff considerably smaller than it had 10 and 20 years ago.

## SERVICE TO THE CONGRESS

Service to the Congress is a primary function of the Tariff Commission. It fulfills this function by furnishing, in response to congressional resolutions and to requests from congressional committees and individual members of Congress, information and analyses of data bearing on pending legislation having to do with foreign trade and commercial policy. As a bipartisan agency created for the express purpose of supplying this service, the Commission endeavors at all times to maintain complete objectivity in gathering data and analyzing trade problems.

In accordance with obligations expressly imposed by its basic law, the Commission renders more service to the House Committee on Ways and Means and the Senate Finance Committee than to other committees of Congress. Recently, however, an increasing number of requests for assistance have come from other congressional committees and individual members of Congress.

### Ways and Means Committee Request of July 1947

In a resolution of the House Committee on Ways and Means of July 1947,<sup>1</sup> the Tariff Commission was asked to assume three major tasks:

- (1) To keep currently informed and to report immediately to the Committee on Ways and Means any rate or rates of duty or prospective rates of duty which appear to be so low as to give imports a substantial competitive advantage over domestically produced items, or so high as to exclude from the domestic market reasonable competition from imports.
- (2) To establish as soon as practicable the substantive and procedural criteria, measurements, or other standards by which it will determine whether imports of any particular commodity are entering in such quantities as to "injure" or threaten "injury" to any domestic unit of agriculture, labor, industry or segment thereof, and to inform the Committee on Ways and Means as to how that [the Tariff] Commission intends to comply with the provisions of Executive order 9832 [i. e., with respect to the administration of the so-called escape clause in trade agreements].
- (3) To rewrite or otherwise bring up to date the Dictionary of Tariff Information and the commodity Summaries of Tariff Information by February 1, 1948.

#### *Effects of rates of duty*

In fulfilling the first task, the Commission submitted to the Ways and Means Committee a report discussing the general effects of the duties. The report pointed out that it would be inappropriate for the Commission, in view of the future exercise of its functions regarding rates of duty under law and Executive order, to express in advance opinions as to the rates on each of the individual products in the tariff act, but that it was assembling, in the Summaries of Tariff Information, data which would assist the Congress, the President, and the agencies concerned with trade agreements to reach such opinions.

<sup>1</sup> See also U. S. Tariff Commission, *Thirty-First Annual Report*, 1947, pp. 5-6.

*Procedure and Criteria With Respect to the Administration of the "Escape Clause" in Trade Agreements*

As requested in the second part of the resolution of the Committee on Ways and Means, the Tariff Commission issued the statement *Procedure and Criteria With Respect to the Administration of the "Escape Clause" in Trade Agreements*.

Need for this statement arose from an Executive order requiring that all future trade agreements contain a clause (similar to that already included in the 1943 agreement with Mexico) safeguarding American producers against serious injury resulting from concessions made in such agreements. Compliance with the wording of the resolution of the Ways and Means Committee involved the interpretation of the escape clause and a discussion of the considerations which the Tariff Commission will take into account in the exercise of its functions under the Executive order. (See summary of the report in appendix I.)

*Summaries of Tariff Information*

The work of bringing the Summaries of Tariff Information up to date, part of the third task listed in the committee's resolution, has taken the time of most of the Commission's staff throughout a great part of 1948. So many changes had occurred since the publication of the earlier summaries in 1929 that only a complete rewriting of them would fulfill the purposes of the resolution.

The information contained in the summaries, though necessarily brief, covers with reasonable fullness, conditions of competition between imports and domestic production. Each summary reviews recent tariff history of the individual commodity covered; contains statistics on domestic production; shows destination of exports and source of imports; and discusses the nature and extent of competition. In the presentation of the factual information, no attempt is made to suggest what general policy should be pursued. Nevertheless, these summaries are basic to the formulation of policy; they constitute the factual material on which Congress must largely depend in the enactment of tariff legislation.

Though prepared expressly for the purpose of assisting the Congress, these summaries provide valuable information for the Executive as well, for negotiation of trade agreements, and for other functions. Moreover, the information gathered in preparing these summaries will greatly assist the Commission in making the specific findings regarding individual commodities which the Tariff Commission is required to report to the President under the Trade Agreements Extension Act of 1948. Finally, the summaries, representing as they do the only comprehensive study of the kind, have evoked widespread interest in industry and the public generally. Since the number of copies available is too limited for distribution to all interested persons, the Commission has placed copies in libraries for the use of the general public.

The complete series of tariff summaries, which includes about 2,000 individual commodities listed in the tariff act, will be contained in 16 volumes, many of which are in several parts. The first volumes were issued in May; others have followed throughout the year, and the series will be completed early in 1949.

## Ways and Means Committee and Finance Committee

Work done in response to other requests from the Ways and Means Committee and requests from the Senate Finance Committee is discussed below.

### *Analysis of the Geneva draft of the proposed ITO charter*

The analysis of the Geneva draft of a charter for the International Trade Organization, undertaken at the request of the Senate Finance Committee in 1947, was issued in November 1947. A similar analysis was made of the London draft of the charter in 1946 at the request of the Ways and Means Committee, and the Commission is again preparing, at the request of the latter committee, an analysis of the draft charter adopted at Habana in March 1948.

The report on the Geneva draft is summarized in appendix I. The analysis indicates the scope of the various provisions and discusses their possible effects, if adopted, on existing United States laws and practices and in general on the commercial policies of foreign countries. The Commission's analysis of the charter was used by the United States delegation at the United Nations Conference on Trade and Employment, held in Habana, which redrafted the proposed ITO charter.

### *Reports on pending legislation*

During the current year the Tariff Commission was asked to study and report on 43 bills and resolutions, 25 of these requests from the House Committee on Ways and Means and 18 from the Senate Finance Committee. The legislative bills sent to the Commission for comment all related to the tariff or to some other aspect of foreign trade. Some of the bills provided for the permanent free importation of certain commodities such as scrap synthetic rubber, Christmas trees, and exposed X-ray film; others for the temporary free importation of items on which scarcities had developed, including lead, scrap iron and steel, and plywood. Several of the bills concerned amendments providing an increase in the present limitation on the value of articles which returning residents might bring into the country free of duty; and other bills provided for increased duties on specified products, such as mandruka sponges and tung oil.

### *War Changes in Industry Series*

A report on *Plastics Products* (No. 28 in the War Changes in Industry Series) was issued by the Commission in 1948. This series was begun during the war in response to requests from the Committee on Ways and Means and the Committee on Finance. The Commission has undertaken to select for study those industries which seemed most likely to be appreciably affected by changes brought about by the war, especially changes in the competitive situation existing between imports and domestic production.

Although it would be desirable to continue these studies, which thus far have covered 28 industries, the Commission has been obliged to give priority to other work. In the preparation of the Tariff Summaries, the Commission, of course, appraises the competitive situation as affected by wartime developments in practically every industry, but

the analysis is of necessity briefer than that in the War Changes in Industry reports.

*Changes since 1929 in the international-trade policies of foreign countries*

Subsequent to the issuance by the Tariff Commission on its own motion of two reports dealing respectively with the trade policies of Italy and Germany, the Ways and Means Committee and the Finance Committee requested that similar studies be made of other countries. The reports issued in response to these requests have centered on the 20 Latin American countries.

During 1948 the Commission issued three additional reports in its series relating to the trade problems of the Latin American republics. A total of 48 reports has been released and 5 more are in process. These reports present basic economic data, discussing particularly the effects of the war on the economies and trade of these countries and the economic problems which confront them. The reports for 7 of the Latin American countries consist of four parts, as follows: (1) Economic controls and commercial policy; (2) mining and manufacturing industries; (3) agricultural, pastoral, and forest industries; and (4) recent developments in foreign trade. For the other 13 Latin American countries, the reports include only the first and second of the parts mentioned above. The series on economic controls and commercial policy, which includes reports for all the countries, and the series on agricultural, pastoral, and forest industries, which covers 7 of the important countries, have all been completed and issued. A summary of the reports in this series released during 1948 is given in appendix I.

*Assistance in connection with the Trade Agreements Extension Act of 1948*

The Tariff Commission was called upon in various ways to supply information to the Ways and Means and Finance Committees in connection with deliberations which led to the enactment of the Trade Agreements Extension Act of 1948. The Commission designated several senior members of its staff to assist the Ways and Means Committee during the course of the hearings on the act. Senior members of the staff also prepared data requested by various members of the House and Senate committees, and the Chairman of the Tariff Commission presented testimony at the hearings before the Committee on Finance. The effect of the new act on the work of the Tariff Commission is discussed in the section of this report dealing with trade-agreement activities.

### **Work for Other Congressional Committees**

The Tariff Commission received about 12 requests in 1948 from congressional committees other than the House Ways and Means and the Senate Finance Committees. One of the important requests was from the Senate Committee on Interior and Insular Affairs asking the Commission to make a study of the effects of recent trade agreements and of the ITO charter on Puerto Rico, the Virgin Islands, Alaska, and Hawaii. The Commission is completing a report giving details as to the relation of the programs to the trade of the territories and island possessions of the United States.

Another request calling for special consideration was from the House Committee on Foreign Affairs asking the Tariff Commission to state its function in current aid and recovery programs, including those concerned with occupied areas, and in planning future programs. In response the Commission supplied a statement of its basic and special functions, its organization, and its work with international and related organizations.

### **Requests From Individual Senators and Representatives**

In addition to the foregoing requests for reports on bills and resolutions and other major requests, the Commission received over 100 written requests and many telephone calls from individual Senators and Representatives. One request asked the Commission to list the concessions granted in the General Agreement on Tariffs and Trade which did not go into effect on January 1, 1948. Members asked for information on such varied matters as trade in wallpaper between United States and Canada, the value of imports and exports of agricultural and nonagricultural commodities, the domestic mercury industry, trade-agreement concessions, rates of duty, and trade statistics on various commodities. Response to many of these requests required considerable research; others could be readily answered from the basic data on commodities available at the Commission.





## TRADE-AGREEMENT ACTIVITIES

Upon the enactment of the Trade Agreements Extension Act of 1948, the duties of the Tariff Commission with respect to trade agreements were significantly changed. This act extended to June 30, 1949, the period during which the President is authorized to enter into trade agreements with foreign countries. During this period the trade-agreement activities of the Commission are those set forth in the act and in Executive Order 10004, which defines in detail its new duties and responsibilities. The act and the Executive order appear in full in appendix II.

### Functions Under the Trade Agreements Extension Act of 1948 and Executive Order 10004

#### *Technical assistance to Trade Agreements Committee*

Section 4 of the Trade Agreements Extension Act of 1948 (Pub. Law 792, 80th Cong.) and paragraph 7 of Executive Order 10004 of October 5, 1948, specify the type of technical assistance to be given by the Tariff Commission to the Trade Agreements Committee. As stated in the Executive order—

The Tariff Commission shall furnish facts, statistics, and other information at its command in accordance with the provisions of this order or of the Trade Agreements Extension Act of 1948. With respect to each article imported into the United States which is considered by the Trade Agreements Committee for possible modification of duties and other import restrictions, imposition of additional import restrictions, or specific continuance of existing customs or excise treatment in a trade agreement, the Tariff Commission shall make an analysis of the facts relative to the production, trade, and consumption of the article involved, to the probable effect of granting a concession thereon, and to the competitive factors involved. Such analysis shall be submitted in digest form to the Trade Agreements Committee.

#### Under the Trade Agreements Extension Act—

neither the Commission nor any member, officer, or employee of the Commission shall participate in any manner (except to report findings, as provided in section 3 of this Act and to furnish facts, statistics, and other information as required by this section) in the making of decisions with respect to the proposed terms of any foreign trade agreement or in the negotiation of any such agreement.

As a result of this part of the act, the Tariff Commission is no longer represented on the Trade Agreements Committee. The Commission, however, continues to supply the Committee with information.

The Commission's formal participation in the Committee for Reciprocity Information (CRI) is terminated under the new act. Formerly the Vice Chairman of the Tariff Commission was Chairman of CRI, and another Commissioner was the Vice Chairman of the CRI. Under the new act the Commission is not represented on CRI, chairmanship of which has been transferred to the CRI representative of the Department of Commerce. The offices of CRI have been transferred from the Tariff Commission Building to the Department of Commerce.

Assistance to CRI, which was continued in 1948 until the new act became effective, consisted principally in preparing digests of written statements filed with CRI and in supplying material for use in the public hearings held by CRI in connection with trade-agreement negotiations. The last service of this sort rendered by the Tariff Commission was in February 1948 in connection with the revision of schedule I of the trade agreement with Mexico.

*The new responsibility of the Commission under the act*

The powers of the Tariff Commission laid down in section 3 of the Trade Agreements Extension Act of 1948 include one important new responsibility in connection with the negotiation of trade agreements. This responsibility arises when, in the preparations to negotiate an agreement, the President transmits to the Commission the proposed list of concessions to be considered by the United States. Paragraph 5 of the Executive order prescribes the duties of the Commission at this point as follows:

Upon receipt by the Tariff Commission of the list specified in paragraph 4 hereof, the Commission shall make an investigation and as soon as possible, and not later than one hundred twenty days after such receipt, shall report to the President its findings as to each article specified in the list in accordance with the said Trade Agreements Extension Act of 1948. A copy of such report to the President shall at the same time be transmitted to the Trade Agreements Committee. Such report shall be kept confidential by the Tariff Commission and the Trade Agreements Committee except, in the case of a report a copy of which has been submitted to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate pursuant to section 5 (b) of the Trade Agreements Extension Act of 1948, any portions thereof which have been made public by one or both such Committees. The procedure and rules and regulations for the investigations by the Tariff Commission, and for the hearings to be held in connection therewith, shall from time to time be prescribed by the Commission.

In connection with the provisions of this Executive order, the Commission, though expressly precluded from participation in decisions of the Trade Agreements Committee and its subcommittees, was of great assistance to those committees in preparation of the basic statistical data from which the list of commodities to be considered for possible concessions by the United States in the forthcoming trade-agreement negotiations was selected. These negotiations, scheduled for April 1949 at Geneva, will be with 11 foreign countries. The Commission's staff furnished to the Trade Agreements Committee statistics regarding the position of each of these countries in supplying imports of individual commodities to the United States. These factual data were the principal basis on which that Committee formulated its recommendations to the President regarding this list of commodities. Moreover, the Commission's experts provided the correct technical and legal wording required in the listing of the individual commodities, a task often involving much difficulty. If in the course of the pending negotiations any tariff item is subdivided, it will likewise be necessary for the Commission's experts to furnish the appropriate wording.

On November 5, 1948, the President made public the list of commodities on which concessions by the United States will be considered in the forthcoming negotiations at Geneva. The 11 foreign countries concerned are Denmark, Dominican Republic, El Salvador, Finland, Greece, Haiti, Italy, Nicaragua, Peru, Sweden, and Uruguay.

About 400 commodities are listed. For each of these commodities the Commission is required to report to the President the extent to which a concession may be made without serious injury to the competing domestic industry. Since this work must be completed by March 5, the burden on the staff will be extremely heavy. The Commission has announced that, as required by law, it will hold public hearings regarding these possible concessions, beginning December 7, 1948.

### **Trade-Agreement Activities Under Authority of Previous Acts and Executive Orders**

Before the enactment of the Trade Agreements Extension Act of 1948 the Tariff Commission had been assigned two new functions relating to trade agreements under Executive Order 9832 (February 25, 1948). These functions have been continued in Executive Order 10004 (October 5, 1948). The first assignment requires the Commission to investigate and report to the President regarding any instance in which increase in imports resulting from a concession granted in a trade agreement may be causing or threatening serious injury to a domestic industry. The second requires the Commission to report at least once a year on the operation of the trade agreements program.

#### *Safeguarding clause in trade agreements*

Paragraph 10 of Executive Order 10004 reads as follows:

There shall be applicable to each concession with respect to an article imported into the United States which is granted by the United States in any trade agreement hereafter entered into a clause providing in effect that if, as a result of unforeseen developments and of such concession, such article is being imported in such increased quantities and under such conditions as to cause or threaten serious injury to the domestic industry producing like or similar articles, the United States shall be free to withdraw the concession, in whole or in part, or to modify it, to the extent and for such time as may be necessary to prevent such injury.

The General Agreement on Tariffs and Trade concluded at Geneva and the agreements with Mexico and Paraguay contain such safeguarding clauses. The Tariff Commission was designated (in both Executive Order 9832 and Executive Order 10004) as the agency to make investigations and to report to the President when conditions warrant invocation of the safeguarding clause. The specific language of Executive Order 10004 (par. 13) follows:

The Tariff Commission, upon the request of the President, upon its own motion, or upon application of any interested party when in the judgment of the Tariff Commission there is good and sufficient reason therefor, shall make an investigation to determine whether, as a result of unforeseen developments and of the concession granted by the United States on any article to which a clause similar to that provided for in paragraph 10 hereof is applicable, such article is being imported in such increased quantities and under such conditions as to cause or threaten serious injury to the domestic industry producing like or similar articles. Should the Tariff Commission find, as a result of its investigation, that such injury is being caused or threatened, it shall recommend to the President, for his consideration in the light of the public interest, the withdrawal of the concession, in whole or in part, or the modification of the concession, to the extent and for such time as the Tariff Commission finds necessary to prevent such injury. In the course of any investigation under this paragraph, the Tariff Commission shall hold public hearings, giving reason-

able public notice thereof, and shall afford reasonable opportunity for parties interested to be present, to produce evidence, and to be heard at such hearings. The procedure and rules and regulations for such investigations and hearings shall from time to time be prescribed by the Tariff Commission.

During 1948 the Tariff Commission received three applications for investigation under the foregoing provisions, as follows:

*Marrons, candied, crystallized, or glace, or prepared or preserved in any manner.*—The first application for investigation of alleged threat of injury due to increased imports resulting from the concessions granted in the General Agreement on Tariffs and Trade was received by the Tariff Commission on April 20, 1948. The articles presented for investigation were marrons (chestnuts), candied, crystallized, or glace, or prepared in any manner. Consideration of the facts regarding the prewar and recent imports of candied marrons and marrons in sirup, the level and trend of domestic production, and other competitive factors with respect to domestic and foreign marrons, indicated that the possibility of injury to domestic producers was not such as to warrant the Commission undertaking a formal investigation under the Executive order at that time. Therefore, the Commission dismissed the application without prejudice. Public notice of the receipt of the application and of the dismissal was given in accordance with the Commission's rules of procedure.

*Whiskies and spirits.*—The second application filed under provisions of the Executive order, received by the Commission on September 9, 1948, requested relief from alleged injury due to increased imports resulting from concessions granted on whiskies and spirits in the General Agreement on Tariffs and Trade. Preliminary study is now in progress to determine whether the facts in the case warrant the Tariff Commission in ordering a formal investigation. Public notice has been issued of the receipt of the application. Commission action on the application will also be announced by public notice.

*Spring clothespins.*—On November 10, 1948, a third application was received requesting an investigation to determine whether spring clothespins are being imported in such increased quantities and under such conditions as to cause or threaten serious injury to domestic producers of like or similar articles. This application was filed under the new Executive Order 10004. Public notice of the receipt of the application was given in accordance with the Commission's rules, and likewise notice will be given of the Commission's action on the application.

#### *Annual report on the operation of the trade agreements program*

The Tariff Commission was first directed to issue an annual report on the trade-agreements program in Executive Order 9832 of February 25, 1947. This directive is repeated in Executive Order 10004 of October 5, 1948 (par. 14), as follows:

The Tariff Commission shall at all times keep informed concerning the operation and effect of provisions relating to duties or other import restrictions of the United States contained in trade agreements heretofore or hereafter entered into by the President under the authority of the Trade Agreements Act, as amended. The Tariff Commission, at least once a year, shall submit to the President and to the Congress a factual report on the operations of the trade-agreements program.

The first report under this order covers a period of 14 years, from the original passage of the act in 1934 to April 1948. When the report was nearing completion, a preliminary draft was issued at the request

of the Committee on Ways and Means, to assist Congress in its consideration of the extension of the Trade Agreements Act. In its final form the report, which is necessarily long, will consist of five parts, as follows:

- Part I. Summary
- Part II. History of the Trade Agreements Program
- Part III. Trade-Agreement Concessions Granted by the  
United States
- Part IV. Trade-Agreement Concessions Obtained by the  
United States
- Part V. Effects of the Trade Agreements Program on  
United States Trade

The preliminary draft and the final report differ chiefly in Part IV, Trade-Agreement Concessions Obtained by the United States. In the preliminary draft this part did not discuss the concessions granted by foreign countries in the Geneva agreement, whereas in the final report it covers the concessions obtained in that agreement as well as those obtained in earlier agreements.

(A summary of the final report will be found in appendix I.)



## OTHER ACTIVITIES

Work of the Tariff Commission on matters not covered above was extensive and varied in 1948. The Commission's staff spent approximately 5,500 hours in preparing material for the President and for other Federal agencies, and about 2,000 hours in attending meetings or preparing material for interagency committees on which the Tariff Commission is (or was formerly) represented; these figures do not include work relating to the trade agreements program.

The Commission also had occasion to request assistance from other Government agencies. As in past years, the Bureau of the Census of the Department of Commerce continued to supply the Commission with detailed statistics on imports and other material relating to foreign trade. The Bureau of Customs of the Treasury Department, among other assistance, helped in the preparation of the Tariff Commission's document *United States Import Duties (1948)*.

### *Participation in the Habana Conference and analysis of the Habana ITO charter*

The Tariff Commission was represented on the United States delegation to the United Nations Conference on Trade and Employment held in Habana, Cuba, from November 1947 to March 1948. Chairman Ryder was a member of the delegation and Commissioner Brosard served as an alternate delegate. The Commission's General Counsel served as a legal adviser to the delegation.

This Conference prepared the final text of the charter for an International Trade Organization (ITO). At the request of the Committee on Ways and Means of the House of Representatives, the Commission is now engaged in preparing an analysis of the Habana charter, and expects to have this completed before active consideration of the charter begins in the Congress.

### *Investigation under the Agricultural Adjustment Act: Import quota on long-staple cotton*

Section 22 of the Agricultural Adjustment Act, as amended, gives the President the power to restrict imports of agricultural commodities if they are entering in such quantities and under such conditions as to render or tend to render ineffective or materially interfere with any program of the Department of Agriculture. Before the President takes any action under section 22 an investigation and recommendation must be made by the Tariff Commission. Legislation passed during the last session of Congress expands the Commission's functions by extending the scope of the programs subject to this section. The section may now apply to potatoes, hogs, chickens, and many other items in the price-support program. During the past year the Commission conducted one supplemental investigation under the provisions of this section.

Long-staple cotton, one of the commodities covered by the original section 22 of the Agricultural Adjustment Act, is subject to a global import quota of 45,656,420 pounds per quota year.

The quota having been filled during the first day of the quota year, September 20, 1947, consuming mills appealed to have the quota increased. In response, the Tariff Commission in January 1948 announced a supplemental investigation with respect to long-staple cotton; hearings were held on February 17, 1948. After further investigation the Commission on May 18 sent to the President a report in which a majority of the Commission recommended permanent changes in the quota on long-staple cotton (as to the two dissenting opinions see appendix I).

The President was disinclined to make a permanent change in the quota at this time and requested that the Commission consider a supplemental quota for the then current quota year, together with an allocation procedure which would permit mills having a need for additional supplies during the current quota year to obtain them. On July 14 the Commission made a recommendation to the President which resulted in a proclamation authorizing the Commission to issue licenses for additional imports for the remainder of the quota year ending September 19, 1948. Licenses to import under the supplemental quota could be granted only to individual cotton-manufacturing concerns in such amounts as should be determined by the Tariff Commission to be essential for their operations. The total quantity licensed could not exceed 18 million pounds under the proclamation. The Commission received 33 applications to import cotton under the supplemental quota and granted import authorizations covering a total of 6,145,230 pounds.

The following tabulation shows the amount of cotton requested by mills, the amount allocated by the Commission, and the amount withdrawn from warehouses by the mills:

Operations	Cotton-manufacturing concerns involved		Total quantity of cotton	Ratios
	Number	Pounds		
Requests made .....	33	9,740,254		
Authorizations granted .....	30	6,145,230		
Ratio of quantity authorized to quantity requested .....				63.1
Licenses issued <sup>1</sup> .....	29	6,064,230		
Withdrawals completed <sup>2</sup> .....	28	5,685,627		
Ratio of quantity withdrawn to quantity authorized .....				92.5

<sup>1</sup> No license was issued to one concern to which authorization to import long-staple cotton had been granted because the concern did not specify the port of entry. Another concern failed to specify the port of entry for part of the cotton for which authorization had been granted.

<sup>2</sup> Preliminary data supplied by the U. S. Bureau of Customs.

Summaries of the Tariff Commission's original and supplemental report to the President, and a statement regarding the licensing procedure, are included in appendix I.

#### *Work under the flexible-tariff provision*

Section 336 of the Tariff Act of 1930, commonly referred to as the flexible-tariff provision, provides that, after an investigation by the Tariff Commission of differences in cost of production of a domestic article and a like or similar foreign article and a report thereon to the President, the President may increase or decrease a duty, in accordance with the Commission's findings. Such change may not exceed 50 percent of the duty in the Tariff Act of 1930. The provision



of this section, however, may not be applied to any article on which a concession has been granted in a trade agreement entered into under the Trade Agreements Act of 1934, as amended.

Few investigations have been made by the Tariff Commission under this section in recent years and none were made during the war. On July 8, 1948, however, an application was filed with the Commission for an investigation under section 336 looking toward an increase in the duty on almonds, shelled (dutiable under par. 756 of the Tariff Act of 1930 at 16½ cents per pound) and on almonds, blanched, roasted, or otherwise prepared or preserved (dutiable at 18½ cents per pound under the same paragraph). On September 16, 1948, the Commission ordered a formal investigation with respect to these items, and later expanded the scope to cover unshelled almonds, which are unimportant in import trade. Public notice of this action was issued in accordance with the Commission's rules. The investigation is now under way and a public hearing has been ordered for December 3, 1948.

Another application for investigation under this section was filed with the Commission on November 26, 1948. This application requests an investigation looking toward increase in the duties on lemons (dutiable under par. 743 at 2½ cents per pound) and lemon oil (dutiable under par. 58 at 25 percent ad valorem). Public notice of the receipt of the application has been issued in accordance with the Commission's rules.

#### *Review of the customs administrative laws and regulations*

In view of the multitude of changes in trade and commercial practices during recent years, the Tariff Commission recognizes the necessity of investigating the content and administration of this country's customs laws and regulations.

In 1944 the Tariff Commission announced that it would prepare a report on this subject, but the priority of other work has allowed but little progress. Future work in this field will depend largely on the funds available from appropriations. When completed, the analysis will include not only reference to changes designed to make the Customs Service more efficient, but also suggestions for bringing the administrative provisions of the tariff, as well as the tariff classifications of commodities, more in accord with current commercial practices and conditions. Moreover, immediate attention needs to be given to changes that will be required in United States customs laws if the Habana ITO charter is adopted.

#### *United States Import Duties (1948)*

In June 1948 the Tariff Commission issued a compilation, prepared jointly with the Bureau of Customs of the United States Treasury Department, showing all United States import duties in effect as of June 15, 1948; a later supplement indicated changes made up to August 1. The document reproduces in tabular form the original duty provisions of the Tariff Act of 1930, as well as the current duties and tariff provisions where they differ from those in the tariff act. It also contains a list of import-excise taxes which have been introduced since the passage of the Tariff Act of 1930. The principal tariff changes noted since the last document of this kind was issued by the Tariff Commission are those contained in the General Agreement on

Tariffs and Trade, negotiated at Geneva in 1947. The United States has made effective all concessions negotiated at Geneva except those negotiated with Chile, which country has not as yet put the agreement into force. (See appendix I for a summary explaining the information included in this compilation.)

#### *Rules of Practice and Procedure of the Commission*

In October 1948 the Commission issued a new edition of its *Rules of Practice and Procedure*. This edition brings together in a single document all the Commission's rules, including the amendments made necessary as a result of the enactment of the Trade Agreements Extension Act of 1948 and Executive Order 10004.

#### *Reports and releases on synthetic organic chemicals*

Ever since 1918 the Tariff Commission has published annual reports on United States production and sales of synthetic organic chemicals. During 1948 the Commission issued in printed form the final report for 1946 and the preliminary report for 1947, the latter being the thirty-first report in the series. Each year brings an increased demand for these reports. Extensive use is made of them by Government agencies, including the national defense establishments, and by numerous industries that have a direct or indirect interest in the many thousands of synthetic organic chemicals now covered by the statistics. Information is obtained from the more than 500 firms which produce these chemicals.

In addition to the annual report, the Commission releases monthly data on the production of a number of synthetic organic chemicals which are outstanding from the economic or the public health standpoint. Among the items so reported are penicillin and its salts, certain barbituric acid derivatives, creosote oil, and certain dyes. These monthly releases, like the annual reports, are in increasing demand. The work, which was started during World War II, proved so valuable to Government and industry that it was continued after the war, though on a smaller scale.

Another report on synthetic organic chemicals issued periodically by the Commission is an analysis of United States imports of coal-tar products, dutiable under paragraphs 27 and 28 of the Tariff Act of 1930. The analysis of imports during 1947, issued in May 1948, lists the quantity and value and competitive status of imports of coal-tar intermediates, dyes, medicinals and pharmaceuticals, and flavor and perfume materials.

The Commission has undertaken to issue monthly statistics on shipments and consumption of plastics. Previously the United States Bureau of the Census had issued such statistics. It discontinued the series in July 1948; and at the request of departments of the Government concerned with national security, and of the industry itself, the Commission took up this task. The first release by the Tariff Commission of these statistics, issued in November 1948, covered the period June-September 1948, including the census figures for June.

#### *Improvements in service to libraries*

Frequently the Commission finds it necessary to refer business firms, research organizations, students, writers, and other interested persons to their own local libraries to which the Commission's reports have

been sent. In cataloging Government reports, many libraries use Government Printing Office classification numbers and must delay placing new reports on the shelf until they receive the monthly bulletin listing these numbers. This year the Commission began obtaining GPO classification numbers in advance and printing them on the covers of its reports. Now these libraries can make the Commission's reports available to their readers immediately upon receipt; many libraries have expressed the hope that other Government agencies will follow this plan. In addition, with the last two reports sent to press, the Commission initiated the inclusion of a sample catalog card that will facilitate the indexing and cataloging of its reports in every library regardless of the system of cataloging used.

*Work of the New York office*

Mainly as a result of new duties imposed by the General Agreement on Tariffs and Trade and Executive Orders 9832 and 10004, the work of the New York office of the Tariff Commission increased during the current year.

The New York office, located in the customhouse in New York City, analyzes consular and commercial invoices attached to the original customhouse documents in order to obtain detailed data as to commodity descriptions, grades, qualities, and other matters not available in published statistics of the United States Department of Commerce. Its work is coordinated with other activities of the Commission through an invoice analysis unit in Washington.

During the year the staff of the New York office analyzed more than 700 statistical commodity classifications, covering imports into all customs districts. Of these, 500 were analyzed for each month and 200 for alternating months.

The data so obtained are used in preparing Summaries of Tariff Information, the reports in the War Changes in Industry Series, and studies for trade-agreement negotiations. They are used also in rendering special services to other Government agencies, and some are published primarily for the benefit of trade and industry.



## PERSONNEL AND ADMINISTRATION

### *Membership of the Commission*

Oscar B. Ryder, Democrat, of Virginia, Chairman of the Commission since July 1, 1942, was again designated by the President as Chairman, effective July 1, 1948.

Lynn R. Edminster, Democrat, of Illinois, Vice Chairman of the Commission since August 4, 1942, was again designated by the President as Vice Chairman, effective August 4, 1948.

The other members of the Commission are Edgar B. Brossard, Republican, of Utah; E. Dana Durand, Republican, of Minnesota; and John P. Gregg, Republican, of Oregon.

The appointment of George McGill, Democrat, of Kansas, expired June 16, 1948. No one has been named to fill this vacancy.

### *Personnel*

On June 30, 1948, the Commission numbered 223, consisting of five commissioners and 218 other employees: 127 men and 96 women.

The accompanying table shows the distribution of the staff as of June 30, 1947, June 30, 1948, and October 31, 1948.

*Number of persons on the staff of the United States Tariff Commission, by title, departmental and field services, on June 30, 1947, June 30, 1948, and Oct. 31, 1948*

Title	June 30, 1947	June 30, 1948	Oct. 31, 1948
Commissioners.....	6	5	5
Secretary.....	1	1	1
Director of Investigation.....	1	1	1
Chief Economist.....	1	1	1
Chief, Technical Service.....	1	1	1
Adviser.....	1	1	1
General Counsel.....	1	1	1
Executive Officer.....	1	1	1
Chiefs of Divisions.....	9	9	9
Chief, New York Office.....	1	1	1
Assistant General Counsel.....	1	1	1
Assistant Chiefs of Divisions.....	2	2	2
Chiefs of Sections.....	7	7	7
Librarian.....	1	1	1
Graphic Presentation Designer.....	1	1	1
Accountants.....	5	7	7
Commodity Specialists.....	53	43	50
Industrial Engineers.....	3	3	4
Economists.....	21	20	20
Commercial Policy Analysts.....	4	3	3
Attorney.....	1	1	3
Marine and Foreign Transportation Specialist.....	1	1	1
Transportation Analyst.....	1	1	1
Assistant Librarian.....	1	1	1
Library Assistants.....	3	3	3
Secretaries to Commissioners.....	6	6	5
Junior Administrative Assistant.....	1	1	1
Clerks and Stenographers.....	85	83	92
Operators, Office Devices.....	8	7	6
Telephone Operators.....	3	3	3
Messengers.....	6	6	8
Skilled Laborer.....	1	1	1
Total.....	235	223	242



## FINANCES AND APPROPRIATIONS, FISCAL YEAR 1948

The appropriated funds available to the Tariff Commission during the fiscal year 1948 were for salaries and expenses, \$1,128,349; for printing and binding, \$20,000. At the end of the fiscal year the unobligated balance of available funds was \$1,132. Expenditures were as follows:

<i>Item</i>	<i>Amount</i>
Salaries:	
Commissioners -----	\$62, 653
Employees:	
Departmental -----	992, 717
Field -----	36, 436
Overtime pay -----	158
Travel expense -----	9, 080
Books of reference and publications -----	3, 689
Communication service -----	4, 606
Contractual services -----	5, 212
Office equipment, supplies, etc -----	12, 666
Printing and binding -----	20, 000
 Total -----	 1, 147, 217





**APPENDIX I**  
**SUMMARIES OF REPORTS ISSUED IN 1948**

**Operation of the Trade Agreements Program**

During the year the Tariff Commission submitted to the President and the Congress a report on the Operation of the Trade Agreements Program to April 1948. The report, in five parts, was prepared in response to Executive Order 9832. Executive Order 10004 of October 5, 1948, continues the requirement of a report at least once each year.

A preliminary draft of the report was released in May 1948 at the request of the Committee on Ways and Means of the House of Representatives to assist the Congress in its consideration of the extension of the Trade Agreements Act. This preliminary draft has now been revised by the staff and the Commission. Part I, the Summary, is being printed. The other four parts, though not printed, will be available in processed form.

*Part I. Summary*

Part I summarizes parts II, III, and IV, and analyzes the statistical material appearing in part V, which itself contains no such discussion.

*Part II. History of the Trade Agreements Program*

Part II reviews the legislative history of the Trade Agreements Act, describes the administrative organization established by the President to carry it out, and sets forth the general content of the trade agreements that have been negotiated under its authority. It also traces the development of the commercial policy of this and other governments during the 14 years in which the Trade Agreements Act has been in operation, and the international efforts during and since the war to rehabilitate world trade. Special attention is given to the general provisions of the multilateral agreement among 23 countries, including the United States, reached at Geneva in October 1947 (and amended at Habana in March 1948), including a comparison with the general provisions contained in the pre-Geneva trade agreements negotiated by the United States.

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

Part III presents a detailed analysis of the effects that the trade agreements negotiated under the Trade Agreements Act have had on the United States tariff itself, as distinguished from their effects on the trade and industry of the United States. The analysis indicates the scope of the trade agreements and the effects of the concessions by the United States on the average rates of duty. Part III shows separately the effects of the pre-Geneva trade agreements, of the Geneva agreement, and of all the agreements combined. It also discusses the concessions granted with respect to the binding of continued duty-free entry of certain products. Other sections of part III show the effects

that the concessions have had on the average rates of duty by various tariff schedules and by economic classes, and list the concessions granted on those dutiable commodities of which the imports in 1939 exceeded \$500,000 in foreign value.

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

Part IV analyzes the concessions obtained by the United States from foreign countries in all trade agreements negotiated since 1934. It also reviews the major United States export products on which concessions were obtained and shows the particular form of the concessions granted by foreign countries on imports from the United States. These concessions are classified as representing reductions in duty, agreements to refrain from increasing the duties or to maintain duty-free treatment, or commitments relating to quota allotments and changes in preferential treatment affecting particular United States exports.

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

The final volume, chiefly statistical, contains data showing the effects that the trade agreements entered into by the United States have had on this country's export and import trade. Textual analysis and discussion of these data appears only in the Summary (part I). This discussion indicates the difficulties which arise in attempting to attribute to the trade agreements, or to any single factor, the changes which have taken place in United States foreign trade. These difficulties are accentuated by the distortions in production and trade created by preparations for war, by actual war, and by its aftermath. The method followed is to consider the various agreements according to the time during which they were in effect, discussing separately those in force before 1937, those which came into force in 1937 and before the outbreak of the war in Europe, those which became effective during the war, and finally the General Agreement on Tariffs and Trade, which entered into effect provisionally on January 1, 1948.

The discussion relating to part V analyzes United States trade, for representative preagreement and postagreement years, with the principal countries, as a group, with which trade agreements became effective before 1937, compared with countries with which no agreements had then been made. It also considers briefly the changes in United States trade with the principal individual agreement and nonagreement countries.

**Procedure and Criteria With Respect to the Administration of the "Escape Clause" in Trade Agreements**

In Executive Order 9832 (February 25, 1947), and repeated in Executive Order 10004 (October 5, 1948), it is provided that:

There shall be applicable to each concession with respect to an article imported into the United States which is granted by the United States in any trade agreement hereafter entered into a clause providing in effect that if, as a result of unforeseen developments and of such concession, such article is being imported in such increased quantities and under such conditions as to cause or threaten serious injury to the domestic industry producing like or similar articles, the United States shall be free to withdraw the concession, in whole or in part, or to modify it, to the extent and for such time as may be necessary to prevent such injury.

In response to a resolution of the Ways and Means Committee, the Tariff Commission in February 1948 transmitted a report on the procedure and criteria it will follow in administering the "escape clause" referred to in the Executive order quoted above. Notice of a revision in its earlier report to bring it in accord with the escape clause in the General Agreement on Tariffs and Trade was issued by the Commission on October 19, 1948. The text of the escape clause appears in appendix II.

Investigations under this order are made upon request of the President, upon motion of the Commission itself, or upon application of any interested party when in the judgment of the Commission there is good and sufficient reason for making such investigations. The procedure to be followed in these investigations, as set forth in the Commission's Rules of Practice and Procedure, consists of holding open hearings, investigation by the Commission, and a report to the President of findings and recommendations if serious injury or threat of injury is found. Notice of receipt of application is also issued by the Commission; and if the application is dismissed a statement is issued giving the reasons for the dismissal.

In considering whether serious injury is threatened within the meaning of the escape clause, no simple criterion or set of criteria can be laid down for application in all cases. Each case will be considered on the basis of the circumstances surrounding it. Therefore the report undertakes to state in general terms the nature of the criteria which the Tariff Commission believes will enable it to form a judgment as to whether or not the escape clause should be invoked and, if invoked, the character of the relief to be applied.

In order to enable the President to take action withdrawing or modifying a concession on any article, it must be found that—

- (1) Imports under the trade agreements supply a larger share of domestic consumption than before the agreements became effective.
- (2) This relative increase has been "a result of unforeseen conditions."
- (3) It has been "a result of the concession" on the article.
- (4) The increased imports are entering "under such conditions" as actually to cause or threaten serious injury to domestic producers.

The ultimate task confronting the Commission in each case will naturally be that of determining whether serious injury has actually been caused or is threatened.

The escape clause specifies that the injury or threat of injury must be caused by imports "in such increased quantities" as to have that effect. The increase must be in terms of quantity; it must be relative to domestic production but it need not be absolute. It will be necessary to select an appropriate base by which to judge whether such an increase in imports has occurred, but it will not be possible to select a single basis for comparison which will be fairly applicable to all cases.

The escape clause also specifies that the increase of imports, as well as the conditions under which imports enter, must be such as to cause or threaten serious injury to domestic producers. Obviously no rule can be laid down that some particular percentage of increase in imports relative to domestic consumption constitutes prima facie evidence of injury. The facts concerning the alleged injury must be ascertained in each case; the kinds of data which must be considered in that connection are discussed in the report.

When it has been found that the quantity of imports of any product under investigation has increased wholly or partly as a result of a tariff concession, the Commission must then determine whether imports are entering "under such conditions as to cause or threaten serious injury to domestic producers." The language of this part of the clause requires the Commission to investigate not only the conditions here and abroad under which the increase in imports occurred, but also to determine whether these conditions are such as to cause or threaten serious injury.

Since the escape clause refers to injury to "domestic producers of like or similar articles," the Commission will have to determine in each investigation what group or groups of producers are concerned, and precisely what article or articles are involved.

The report discussed in some detail various criteria which might be used in determining whether serious injury has been caused or is threatened. In particular, it discussed the use as criteria of (1) the trend of the ratio of imports to domestic production, (2) differences in costs of production here and abroad, (3) price trends and condition of supply and demand, and (4) changes in production, employment, wages, and profits. The Commission stated in conclusion that—

American industry and agriculture are too large and too varied to permit at this time more than an indication of the various types of situations which might warrant action under the clause. The Commission will be receptive to any evidence offered by producers, importers or others regarding the relationship between imports and domestic production that may have a bearing on the effect of increased competition resulting from a concession made in a trade agreement. It does not intend by this report to suggest the exclusion of any information which interested parties may consider relevant.

### **Analysis of Geneva Draft of a Charter for an International Trade Organization**

At the request of the Chairman of the Senate Committee on Finance, the Tariff Commission analyzed the draft charter adopted at the first session of the Preparatory Committee of the United Nations Conference on Trade and Employment at Geneva, Switzerland, in August 1947. This analysis covers all the provisions of the proposed charter and undertakes to point out the principal changes in United States laws or policies which would be required if that draft should be finally put into force in the United States. It also pointed out some of the more important changes in policies of foreign countries.

In general, adherence to the charter would require relatively little change in the laws and policies of the United States Government. Perhaps the most important changes would be in agricultural programs and foreign-trade controls imposed in conjunction therewith. Some of these programs would require revision if foreign-trade controls were to be continued. For example, import quotas on cotton and wheat would need to be terminated unless domestic crop restrictions (which have been allowed to lapse) are reestablished. The charter would also restrict the imposition of new import controls under section 22 of the Agricultural Adjustment Act of 1933.

The charter aims primarily at expanding the practice of nondiscrimination in international trade; lessening or removing restrictions on that trade; securing international consultation and collaboration regarding problems in connection with trade; and, in general, encour-

aging the expansion of production, trade, and consumption throughout the world.

Historically, the United States has been a champion of most-favored-nation treatment, i. e., of nondiscrimination in tariffs and other trade controls. Article 16 of the charter requires members to extend to each other most-favored-nation treatment in import duties, export duties, internal taxes, and various trade-control devices. Other articles provide rules for obtaining the equivalent of most-favored-nation treatment in matters relating to import quotas and state trading operations. Excepted from article 16, however, are existing import tariff preferences within the British, French, and other empires, and those between the United States and Cuba and between the United States and the Philippines, but these excepted preferences must be subject to negotiation among interested countries with a view to their elimination.

Any member, when requested by another (art. 17) is required to negotiate with a view to reducing the tariffs on imports and exports and reducing or eliminating those preferences which are exempt from the prohibition of article 16. The United States thus would be required in effect to continue a tariff bargaining program as long as it remained a member of ITO. This bargaining could be done under either the present trade agreements legislation or through legislation providing adequately for the bona fide consideration of tariff reductions.

The charter contains in article 40 a so-called "escape clause" for the protection of domestic industries against serious injury resulting from the obligations undertaken pursuant to the charter, which applies whether these obligations take the form of reduced tariff duties, abolition of import quotas, or otherwise. This escape clause is similar to that specified in Executive Order 9832 (now superseded by Executive Order 10004). Under this article a member may be relieved of its obligations assumed by the charter if such relief is necessary to prevent serious injury to a domestic industry. However, other members whose trade may be adversely affected are authorized to take compensatory action.

Article 18 prohibits the use of internal taxes or regulations as a means of discriminating against imports and thereby of affording added protection to domestic producers. The United States has generally followed the practice of nondiscriminatory internal taxation, but would be required to repeal the discriminatory taxes now imposed on imported oleomargarine, adulterated butter, and filled cheese under sections 2306, 2327, and 2353 of the Internal Revenue Code.

Article 18 also prohibits mixing and similar regulations which discriminate against imported materials, but permits the continuation of measures in force on July 1, 1939, or April 10, 1947, although such permitted measures may not be modified to the detriment of imports. The rubber program is the principal United States regulation involved in this provision, and the domestic specification plan could be continued on a basis no more restrictive of imports than that existing on April 10, 1947. A serious question, however, is raised as to whether the Geneva draft would conflict with regulations requiring that certain imported rubber articles contain synthetic rubber.

The charter (art. 20) requires the elimination of quota restrictions on imports and exports in trade with member countries, with certain stated exceptions. Some of these exceptions relate to scarcities or sur-

pluses arising out of the war, and are permitted on a temporary basis only. Permanent exceptions relate to import quotas on agricultural products in conjunction with domestic programs operating to restrict production or marketing of such products. Import quotas may also be employed by a member as long as its balance-of-payments condition requires (art. 21); the basic facts regarding balance-of-payments questions are to be determined by the International Monetary Fund (art. 24). Import quotas may also be employed to carry out article 40, previously referred to as the escape clause.

Articles 25 to 29 impose restrictions on the use of subsidies which affect foreign trade. Members are free to use any production subsidies they wish so long as the subsidies do not result in prices for export below the domestic prices, but they must be willing to consult with other members if such subsidies operate to increase the subsidizing member's exports or decrease its imports. Generally speaking, however, these articles in the Geneva draft would prohibit export subsidies effective 2 years after the charter enters into force, unless there has been a previous determination by consultation and agreement among the members substantially interested that subsidization will not stimulate exports unduly or otherwise seriously prejudice the interests of other members. These requirements for previous "determination" would probably operate quite adversely on certain United States agricultural programs involving export subsidies.<sup>1</sup> The charter would not interfere with the internal aspects of United States agricultural price-support programs, but it might seriously restrict both the granting of export subsidies and the imposition of import quotas as auxiliaries of those programs as they now operate.

The charter also takes account of the several collateral or indirect devices for restricting or controlling imports, devices such as the use of arbitrary rather than actual values as a basis for assessing import duties, the use of customs administrative regulations and subsidiary charges and fees in a manner which unduly burdens import trade, and unreasonable requirements as to the marking of imported goods. United States practice in such matters generally conforms with the desired objectives as enunciated by the charter, and the necessary changes would be relatively limited compared with those in some other countries.

### United States Import Duties (1948) and Supplement

The publication *United States Import Duties (1948)* consolidates for the first time all the statutory provisions of the Tariff Act of 1930 with all the modifications brought about by Presidential proclamation or congressional action. It gives the rates of ordinary customs duties (including import-tax rates) in tabular form and also information as to special and additional duties and special exemptions.

Many modifications have been made in the tariff act since 1930. A number of articles in the dutiable and free lists have been made subject to import-excise taxes. Originally imposed by various revenue acts, these taxes are now incorporated in the Internal Revenue Code but are required by law to be treated for practically all purposes the same

<sup>1</sup> The United States delegation at Geneva reserved its position on this aspect of the Geneva draft; the draft subsequently approved at Habana contained a change in this provision considered to be an improvement from the viewpoint of the United States.

as ordinary customs duties. Many of the tariff rates specified in the act of 1930 and a number of the import-tax rates subsequently imposed have been changed by Presidential proclamation and a few by direct congressional action. Changes by Presidential proclamation were made either under section 336 of the tariff act (the so-called flexible-tariff provision) or in pursuance of reciprocal trade agreements entered into under the Trade Agreements Act.

Parts I and II of the compilation are arranged in the order of the schedules and paragraphs of titles I and II of the tariff act. The description of each commodity closely follows the description in the tariff act. If a change in rate applies to only a part of a tariff description, the new provision is stated in conjunction with the tariff act language. All the rates of duty specified in the tariff act are listed together with any modified rates in effect on June 15, 1948, and in a few plainly indicated cases modified rates which are to become effective hereafter. The *Treasury Decisions* in which the modified rates of duty are published are also shown.

In August a supplement to *United States Import Duties (1948)* was issued bringing that document up to date as of August 1, 1948. The supplement follows the same form as the original document.

### Plastics Products

*Plastics Products* (Report No. 28, War Changes in Industry Series) traces the extraordinary physical growth and marked technological progress made by the United States plastics-products industry, especially since 1939. Stimulated by urgent war needs, the domestic industry has become the largest and most diversified industry of its kind in the world. Strong postwar demand at home and widened export markets have helped it make the transition from wartime to peacetime with only slight slackening of its wartime rate of growth. The German and Japanese plastics-products industries, on the other hand, have not recovered anywhere near their prewar position as the principal suppliers of imports into the United States or other markets.

Intensified research in plastics materials, both during and since the war, has developed many new commercial plastics in the United States and improved the older products. Generally, plastics are characterized by lightness of weight, excellent "built-in" colorability, ease of processing, and relative cheapness. During the war these characteristics demonstrated the superiority of plastics over non-plastics in many military and civilian uses.

An outstanding example of rapid development in the industry is polystyrene, almost unknown in the 1930's but the thermoplastic molding material most used today. Composed of styrene, one of the main ingredients for GR-S synthetic rubber for which enormous production facilities were created during the war, polystyrene is now abundantly available. It has replaced cellulose acetate and cellulose nitrate in many applications. Its properties make it suitable for electrical insulation and optical uses: it resists heat, absorption of water, and extreme atmospheric variations, and is transparent.

Plastics products consist largely of industrial parts which are components in other articles. These parts find important outlets in the electrical, transportation, communication, radio, refrigerator, home

appliance, decorative, and packaging industries. Typical plastics articles used directly by consumers are buttons, combs, dolls, toys, toilet brushes, trays, tableware, and bathroom or kitchen tile.

United States facilities for molding plastics expanded approximately fourfold during the war; increased efficiency coming from technological innovations raised capacity, it is estimated, an additional 25 percent. Other wartime developments include the introduction of high-frequency heating in certain compression-molding operations, electronic "sewing" and bar-sealing of thermoplastic sheeting, and laminating by low-pressure methods.

Development abroad of a plastics-products industry approaching the United States industry in magnitude and diversity must await the growth there of a large, efficient chemical industry, the primary source of plastics materials. Supplies of certain plastics materials depend also on the level of a country's steel and related industries, whose byproducts furnish the necessary raw materials. Adequate capital and large domestic markets are other conditions of development. At present most of these conditions do not exist in any foreign country.

Competition from imported plastics products is affected by the fact that "rigid" plastics products consist chiefly of industrial parts manufactured according to complicated specifications, which can be better met at home than abroad. Furthermore, most consumer plastics goods are produced by highly automatic processes that are not generally found abroad. Most likely to be imported are plastics products which are not adaptable to mass production owing to limited sales volume and therefore require considerable hand labor to produce.

Since World War II the United Kingdom has been the major foreign producer of plastics products on a diversified scale, and Italy has greatly expanded its injection-molding plastics industry. Before the war Japan was a principal producer of plastics products, mostly of pyroxylin (cellulose nitrate, or celluloid), a material requiring much hand labor in forming the articles. However, wartime improvements in injection molding and developments in thermoplastic molding powders have enabled machine production to replace most of the hand labor. Until Japan is able to build a modern plastics industry, it cannot regain its former advantages in export trade. Germany, formerly a leading producer of synthetic resin plastics, has not been able to resume operations on anywhere near the prewar scale, owing partly to the reduction in its heavy industries, which furnished certain important raw materials.

American plastics products now dominate in world trade. Despite trade controls and dollar shortages abroad, United States exports of plastics products in 1946 and 1947 were many times larger than those of prewar years, and went to countries of every continent. Most of these exports were injection-molded products.

Recently increased exports of injection-molding equipment and of thermoplastic materials have suggested that many types of domestic plastics products exported since the end of the war may soon be produced abroad. If so, United States producers in time may have less than their present advantage in world markets. However, the loss in United States exports of plastics products may be offset by an increase in exports of plastics materials, since very few other countries have resources and facilities for supplying themselves with low-cost materials in adequate volume.



The recent great technological progress in plastics materials and fabrication processes has aggravated the difficulty of classifying plastics products for statistical or tariff purposes. When the Tariff Act of 1930 was written, cellulose compounds were about the only important thermoplastics. The tariff act makes specific provision for articles such as dolls and toys made of cellulose compounds, and also provides compound duties for articles in which synthetic resin is the chief binding agent. Polystyrene (not a cellulose compound) is the standard material now used in the production of many articles formerly made of cellulose compounds. Furthermore, products made from transparent phenolic, polystyrene, acrylic, and vinyl resins do not use the resins as a binding agent, and therefore are not dutiable under the provision for products in which synthetic resins are so used. Most of these articles probably would be classified for tariff purposes as unenumerated manufactured products dutiable at 20 percent ad valorem under paragraph 1558. Only an extensive reclassification would bring the tariff treatment in accord with the great variety of plastics products now entering into trade.

### The Import Quota on Long-Staple Cotton (1948)

Section 22 of the Agricultural Adjustment Act of 1933, as amended, provides that a quota may be imposed by the President on imports of any article which interfere with or tend to interfere with certain programs administered by the United States Department of Agriculture. In conformity with the provisions of this act, the Tariff Commission on May 18, 1948, sent to the President a report concerning the import quota on long-staple cotton.

As a result of previous investigations on long-staple cotton by the Tariff Commission, there was established an annual import quota of 45,656,420 pounds, which is now applicable only to long-staple cotton  $1\frac{1}{8}$  inches or more but less than  $1\frac{1}{4}$  inches in staple length. Scarcity of extra long-staple cotton ( $1\frac{3}{8}$  inches or longer) during the quota year ending September 19, 1947, led to the establishment, effective June 16, 1947, of a supplemental quota of 23,094,000 pounds for the remainder of the quota period. Shortly after the opening of the new quota year on September 20, 1947, the regular annual quota was again filled, and domestic consuming mills petitioned the Commission to make an investigation, stating that they could not obtain adequate supplies of long-staple cotton in the United States for the quota year ending September 19, 1948. An investigation made as to the pertinent facts relative to supplies of both ordinary long-staple (Upland) cotton and extra long-staple cotton revealed the following facts:

Domestic production of extra long-staple cotton, which was greatly stimulated during the war, has since declined to a negligible amount. In the crop year 1947-48 domestic production supplied only about 1 percent of domestic consumption. There is no indication of a resumption, under anything like present conditions, of large-scale production of extra long-staple cotton in the United States. United States requirements are now supplied almost entirely by imports, principally Karnak from Egypt and less important quantities of Pima from Peru. The Egyptian cottons are essential for the manufacture of sewing thread used on high-speed power sewing machines, and in making certain fine yarns.

Domestic extra long-staple cotton is used in the production of fine shirtings and dress goods, but it has not proved suitable for sewing thread to be used on high-speed power sewing machines.

Official data on stocks indicated that the total supply of extra long-staple cotton in the United States was sufficient to meet requirements until the end of 1948. Data supplied by individual mills, however, revealed a very uneven distribution of stocks: some mills did not have adequate supplies of the kinds, grades, and qualities of cotton needed for their operations to the end of the quota year (September 19, 1948).

The domestic output of ordinary long-staple cotton, on the other hand, usually not only supplies all domestic requirements for ordinary long-staple cotton except those dependent on foreign cottons of special character, but also provides a surplus for export. Relatively small quantities are imported from Egypt and Peru and include Peruvian Tanguis, used principally for spinning asbestos.

Domestic consumption of ordinary long-staple cotton followed a downward trend between 1934-35 and 1939-40, whereas production increased during most of the period, reaching a peak in 1938-39. Thereafter stocks accumulated and production declined. Increased wartime requirements somewhat arrested the downward trends in production and consumption. Early in 1947, however, the spread between the prices of ordinary long-staple and short-staple cottons became so narrow that many farmers planted less long-staple cotton. The reduced acreage, combined with a severe drought over most of the Cotton Belt, resulted in the smallest supply of long-staple Upland cotton on record. At the same time the world supplies of ordinary long-staple cotton fell and the price in Egypt, the only country in which appreciable stocks were held, became unusually high.

Assuming that the consumption of domestic ordinary long-staple cotton in the crop year 1947-48 were to continue at the same rate as that for the crop year ended July 1947, there would be a shortage of 13.1 million pounds before cotton under the new import quota would become available to the mills by about October 1. This figure does not include an allowance for mill stocks as of that date because supplies of domestic ordinary long-staple cotton usually become available during September.

On the basis of these considerations, the Commission, in its first report to the President, recommended (1) that cotton having a staple of  $1\frac{3}{8}$  inches or more in length (extra long-staple cotton) be exempted from quota control; (2) that a permanent quota of 18.3 million pounds be imposed on cotton having a staple of  $1\frac{1}{8}$  inches or more but less than  $1\frac{3}{8}$  inches in length (ordinary long-staple); (3) that the quota be administered on a quarter-year-basis beginning October 1, with a limitation of imports to 5.5 million pounds in any quarter-year period, except that in the last quarter of the quota year the unused residue of the annual quota should be permitted entry even though it might exceed 5.5 million pounds; and (4) that a supplemental quota of 13.1 million pounds of cotton having a staple of  $1\frac{1}{8}$  inches or more but less than  $1\frac{3}{8}$  inches in length be granted for the quota year ending September 19, 1948.

These recommendations were approved by a majority of the Commission and sent to the President together with minority views. One minority report recommended that the quota on imports of all

long-staple cotton be suspended. Another recommended that the present annual quota be continued and that cotton having a staple of  $1\frac{11}{16}$  inches or more in length be hereafter included in the quota with other long-staple cotton, as it was originally; it also recommended that the quota year begin October 1, and that the quota be administered on a quarter-year basis with the proviso that not more than approximately one-fourth of the annual quota be permitted to enter in any one quarter.

The President responded to the Commission's report by requesting that the Commission confine its recommendations to the quota year 1947-48, that both ordinary and extra long-staple cotton be included in any quota fixed, and that any increased quota found necessary to keep mills operating be allocated to the individual mills according to their needs. Accordingly, the Commission recommended that a maximum additional quota of 18 million pounds of cotton  $1\frac{1}{8}$  inches or more but less than  $1\frac{11}{16}$  inches in staple length be granted for the quota year ending September 19, 1948; and that licenses to import under the supplemental quota should be issued only to individual cotton-manufacturing concerns and to each concern only in such amounts as should be determined by the Tariff Commission to be essential on the basis of information obtained by the Commission from the concerns. These recommendations became effective through a proclamation by the President on July 20, 1948.

### Synthetic Organic Chemicals

#### *Final report on production and sales in 1946*

The final report on United States production and sales of synthetic organic chemicals in 1946 (Report No. 159, Second Series) was compiled from data supplied by about 550 companies on more than 6,000 items. The report includes statistics on chemical crudes from coal tar and petroleum, intermediates, dyes, color lakes and toners, medicinals, flavor and perfume materials, rubber-processing chemicals, surface-active agents, plasticizers, plastics materials and elastomers, and miscellaneous synthetic organic chemicals.

In 1946 the value of sales of synthetic organic chemicals and their raw materials amounted to 2.2 billion dollars, or approximately the same as the total reported for 1945. The total quantity produced (35.4 billion pounds) was 5 percent less than in 1945, but the total quantity sold (24.6 billion pounds) was about the same as in 1945. Quantities produced but not reported as sold (10.8 billion pounds) were consumed principally at the producing plants in the manufacture of other products.

The output of tars (oil-gas tar, water-gas tar, and coal tar) in 1946 was 837 million gallons, or 7 percent less than the output in 1945 of 899 million gallons. All tar crudes decreased in production compared with 1945: Benzene, 13 percent; toluene, 75 percent; and creosote oil, 14 percent. Production of naphthalene was 16 percent below that for 1945.

Production in 1946 of crude products from petroleum and natural gas for chemical conversion totaled 3.5 billion pounds; sales were 3.2 billion pounds, valued at 167 million dollars. The corresponding figures for 1945 were 3.3 billion pounds produced and 2.8 billion

pounds, valued at 214 million dollars, sold. The decrease in the value of sales which accompanied the increase in the quantity of sales in 1946 is explained principally by the decrease in the unit value of butadiene from 21 cents per pound in 1945 to 10 cents in 1946.

The output of cyclic intermediates in 1946, totaling 2.4 billion pounds, represented a 5-percent increase over 1945. Reported sales of 1.4 billion pounds valued at 160 million dollars represented 58 percent of the total quantity produced, a slightly higher proportion than in 1945. Both the quantity and value of sales increased by about the same rate (13 percent) over 1945.

In 1946 the output of finished chemical products, including acyclic intermediates, totaled 11.8 billion pounds, a decrease of 5 percent from the preceding year. Sales of 8.1 billion pounds, valued at 1.7 billion dollars, were virtually unchanged from 1945. Among the finished products the greatest percentage gains in output in 1946 over 1945 were reported for the following groups: Color lakes and toners, 43 percent; surface-active agents, 31 percent; dyes, 28 percent; and plastics materials, 25 percent. The largest percentage decreases, on the other hand, were reported for plasticizers (33 percent) and elastomers (10 percent).

In addition to furnishing data on the progress of the domestic synthetic organic chemical industry in 1946, the report includes statistics on imports in 1946 of coal-tar intermediates and finished products under paragraphs 27 and 28 of the Tariff Act of 1930. It also gives data on the total expenditures of producing companies in 1946 for research on synthetic organic chemicals. The report includes a directory of manufacturers which lists for each chemical the names of the producers except those who have requested that their identities not be disclosed.

#### *Preliminary report on production and sales in 1947*

The preliminary report on United States production and sales of synthetic organic chemicals in 1947 gives data compiled from returns on more than 6,000 chemicals and chemical products, supplied by approximately 560 producers. As in the final annual reports and the monthly reports, no statistics are published that would reveal the production or sales of individual companies. The statistics cover crude organic chemicals derived from coal, natural gas, and petroleum; intermediates; and finished organic chemical products. Finished chemicals and chemical products are grouped according to their principal use, namely, dyes, lakes and toners, medicinals, flavor and perfume materials, plastics materials, rubber-processing chemicals, elastomers, plasticizers, surface-active agents, and miscellaneous chemicals.

Preliminary figures compiled from these data are given below:

Production of tar from all sources in 1947 totaled slightly over 1 billion gallons, the largest output on record. Of this amount coal tar accounted for 753 million gallons, and oil-gas tar and water-gas tar for a total of 252 million. Production of coal tar was 137 million gallons greater in 1947 than in 1946, but 38 million less than the peak of 791 million reached in 1944.

Benzene, toluene, naphthalene, and creosote oil are the principal tar crudes. In 1947 the output of each exceeded that in 1946 by the following percentages: Toluene, 80 percent; naphthalene, 30 percent;

benzene, 23 percent; and creosote oil, 17 percent. Only motor benzene (a grade of benzene containing substantial quantities of toluene) declined in output, to an estimated 20 million gallons, the lowest in more than 20 years.

Production of crude products from petroleum and natural gas for chemical conversion decreased to 3.1 billion pounds in 1947 from 3.5 billion in 1946. This decrease was due mainly to a reduction in the manufacture of butadiene for synthetic rubber from 1 billion pounds in 1946 to 696 million pounds in 1947.

The output of cyclic intermediates in 1947 increased to an all-time high of 2.6 billion pounds, or 7 percent over the output in 1946. Slightly less than half the output in 1947 was consumed in the producing plants in the manufacture of more advanced products.

The combined output of cyclic finished products and of acyclic intermediates and finished products was 13.4 billion pounds in 1947 compared with 11.8 billion in 1946. Acyclic chemicals accounted for 10.9 billion pounds of the total in 1947, an increase of 20 percent over 1946. This larger output reflected the increased production of plastics materials, plasticizers, medicinals, and surface-active agents and the greatly increased production of acyclic chemicals such as formaldehyde, halogenated hydrocarbons, and isopropyl alcohol. Production of finished cyclic products totaled 2.5 billion pounds, a decrease of 6.5 percent from 1946.

#### *Monthly releases on production*

During 1948 the Tariff Commission continued to collect and compile monthly data on the production of certain synthetic organic chemicals. These reports serve as a monthly index of activity in the various branches of the synthetic organic chemical industry. Released as *Facts for Industry Series 6-2*, the report gives the production of each chemical covered in the current month and in the preceding months of the year. Statistics are given for about 50 chemicals selected after consultation with representatives of the chemical industry and several Government agencies.

#### *Imports of coal-tar products, 1947*

The annual analysis of imports for consumption of the coal-tar products entering under paragraphs 27 and 28 of the Tariff Act of 1930 was released in May 1948. The report, which covers imports through all United States customs districts, is based on data obtained from invoices by the Commission's New York office.

In 1947 imports of all coal-tar intermediates under paragraph 27 totaled 2.6 million pounds, valued at \$530,133. Corresponding imports in 1946 totaled 3.1 million pounds, valued at \$437,169. The most important intermediates imported in 1947, in terms of quantity, were monomeric styrene, used in the manufacture of synthetic rubber, which came from Canada; dimethylaniline and phthalic anhydride, used in synthetic resins, plasticizers, and dyestuffs, almost entirely from Australia; o-cresol for the plastics industry, from the United Kingdom, Canada, and Australia; and naphthalene, used as a moth repellent and in the manufacture of phthalic anhydride, from Switzerland and Australia.

Imports under paragraph 28 of finished coal-tar products in 1947 totaled 1.4 million pounds, valued at \$2,292,000, compared with 2.0

million pounds, valued at \$2,649,000, in 1946. In 1947, as in previous years, dyes constituted the most important group of imported finished coal-tar products. Almost all of them were imported from Switzerland. Imports of dyes were less in 1947 than in 1946 but still accounted for about 88 percent of the finished coal-tar imports under paragraph 28. Other important groups making up the total were medicinals and pharmaceuticals, mainly from Switzerland and Canada, imports of which increased from \$32,000 in 1946 to \$129,000 in 1947; and flavor and perfume materials, principally from Switzerland, the United Kingdom, and Canada, imports of which declined from \$164,000 in 1946 to \$84,000 in 1947.

### **Trade Problems of the Latin American Republics**

#### *Dominican Republic—mining and manufacturing industries*

The economy of the Dominican Republic is essentially agricultural. In recent years only about 5 percent of the Dominican people have been directly dependent on manufacturing industries for a livelihood, as manufacturing industries are still in a very early stage of development. Except for the sugar industry, most manufacturing establishments represent a small capital investment, employ only a few workers, and produce light consumers' goods for a limited domestic market. The more important industrial enterprises are those closely associated with agriculture, such as the processing of foodstuffs and tobacco.

During the war there was little basic change in the pattern of Dominican manufacturing industries, although a number of new enterprises came into existence in response to the increased purchasing power of the Dominican people and shortages of imported goods. Most of the new enterprises apparently were small shops, producing various consumers' goods on a more or less handicraft basis. The few relatively large enterprises established during the war included Government-sponsored factories producing cotton yarn and piece goods, meat products, and cement.

When foreign manufactured goods again become available in larger quantities, some Dominican industries, particularly those whose output is high-cost or of inferior quality, may be forced to curtail production or close down.

Many Dominican manufacturing industries have developed behind tariff barriers and with other forms of Government assistance. The protective program in the past was motivated in part by the desire to diversify the national economy, particularly to make it less dependent on production of sugar, which had been adversely affected by the contraction of foreign outlets. Some of the enterprises which have been established under protection show little promise of contributing much to the nation's prosperity. Because of the lack of deposits of coal and the absence of a large-scale domestic market, the establishment of heavy or semiheavy industries in the country does not appear feasible. Considerable improvement might result from the application of scientific methods to such resources as the country possesses, but its industrial potentialities are limited by lack of skilled labor, insufficient capital, high costs of power and fuel, poor transportation and other facilities, and low per capita income.

The economic welfare of the Dominican Republic therefore appears to lie primarily in the further development of its agricultural, pastoral, and forest resources. In fact one of the principal means of broadening the market for manufactures in the Dominican Republic is by increasing the productivity and purchasing power of the people who are engaged in pursuits connected with these resources.

The sugar industry, however, faces problems peculiar to any industry depending primarily on foreign outlets. Not only is the processing of sugarcane the country's leading industry, but also it is virtually the only one dependent on foreign markets. For many years before World War II, markets for Dominican sugar were increasingly limited by the attempts of the major consuming countries to achieve a high degree of self-sufficiency. During the war, however, the Dominican sugar industry was highly prosperous, chiefly because of the high prices received for exports of sugar. This favorable situation may continue for some time, depending largely on how rapidly production of cane sugar in the Far East and production of beet sugar in Europe are restored. Once these areas resume the production of sugar on a large scale the problem of finding markets will again rise. The Dominican Government therefore will no doubt continue the rationalization program now administered by its Sugar Institute. The country may also be expected to participate in any future international agreement designed to stabilize the world market for sugar.

*El Salvador—mining and manufacturing industries*

El Salvador's few manufacturing industries are engaged principally in the processing of agricultural products or in the production of light consumers' goods for a limited domestic market. Except for gold and silver no mineral resources have been developed. Most Salvadoran manufacturing industries expanded their output during the war to take advantage of shortages of commodities ordinarily imported and the increased purchasing power of much of the population. A few new enterprises were established. Lack of raw materials, repair parts, machinery, equipment, and power caused some individual plants and industries to curtail operations, at least for short periods. In general, however, the war had relatively little effect on the pattern of Salvadoran manufacturing industry.

Inasmuch as there are few resources of industrial raw materials or fuel in El Salvador and no domestic markets capable of sustaining large-scale enterprises, there is little likelihood that the country can support the development of heavy or semiheavy industries. Establishments processing agricultural and pastoral products will probably continue to predominate in the country's industrial development. Some expansion of manufacturing industries producing light consumers' goods for the domestic market probably will take place. Small population, low purchasing power of the people, scarcity of domestic raw materials and fuels, and inadequate transportation facilities hamper industrial development.

The principal means of broadening the market for manufactures in El Salvador is by promoting the productivity and purchasing power of people engaged in agriculture and other rural pursuits. Extension and improvement of transportation facilities and further utilization of hydroelectric power resources would probably contribute more than anything else to the general economic development of the country.

*Mexico—agricultural, pastoral, and forest industries*

Despite the growing industrialization of Mexico, its economy will probably continue for many years to be primarily agricultural. At present about four-fifths of the Mexican people are directly dependent on the cultivation of the soil and the raising of livestock. Variations in climate permit a wide diversification of agriculture, but the total area suitable for cultivation is relatively limited. About a third of Mexico's area is pasture, mostly of poor quality.

Development of the country's agricultural, pastoral, and forest industries has been retarded by inferior techniques of production, inadequate transportation, and lack of irrigation facilities. Mexicans are well aware of these fundamental problems and their solution is the declared policy of the Government. Various projects have already been initiated by the Government to promote the development of agriculture, and others are being considered.

Most agricultural commodities, particularly foodstuffs, are raised primarily for domestic consumption although considerable quantities of coffee, chickpeas, rice, bananas, and cotton are exported. Some crops, however, such as henequen, istle, vanilla beans, and tomatoes and other winter vegetables, are raised principally for export. The country is deficient in certain foodstuffs, especially wheat, potatoes, and certain oil-bearing raw materials. The United States is Mexico's principal market for exports of agricultural products, accounting for more than 90 percent of the total export trade in several of them. The United States is also the chief source of Mexican imports of agricultural commodities.

Pastoral industries constitute one of the basic factors in Mexico's economic activity. Cattle raising, one of the oldest Mexican sources of livelihood, is by far the most important pastoral industry.

Estimates place the extent of Mexico's forest lands at approximately 70 million acres, of which about 50 million are potentially of commercial importance. About three-fifths of the country's commercial forest area is in hardwoods.

Chiefly through extension or improvement of irrigation projects, the total area under cultivation in Mexico increased substantially during the war. In general, the output of foodstuffs increased, although it was reduced in some years by severe droughts and the tendency of farmers to shift to more profitable crops, such as cotton. Several commodities, including henequen, binder twine, rope, istle, guayule rubber, mahogany, chickpeas, and alcohol, were subject to wartime purchase agreements, whereby the United States agreed to take Mexico's exportable surplus at fixed prices. As a result the output of these essential and strategic products increased. Despite these changes, the pattern of Mexico's agricultural, pastoral, and forest industries was not basically altered.



## APPENDIX II

### Article XIX of the General Agreement on Tariffs and Trade

#### *Emergency Action on Imports of Particular Products*

1. (a) If, as a result of unforeseen developments and of the effect of the obligations incurred by a contracting party under this Agreement, including tariff concessions, any product is being imported into the territory of that contracting party in such increased quantities and under such conditions as to cause or threaten serious injury to domestic producers in that territory of like or directly competitive products, the contracting party shall be free, in respect of such product, and to the extent and for such time as may be necessary to prevent or remedy such injury, to suspend the obligation in whole or in part or to withdraw or modify the concession.

(b) If any product, which is the subject of a concession with respect to a preference, is being imported into the territory of a contracting party in the circumstances set forth in sub-paragraph (a) of this paragraph, so as to cause or threaten serious injury to domestic producers of like or directly competitive products in the territory of a contracting party which receives or received such preference, the importing contracting party shall be free, if that other contracting party so requests, to suspend the relevant obligation in whole or in part or to withdraw or modify the concession in respect of the product, to the extent and for such time as may be necessary to prevent or remedy such injury.

2. Before any contracting party shall take action pursuant to the provisions of paragraph 1 of this Article, it shall give notice in writing to the CONTRACTING PARTIES as far in advance as may be practicable and shall afford the CONTRACTING PARTIES and those contracting parties having a substantial interest as exporters of the product concerned an opportunity to consult with it in respect of the proposed action. When such notice is given in relation to a concession with respect to a preference, the notice shall name the contracting party which has requested the action. In critical circumstances, where delay would cause damage which it would be difficult to repair, action under paragraph 1 of this Article may be taken provisionally without prior consultation, on the condition that consultation shall be effected immediately after taking such action.

3. (a) If agreement among the interested contracting parties with respect to the action is not reached, the contracting party which proposes to take or continue the action shall, nevertheless, be free to do so, and if such action is taken or continued, the affected contracting parties shall then be free, not later than ninety days after such action is taken, to suspend, upon the expiration of thirty days from the day on which written notice of such suspension is received by the CONTRACTING PARTIES, the application to the trade of the contracting party taking such action, or, in the case envisaged in paragraph 1 (b) of this Article, to the trade of the contracting party requesting such action, of such substantially equivalent obligations or concessions under this Agreement the suspension of which the CONTRACTING PARTIES do not disapprove.

(b) Notwithstanding the provisions of sub-paragraph (a) of this paragraph, where action is taken under paragraph 2 of this Article without prior consultation and causes or threatens serious injury in the territory of a contracting party to the domestic producers of products affected by the action, that contracting party shall, where delay would cause damage difficult to repair, be free to suspend, upon the taking of the action and throughout the period of consultation, such obligations or concessions as may be necessary to prevent or remedy the injury.

**Trade Agreements Extension Act of 1948**

[PUBLIC LAW 792—80TH CONGRESS]

[CHAPTER 678—2D SESSION

[H. R. 6556]

**AN ACT**

To extend the authority of the President under section 350 of the Tariff Act of 1930, as amended, and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That this Act may be cited as the "Trade Agreements Extension Act of 1948".

SEC. 2. The period during which the President is authorized to enter into foreign trade agreements under section 350 of the Tariff Act of 1930, as amended (U. S. C., 1946 edition, title 19, sec. 1351), is hereby extended from June 12, 1948, until the close of June 30, 1949.

SEC. 3. (a) Before entering into negotiations concerning any proposed foreign trade agreement under section 350 of the Tariff Act of 1930, as amended, the President shall furnish the United States Tariff Commission (hereinafter in this Act referred to as the "Commission") with a list of all articles imported into the United States to be considered for possible modification of duties and other import restrictions, imposition of additional import restrictions, or continuance of existing customs or excise treatment. Upon receipt of such list the Commission shall make an investigation and report to the President the findings of the Commission with respect to each such article as to (1) the limit to which such modification, imposition, or continuance may be extended in order to carry out the purpose of such section 350 without causing or threatening serious injury to the domestic industry producing like or similar articles; and (2) if increases in duties or additional import restrictions are required to avoid serious injury to the domestic industry producing like or similar articles the minimum increases in duties or additional import restrictions required. Such report shall be made by the Commission to the President not later than 120 days after the receipt of such list by the Commission. No such foreign trade agreement shall be entered into until the Commission has made its report to the President or until the expiration of the 120-day period.

(b) In the course of any investigation pursuant to this section the Commission shall hold hearings and give reasonable public notice thereof, and shall afford reasonable opportunity for parties interested to be present, to produce evidence, and to be heard at such hearings.

(c) Section 4 of the Act entitled "An Act to amend the Tariff Act of 1930", approved June 12, 1934, as amended (U. S. C., 1946 edition, title 19, sec. 1354), is hereby amended by striking out the matter following the semicolon and inserting in lieu thereof the following: "and before concluding such agreement the President shall request the Tariff Commission to make the investigation and report provided for by section 3 of the Trade Agreements Extension Act of 1948, and shall seek information and advice with respect to such agreement from the Departments of State, Agriculture, and Commerce, from the National Military Establishment, and from such other sources as he may deem appropriate."

SEC. 4. The Commission shall furnish facts, statistics, and other information at its command to officers and employees of the United States preparing for or participating in the negotiation of any foreign trade agreement; but neither the Commission nor any member, officer, or employee of the Commission shall participate in any manner (except to report findings, as provided in section 3 of this Act and to furnish facts, statistics, and other information as required by this section) in the making of decisions with respect to the proposed terms of any foreign trade agreement or in the negotiation of any such agreement.

SEC. 5. (a) Within thirty days after any trade agreement under section 350 of the Tariff Act of 1930, as amended, has been entered into which, when effective, will (1) require or make appropriate any modification of duties or other import restrictions, the imposition of additional import restrictions, or the continuance of existing customs or excise treatment, which modification, imposition, or continuance will exceed the limit to which such modification, imposition, or continuance may be extended without causing or threatening serious injury to the domestic industry producing like or similar articles as found and reported by the Tariff

Commission under section 3, or (2) fail to require or make appropriate the minimum increase in duty or additional import restrictions required to avoid such injury, the President shall transmit to Congress a copy of such agreement together with a message accurately identifying the article with respect to which such limits or minimum requirements are not complied with, and stating his reasons for the action taken with respect to such article. If either the Senate or the House of Representatives, or both, are not in session at the time of such transmission, such agreement and message shall be filed with the Secretary of the Senate or the Clerk of the House of Representatives, or both, as the case may be.

(b) Promptly after the President has transmitted such foreign trade agreement to Congress the Commission shall deposit with the Committee on Ways and Means of the House of Representatives, and the Committee on Finance of the Senate, a copy of its report to the President with respect to such agreement,

Approved June 26, 1948.

### Executive Order 10004

#### PRESCRIBING PROCEDURES FOR THE ADMINISTRATION OF THE RECIPROCAL TRADE-AGREEMENTS PROGRAM

By virtue of the authority vested in me by the Constitution and statutes, including section 332 of the Tariff Act of 1930 (46 Stat. 698), the Trade Agreements Act approved June 12, 1934, as amended (48 Stat. 943; 57 Stat. 125; 59 Stat. 410), and the Trade Agreements Extension Act of 1948 (Pub. Law 792, 80th Cong.), and in the interest of the foreign-affairs functions of the United States and in order that the interests of the various branches of American economy shall be effectively promoted and safeguarded through the administration of the trade-agreements program, it is hereby ordered as follows:

#### PART I—ORGANIZATION

1. There is hereby established the Interdepartmental Committee on Trade Agreements (hereinafter referred to as the Trade Agreements Committee), which shall act as the agency through which the President shall, in accordance with section 4 of the said Trade Agreements Act, as amended, seek information and advice before concluding a trade agreement. With a view to the conduct of the trade-agreements program in the general public interest through a coordination of the interests of American industry (including agriculture), of American commerce and labor, and of American military, financial, and foreign policy, the Trade Agreements Committee shall consist of persons designated from their respective agencies by the Secretary of State, the Secretary of the Treasury, the Secretary of Defense, the Secretary of Agriculture, the Secretary of Commerce, the Secretary of Labor, and the Administrator for Economic Cooperation. The representative from the Department of State shall be the Chairman of the Trade Agreements Committee.

2. There is hereby established the Committee for Reciprocity Information, which shall act as the agency to which, in accordance with section 4 of the Trade Agreements Act, as amended, the views of interested persons with regard to any proposed trade agreement to be concluded under the said Act shall be presented. The Committee for Reciprocity Information shall consist of the same persons as the Trade Agreements Committee. The representative from the Department of Commerce shall be the Chairman of the Committee for Reciprocity Information.

3. The Trade Agreements Committee and the Committee for Reciprocity Information may invite the participation in their activities of other government agencies in any manner consistent with relevant legislation and this order. Each of the said committees may from time to time designate such subcommittees, and prescribe such procedures and rules and regulations, as it may deem necessary for the conduct of its functions.

#### PART II—CONCLUSION OF AGREEMENTS

4. Before entering into negotiations concerning any proposed trade agreement under the Trade Agreements Act, as amended, the Trade Agreements Committee shall submit to the President for his approval a list of all articles imported into the United States which it is proposed should be considered in such negotiations

for possible modification of duties and other import restrictions, imposition of additional import restrictions, or specific continuance of existing customs or excise treatment. As soon as possible after the approval by the President of such list, as originally submitted or in amended form, and transmission thereof to the United States Tariff Commission, the Trade Agreements Committee shall cause notice of intention to negotiate such agreement, together with the said list of articles, to be published in the *Federal Register*. Such notice and list shall also be issued to the press, and sufficient copies thereof shall be supplied to the Tariff Commission and the Committee for Reciprocity Information for use in connection with such hearings as the Commission and the Committee may hold with respect thereto. Such notice, together with the list or a statement as to its availability, shall also be published in the *Department of State Bulletin*, the *Treasury Decisions*, and the *Foreign Commerce Weekly*.

5. Upon receipt by the Tariff Commission of the list specified in paragraph 4 hereof, the Commission shall make an investigation and as soon as possible, and not later than one hundred twenty days after such receipt, shall report to the President its findings as to each article specified in the list in accordance with the said Trade Agreements Extension Act of 1948. A copy of such report to the President shall at the same time be transmitted to the Trade Agreements Committee. Such report shall be kept confidential by the Tariff Commission and the Trade Agreements Committee except, in the case of a report a copy of which has been submitted to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate pursuant to section 5 (b) of the Trade Agreements Extension Act of 1948, any portions thereof which have been made public by one or both such Committees. The procedure and rules and regulations for the investigations by the Tariff Commission, and for the hearings to be held in connection therewith, shall from time to time be prescribed by the Commission.

6. Any interested person desiring to present his views with respect to articles in the list specified in paragraph 4 hereof, or with respect to any other aspect of a proposed trade agreement, may present them to the Committee for Reciprocity Information, which shall accord reasonable opportunity for the presentation of such views.

7. The Tariff Commission shall furnish facts, statistics, and other information at its command in accordance with the provisions of this order or of the Trade Agreements Extension Act of 1948. With respect to each article imported into the United States which is considered by the Trade Agreements Committee for possible modification of duties and other import restrictions, imposition of additional import restrictions, or specific continuance of existing customs or excise treatment in a trade agreement, the Tariff Commission shall make an analysis of the facts relative to the production, trade, and consumption of the article involved, to the probable effect of granting a concession thereon, and to the competitive factors involved. Such analysis shall be submitted in digest form to the Trade Agreements Committee.

8. With respect to each article exported from the United States which is considered by the Trade Agreements Committee for possible inclusion in a trade agreement, the Department of Commerce shall make an analysis of the facts relative to the production, trade, and consumption of the article involved, to the probable effect of obtaining a concession thereon, and to the competitive factors involved. Such analysis shall be submitted in digest form to the Trade Agreements Committee.

9. After analysis and consideration of (a) the report by the Tariff Commission referred to in paragraph 5 hereof, (b) the studies and other information made available by the Tariff Commission under paragraph 7 hereof, (c) the studies of the Department of Commerce provided for in paragraph 8 hereof, (d) the views of interested persons presented to the Committee for Reciprocity Information pursuant to paragraph 6 hereof, and (e) any other information available to the Trade Agreements Committee, that Committee shall make such recommendations to the President relative to the conclusion of the trade agreement under consideration, and to the provisions to be included therein, as are considered appropriate to carry out the purposes set forth in the Trade Agreements Act, as amended. Should the report by the Tariff Commission referred to in paragraph 5 hereof not be received by the President within one hundred twenty days after the receipt by the Commission of the list referred to in paragraph 4 hereof, the Trade Agreements Committee may make such recommendations to the President notwithstanding the absence of such report. If such recommendations to the Presi-

dent with respect to the duties, import restrictions, or customs or excise treatment of any article imported into the United States fail to comply with any of the limits or minimum requirements set forth in the report of the Tariff Commission referred to in paragraph 5 hereof, the Trade Agreements Committee shall identify the article or articles with respect to which it recommends that such limits or minimum requirements shall not be complied with and shall state the reasons for its recommendations with respect to such article or articles. If there is dissent from any recommendation to the President with respect to a concession in any trade agreement, the President shall be furnished a full report by the dissenting member or members of the Trade Agreements Committee, giving the reasons for his or their dissent.

10. There shall be applicable to each concession with respect to an article imported into the United States which is granted by the United States in any trade agreement hereafter entered into a clause providing in effect that if, as a result of unforeseen developments and of such concession, such article is being imported in such increased quantities and under such conditions as to cause or threaten serious injury to the domestic industry producing like or similar articles, the United States shall be free to withdraw the concession, in whole or in part, or to modify it, to the extent and for such time as may be necessary to prevent such injury.

11. There shall be obtained from every government or instrumentality thereof with which any trade agreement is hereafter entered into a most-favored-nation commitment securing for the exports of the United States the benefits of all tariff concessions and other tariff advantages accorded by the other party or parties to the agreement to any third country. This provision shall be subject to the minimum of necessary exceptions and shall be designed to obtain the greatest possible benefits for exports from the United States.

### PART III—ADMINISTRATION OF AGREEMENTS

12. The Trade Agreements Committee shall at all times keep informed of the operation and effect of all trade agreements which are in force. It shall recommend to the President or to one or more of the agencies represented on the Committee such action as is considered required or appropriate to carry out any such trade agreement and any rectifications and amendments thereof not requiring compliance with the procedures set forth in paragraphs 4, 5, and 6 hereof. The Trade Agreements Committee shall, in particular, keep informed of discriminations by any country against the trade of the United States which cannot be removed by normal diplomatic representations, and, if it considers that the public interest will be served thereby, shall recommend to the President the withholding from such country of the benefit of concessions granted under the Trade Agreements Act, as amended.

13. The Tariff Commission, upon the request of the President, upon its own motion, or upon application of any interested party when in the judgment of the Tariff Commission there is good and sufficient reason therefor, shall make an investigation to determine whether, as a result of unforeseen developments and of the concession granted by the United States on any article to which a clause similar to that provided for in paragraph 10 hereof is applicable, such article is being imported in such increased quantities and under such conditions as to cause or threaten serious injury to the domestic industry producing like or similar articles. Should the Tariff Commission find, as a result of its investigation, that such injury is being caused or threatened, it shall recommend to the President, for his consideration in the light of the public interest, the withdrawal of the concession, in whole or in part, or the modification of the concession, to the extent and for such time as the Tariff Commission finds necessary to prevent such injury. In the course of any investigation under this paragraph, the Tariff Commission shall hold public hearings, giving reasonable public notice thereof, and shall afford reasonable opportunity for parties interested to be present, to produce evidence, and to be heard at such hearings. The procedure and rules and regulations for such investigations and hearings shall from time to time be prescribed by the Tariff Commission.

14. The Tariff Commission shall at all times keep informed concerning the operation and effect of provisions relating to duties or other import restrictions of the United States contained in trade agreements heretofore or hereafter entered into by the President under the authority of the Trade Agreements Act, as amended. The Tariff Commission, at least once a year, shall submit to the

President and to the Congress a factual report on the operation of the trade-agreements program.

15. The Committee for Reciprocity Information shall accord reasonable opportunity to interested persons to present their views with respect to the operation and effect of trade agreements which are in force or to any aspect thereof.

#### PART IV—REVOCATIONS

16. Executive Order No. 6750 of June 27, 1934, prescribing regulations relating to the giving of public notice and the presentation of views in connection with foreign trade agreements, as amended by Executive Order No. 9647 of October 25, 1945, and Executive Order No. 9832 of February 25, 1947, prescribing procedures for the administration of the reciprocal trade-agreements program, are hereby revoked.

HARRY S. TRUMAN.

THE WHITE HOUSE,  
October 5, 1948.