Thirty-fourth

Annual Report

of the

United States Tariff Commission

1950

UNITED STATES
GOVERNMENT PRINTING OFFICE
WASHINGTON : 1950

UNITED STATES TARIFF COMMISSION

Address all communications

UNITED STATES TARIFF COMMISSION

WASHINGTON 25, D. C.

For sale by the Superintendent of Documents, U. S. Government Printing Office

Washington 25, D. C. - Price 25 cents

LETTER OF TRANSMITTAL

UNITED STATES TARIFF COMMISSION,
Washington, January 3, 1951.

SIR: I have the honor to transmit to you the Thirty-fourth 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.

CONTENTS

INTRODUCTION AND SUMMARY

During 1950 the activities of the Tariff Commission continued to be influenced by current economic and political conditions and events, both at home and abroad, which affected tariffs, international trade, and international commercial policies. Among these developments were increase in political tension between Russia and the United States; outbreak of armed hostilities in Korea; expansion of national defense programs, necessitating economic adjustments and controls; growth in international trade of war-injured countries with their continued progress in economic recovery; effectuation of the trade-agreement concessions negotiated at Annecy in 1949; termination or modification of certain of the trade agreements of the United States; completion of plans for parties to the General Agreement on Tariffs and Trade to conduct a third round of negotiations at Torquay, England; and a substantial rise in United States imports, in some cases involving increased competition affecting particular segments of the domestic economy.

These external and internal developments, and others of lesser significance, affected both the volume and the character of the Commission's work during the year. For example, preparations for the trade-agreement negotiations at Torquay and study of certain existing trade agreements with a view to their termination or modification created a heavy work load for the Commission in performing its duties under the Trade Agreements Act. At the same time, rising competition of imports, particularly from countries of Western Europe and from Japan, increased the number of applications filed for investigations under the trade-agreement escape clause. Expert assistance was furnished the United States High Commissioner for Germany in reviewing the proposed new German tariff. Attention was also given to questions and legislative proposals regarding United States trade with Cominform countries. Problems of national defense involved the Commission in greater activities on interdepartmental committees considering defense measures relating to specific commodities; similar problems were also considered in reports submitted on legislative proposals for changes in tariffs on such important war materials as copper, bauxite, and petroleum. Most other activities of the Commission were similarly influenced by current economic and political devolopments abroad and at home.

Work for the Congress

The Commission gives high priority to work undertaken at the request of Congress. During 1950 congressional committees requested the Commission to report on some 40 bills and resolutions. The nature of this activity and the amount of work required of the Commission and its staff are illustrated by the report prepared for the Ways and Means Committee of the House with reference to a bill designed to modernize and simplify customs law and procedures. The Commission submitted to the committee a comprehensive report which analyzed the 24 sections of the bill, pointed out the advantages or disadvantages of certain of its provisions as well as certain conflicts with other provisions of law, and appraised the extent to which the measure was in conformity with pertinent provisions of the General Agreement on Tariffs and Trade. Not all requests from congressional committees call for such extensive reports as this, but most requests require the assembly and analysis of a large body of facts.

Other projects undertaken at the request of Congress and completed during the year included publication of the Free List volume (volume 16, in five parts) of the Summaries of Tariff Information and publication of the Commission's report on the foreign trade of Argentina. The former is the final volume of the revised edition of the Summaries; the previous volumes, which covered all dutiable articles, have proved of great interest to Congress, to industry, and to the general public. The report on Argentina, one of a series on the trade of the Latin American Republics, surveys the changes in the foreign trade of Argentina and reviews its recent economic policies in their relation to its foreign trade.

Besides preparing reports in response to congressional directives, the Tariff Commission often provides expert personnel, upon request, to assist at the hearings of congressional committees and to supply special information and analyses on the subjects under consideration. During 1950 such services were made available to the House Committee on Ways and Means, the Subcommittee on Petroleum and Federal Power of the House Committee on Interstate and Foreign Commerce, and the Subcommittee on the Study of Monopoly Power of the House Committee on the Judiciary.

The Commission also answers numerous requests for information from individual Senators and Representatives relating to specific tariff and trade problems. During the current year such information was supplied in response to over 350 written requests, as well as in response to numerous telephone requests. The Commission's staff also frequently furnishes special information to the Committee for

Reciprocity Information to enable the Committee to reply to inquiries from Members of Congress.

Activities Under the Trade Agreements Program

The largest single task of the Commission during 1950 had to do with its duties under the trade agreements program as prescribed under Executive Order 10082, which carries out the provisions of the Trade Agreements Extension Act of 1949. This task was preparation for and participation in the trade-agreement negotiations which commenced in September at Torquay, England. In preparing for these wide-reaching negotiations, which cover the countries already parties to the General Agreement on Tariffs and Trade and a number of other countries that wish to accede to it, the Commission completely surveyed the import trade of the United States in order to identify the commodities on which existing law allowed this country to make new or additional concessions. The Commission also, in the form of digests supplementary to the Summaries of Tariff Information, furnished the latest available information on over 2,100 commodities listed by the Interdepartmental Committee on Trade Agreements for possible concessions. Members of the Commission's staff also participated in the interdepartmental committees which considered concessions to be granted by the United States and to be requested from the foreign countries, and which are conducting the actual trade-agreement negotiations. Fourteen members of the Commission's staff are in Torquay participating in the negotiations or serving as advisers to the trade agreements organization. A Commissioner is also present as a member of the Trade Agreements Committee.

In addition to the work occasioned by new trade-agreement negotiations, the Tariff Commission has done important work in connection with the termination or modification of certain agreements. The United States in 1950 announced the termination of the trade agreement with Mexico, and also the withdrawal of certain concessions negotiated initially with China in the General Agreement. In August the United States advised the Government of Switzerland of its intention to terminate the trade agreement with that country, negotiated in 1936, unless Switzerland would agree to modify the agreement to include the standard escape clause. In October the Government of Switzerland accepted this modification. All these actions by the United States Government were undertaken after extensive studies to which the Tariff Commission contributed, especially as to individual commodities.

As required by Executive Order 10082, the Commission conducts investigations to determine the facts and make recommendations to assist the President in determining in any particular case whether

916294—50——2

action should be taken under the escape clause of trade agreements. Rising imports of items competitive with articles of domestic production have increased the number of applications before the Commission for such investigations. Since April 1948, when the first escape-clause application was made, the Commission has received 20 applications for investigation. At present (December 1) 5 applications are pending, 13 have been dismissed after preliminary investigation, and 2 formal investigations—on spring clothespins and women's fur felt hats and hat bodies—have been instituted and completed.

With respect to spring clothespins the Commission found (Commissioner Gregg dissenting) that imports of spring clothespins were not entering the United States in such quantities and under such conditions as to cause or threaten serious injury to domestic producers. The President approved this finding.

With respect to women's fur felt hats and hat bodies, the Commission found that those valued at more than $9 and not more than $24 per dozen were being imported into the United States in such increased quantities and under such conditions as to cause serious injury to domestic producers and to threaten continuance of such injury. The President approved the Commission's recommendation that the concessions made in the General Agreement on such hats and hat bodies be withdrawn and issued a proclamation withdrawing them.

The Commission is also required to submit at least once a year a report on the operation of the trade agreements program. The first two annual reports, issued in 1948 and 1949, covered the operation of the program from its inception through March 1949. The third report, prepared in the current year, covers the period April 1949 to June 1950.

Work Under Section 22 of the Agricultural Adjustment Act

During 1950 a substantial amount of work was done under section 22 of the Agricultural Adjustment Act, which makes the Tariff Commission responsible for conducting investigations to determine whether imports are materially interfering with programs of the United States Department of Agriculture.

Quota restrictions under the provisions of section 22 have for some time been imposed on imports of cotton. Two supplemental investigations on cotton were made during the year as the result of which the President proclaimed supplementary quotas for imports of (1) harsh long-staple cotton, and (2) extra-long-staple cotton, for the 12-month period ending January 31, 1951.[1]

[1] A second supplemental investigation on extra-long-staple cotton was ordered by the Commission on November 29, 1950, and a public hearing relative thereto was held on December 11, 1950.

At the direction of the President, the Commission instituted an investigation under section 22 looking toward the possible imposition of quantitative restrictions on imports of tree nuts—walnuts, almonds, filberts, cashews, and brazil nuts. A public hearing was held and extensive field work was carried out. This is the first investigation ordered under section 22 since the enactment in 1948 of legislation amending it to provide that actions taken under its authority shall not be in contravention of any international obligation of the United States—a provision involving difficult economic and legal problems. On November 24, 1950, the Commission sent a report to the President stating that under current conditions there was no basis for action under section 22 with respect to tree nuts, but that the investigation would be continued and consideration of possible action given if and when changed conditions should so warrant.

Preparation of Publication on United States Import Duties

In accordance with its regular function of making complete, up-to-date information available on United States tariffs, the Commission issued a publication entitled "United States Import Duties (1950)." This important document was prepared jointly by experts of the Tariff Commission and the Bureau of Customs of the Treasury Department. It lists all commodities on the dutiable and free lists and shows the tariff status of each on July 1, 1950. The information given reflects net tariff changes that have occurred since 1930 as a result of numerous Presidential proclamations issued pursuant to the Trade Agreements Act and to section 336 of the tariff act, as well as those made by legislation. The volume supplants similar earlier publications of the Commission. It is, however, broader in scope and includes a much needed complete restatement of the special and administrative provisions of the tariff act, which have been frequently amended since 1930. A supplement bringing the information up to date as of January 1, 1951, was also issued. There has been a large public demand for this publication, and it is also used extensively by Congress and by many Government agencies.

Cooperation With Other Government Agencies

Joint action and cooperation of the Commission and other Government agencies on appropriate matters is authorized by the tariff act. A substantial amount of time was devoted to this activity during the past year; various kinds of cooperative work, other than trade agreements work, were carried on with some 30 other Government agencies. This work ranged from relatively minor projects to those requiring several hundred hours' work by members of the Commission's staff. Two examples of such cooperative work are discussed below.

During 1950 the Munitions Board was much concerned with problems relating to national requirements for certain products under wartime conditions, to stockpiling needs, and to additional industrial capacity required for certain products. The Commission contributed materially to the work of the committees formed to advise the Department of Defense on these matters, drawing on the information it has assembled on foreign sources of supply, on commercial policies of foreign suppliers, on domestic production and consumption, and on potential import and export requirements. The information supplied on some subjects required the assistance of many of the Commission's technical experts, particularly where the armed services were interested in commodity classifications for setting up schedules of requirements.

On request of the United States Department of State and the United States High Commissioner for Germany, the Tariff Commission sent two of its experts to Germany in the first half of the year to review the newly formulated German tariff. The task of analyzing this tariff and its implications for the German economy was formidable, and it had to be executed quickly.

Other Activities During 1950

During the year the Commission gave attention to applications for investigations under the flexible-tariff provision (sec. 336 of the Tariff Act of 1930), and to complaints of alleged unfair methods of competition in the importation of commodities (sec. 337 of the same act). It issued the customary annual reports on production and sales of synthetic organic chemicals, long recognized as a valuable contribution regarding this industry, and continued to release monthly statistics on the production of selected synthetic organic chemicals and on synthetic plastics and resin materials. It also issued the regular annual report on imports of coal-tar products, which presents a detailed analysis of imports under paragraphs 27 and 28 of the tariff act.

Curtailment of Needed Work

For several years the staff of the Commission has been shrinking markedly: the number of employees was nearly one-third smaller in October 1950 than it was a decade ago. This progressive decrease of the staff has been brought about by inadequate appropriations. There can be only one net result of such a trend, namely, drastic reduction in the volume of work which the Commission is able to perform.

Pressing requests, especially from Congress, for current information and current projects to carry out express requirements of law or Executive orders naturally take priority in the Commission's work over less pressing current and long-range projects. With increasing demands for work of the highest priority, the Commission and its staff have had to give most of their efforts to such projects. There has been little opportunity to keep up to date the Commission's files of basic technical and economic data, which are the necessary foundation of all its activities. Likewise there has been no opportunity to undertake new projects on subjects which the Commission foresees will actively engage the interest of the Congress, the Executive, and the public in the near future. In fact, it has been necessary to postpone, curtail, or drop a number of important projects already begun—projects which should go forward at present in view of the fluid situation in world trade and the notable postwar changes in the economic position and international commercial policies of many countries.

WORK DONE IN RESPONSE TO DIRECTIVES OR REQUESTS FROM CONGRESS

Section 332 of the Tariff Act of 1930 requires among other things that the Tariff Commission put at the disposal of Congress, when requested, all the information at its command. A large part of the work of the Commission is undertaken in response to specific directives or requests from Congress, congressional committees, or individual Members of Congress. During 1950, as in previous years, this work continued to account for a large part of the Commission's activities.

Reports to Committees on Proposed Legislation

During 1950 (up to December 1) the Tariff Commission prepared and submitted to congressional committees reports on 40 bills and resolutions; 29 of these at the request of the House Committee on Ways and Means, 10 at the request of the Senate Committee on Finance, and 1 at the request of the House Committee on Merchant Marine and Fisheries.

The diversified nature of these bills or resolutions will be seen from the following subjects to which some of them relate: Development and improvement of standards for frozen fishery products; suspension of import taxes on copper; free entry of imports of crude bauxite for use in the manufacture of alumina; withdrawal of certain trade-agreement concessions on glassware, chinaware, and other pottery; refund of duty on parts used in the repair of foreign vessels; liberalization of the customs draw-back law; temporary embargo on certain manufactures of wood; customs duties on articles coming into the United States from the Virgin Islands; and amendment to the act relating to the establishment of foreign trade zones.

Preparation of comments on proposed legislation often involves extensive work by the Commission and its staff. For example, concerning a bill looking toward modernizing and simplifying administrative and procedural provisions of the custom law, the Tariff Commission prepared a 66-page report analyzing the 24 sections of the bill, and pointing out advantages or disadvantages of certain proposed provisions as well as conflicts with other provisions of law. During the consideration of the bill a member of the legal staff of the Tariff Commission acted as technical adviser to the group which initially undertook the preparation of the legislation.

Special Services to Committees of Congress

Besides preparing reports on proposed legislation, the Tariff Commission, upon request, frequently supplies congressional committees with other assistance when legislation is under consideration. Usually this assistance consists of oral testimony given at hearings or additional information furnished in response to questions developed at hearings. For example, when a bill to suspend the import tax on copper was under consideration, members of the Commission's staff appeared before the House Committee on Ways and Means to supply technical information regarding the tax, as well as statistical and economic information on domestic production, consumption, imports, exports, and prices of copper, and data on world production and international trade.

In another such instance the General Counsel of the Commission, at the request of the Subcommittee on Petroleum and Federal Power of the Committee on Interstate and Foreign Commerce of the House of Representatives, appeared and presented a statement on the relation of trade agreements to tariffs and quotas on imports of petroleum. In this statement he pointed out that tariff protection was first extended to domestic producers in 1932 with the imposition of import taxes. Then he traced the use of tariff quotas on imports of petroleum and the reductions of import taxes in trade-agreement concessions made to Venezuela and subsequently bound in part in other trade agreements.

On May 22, 1950, the Chairman of the House Committee on the Judiciary, who was also Chairman of the Subcommittee on the Study of Monopoly Power, asked that members of the Commission's staff testify at the scheduled hearings on newsprint paper, and cover the tariff history of newsprint, as well as data on production, trade, and related matters. A statement was prepared in accordance with this request, and oral testimony was given by members of the Commission's Lumber and Paper Division. The committee also was furnished copies of the Commission's report on *Newsprint* (Report No. 22, War Changes in Industry Series, 1947), with the statistical material revised and brought up to date. On some matters referred to in this report, the committee requested further data, which were furnished.

Services Rendered to Individual Senators and Representatives

Since the Commission's last annual report, over 350 letters have been received from Senators and Representatives requesting various types of information. About half of these requests resulted from the announcement by the Department of State that the United States would undertake further negotiations for trade agreements with 24 countries. The announcement of these negotiations included a list of some 2,100 commodities or commodity groups on which the United States might consider new or greater concessions. Several of these congressional communications concerned increased imports from Japan and Germany, and imports from and exports to "iron curtain" countries; others concerned applications for investigations pending before the Commission.

Furthermore, the Commission periodically furnished to several Members of Congress, at their personal request, tabulations showing import statistics on glassware and pottery, by kinds and by countries of origin. The Commission likewise furnished interested Members of Congress with monthly statistics of imports of tops of animal hair, wool yarns, and woolens and worsteds.

In addition to the requests by letter, numerous requests were received by telephone from Members of Congress for publications or for various types of information. Response to these requests frequently required considerable research and the preparation of extensive compilations and other material. The Commission's staff also frequently furnished special information to the Committee for Reciprocity Information to enable that Committee to respond to inquiries by Members of Congress.

Free List Volume of Summaries of Tariff Information

A general revision of the Commission's Summaries of Tariff Information was undertaken in response to a resolution of the Committee on Ways and Means of the House of Representatives. During 1948 and 1949 the Tariff Commission issued 15 volumes (40 documents) containing about 2,000 summaries on products which are subject to duties or import-excise taxes. During 1950 the Tariff Commission issued volume 16, which is the final volume of the revised edition of the summaries. This volume, consisting of 5 parts, contains more than 500 separate summaries on the various products provided for in the free list of the tariff act and which are not subject to import-excise taxes. The summaries present statistical data on United States imports and on production and exports, together with other information pertinent to understanding the competitive conditions between imports and domestic production. (For complete list of volumes see appendix II.)

Trade Problems of the American Republics

In 1950 the Commission issued a report on recent developments in the foreign trade of Argentina. This report of 185 pages surveys the

916294—50——3

changes in the foreign trade of Argentina and reviews the economic policies of Argentina as affecting its foreign trade with the United States and the rest of the world. It is one of 51 reports so far issued by the Commission on trade problems of Latin American countries, a series initiated in response to a request from the House Committee on Ways and Means and the Senate Committee on Finance.

In preliminary form this report was made available to the Joint United States-Argentine Commission considering trade problems between the two countries. (A summary of the report is given in appendix I.)

TRADE-AGREEMENT ACTIVITIES

Functions Under the Trade Agreements Extension Act of 1949

The Trade Agreements Extension Act of 1949 extended the President's authority to negotiate reciprocal trade agreements to June 12, 1951. It also repealed the section of the Trade Agreements Extension Act of 1948 requiring the Tariff Commission to submit to the President findings on the minimum tariff protection (within the limits of authority to change tariff rates under the law) that might be accorded on each commodity in any new trade agreement without causing or threatening serious injury to the American industry concerned. The 1949 legislation and Executive Order 10082 (issued October 5, 1949) which prescribes the procedures to be followed in concluding trade agreements, restored the Commission's functions in connection with trade agreements to approximately what they had been before the passage of the Trade Agreements Extension Act of 1948.

Executive Order 10082 continues the designation of the Tariff Commission as the agency to supply the trade agreements organization with pertinent information regarding the commodities listed for possible concessions by the United States in new trade-agreement negotiations. Under this order, moreover, the Commission resumed its participation in the trade agreements organization on the same basis as before the passage of the Trade Agreements Extension Act of 1948. A Commissioner serves as a member of the Interdepartmental Committee on Trade Agreements and as Chairman of the Committee for Reciprocity Information. Members of the Commission's staff serve as members of the subcommittees of the Trade Agreements Committee, especially the country committees, which make recommendations to the Trade Agreements Committee regarding concessions to be requested and to be granted.

Executive Order 10082 also continues the designation of the Tariff Commission as the agency to investigate matters coming within the provisions of the escape clause in trade agreements. This clause provides that under certain conditions a tariff concession may be withdrawn or modified if it has resulted in increased imports which cause or threaten serious injury to the domestic industry concerned.

The Commission is also charged by the Executive order with the task of keeping informed regarding all developments under the trade agreements program and of submitting annually to the President and Congress a report of the operation of the program. The Commission has just submitted its third annual report on this subject.

Activities in 1950 Under the Trade Agreements Program

Duties under the trade agreements program represented a substantial part of the work of the Commission and its staff during 1950. Late in 1949, the Commission began assembling data for use in connection with trade-agreement negotiations scheduled to commence in September 1950 at Torquay, England. This preparatory work continued through the first 8 months of 1950, after which 14 members of the Commission's staff accompanied the United States Delegation to Torquay to assist in the negotiations. In addition, the Commission during 1950 carried on activities in connection with escape-clause actions under trade agreements, prepared and submitted the third annual report on operation of the trade agreements program, and participated in special studies of certain existing trade agreements. These activities required more than a third of the time of the Commission and its staff during the period covered by this report.

Preparations for Torquay negotiations

The task the Commission performs in connection with the making of a trade agreement is illustrated by work done for the negotiations that began in September 1950 at Torquay, England. During the early stages of preparation for these negotiations the Commission surveyed all imported commodities in order to supply to the trade-agreement authorities a list of all those items on which further tariff concessions might be made within the limits of authority to change tariff rates under the law; as finally transmitted this list included approximately 3,500 items. A card was prepared for each of these items giving a brief history of its tariff status as well as statistics on the value of United States imports and the principal suppliers thereof. Individual cards were then assembled in volumes, classified according to the principal suppliers of imports, for more than 40 foreign countries. These volumes provided information that the trade agreements organization could use as a basis for selecting import items on which the United States might consider concessions in negotiations with specific countries. After the Trade Agreements Committee selected the items, experts of the Tariff Commission converted the statistical descriptions of the items into appropriate tariff language for the purpose of public listing. Items so listed and announced in public notices exceeded 2,100 and included those for possible negotiation with 24 countries.[1]

---

[1] Countries negotiating reciprocal trade-agreement concessions with the United States at Torquay, England, are Australia, Austria, Belgium, Brazil, Canada, Cuba, Denmark, Dominican Republic, France, Federal Republic of Germany, Guatemala, India, Indonesia, Italy, Korea, Luxemburg, Netherlands, New Zealand, Norway, Peru, Sweden, Turkey, Union of South Africa, and the United Kingdom. Since the opening of negotiations at Torquay, Guatemala has notified the contracting parties that it will not participate in the negotiations.

For each of the items selected for possible negotiations the Commission, as required by Executive Order 10082, prepared a digest, supplementing the published Summary of Tariff Information and giving up-to-date information on production, consumption, trade, competitive factors, and probable effects of a concession. The digests were for use by the trade agreements organization, in conjunction with other information available to it, in determining whether or not a concession should be offered and, if so offered, the magnitude of the concession that might safely be made. Over 1,100 digests, covering more than 2,000 pages, were prepared.[2]

Interested members of industry and trade submitted to the Committee for Reciprocity Information, both in briefs filed with the Committee and at hearings, their views on possible concessions by the United States (as well as on concessions to be requested from the foreign countries). The Commission's staff assisted in digesting this large volume of material. In addition, the Commissioner who is Chairman of the Committee, another member of the Commission, and members of the Commission's staff served on five panels formed to expedite hearings of the Committee in May and June, and also participated in a subsequent series of hearings.

Beyond services such as the foregoing, the Commission's staff devoted much time to close study of the evidence submitted to the Committee for Reciprocity Information in order to appraise contribution of the evidence with reference to possible concessions by the United States. Such appraisal was necessary since the Commission's experts were frequently asked to advise the trade agreements organization on the significance of the evidence presented and to develop additional material bearing on it.

After considering all the material above described, the trade agreements organization determined what import items should be recommended to the President for negotiations of concessions, together with the maximum concessions believed advisable. This list was put into final form by the experts of the Commission.

In addition to the work done for the general trade agreements organization, a considerable number of the Commission's staff also served as members of or advisers to subcommittees set up to cover each of the countries participating in the negotiations. Some of these experts were subsequently included in the delegation sent to Torquay. At present 14 of the Commission's staff are in Torquay as members of or advisers to negotiating teams. A Commissioner also is present as a member of the Interdepartmental Committee on Trade Agreements, which is holding sessions at Torquay.

[2] Some digests embraced more than one statistical class.

Work relating to termination or modification of certain existing trade agreements

During the year members of the Commission and its staff participated in work of the trade agreements organization relating to certain existing trade agreements which were under consideration with a view to termination or modification. This work resulted in the following actions with reference to the agreements with Mexico, China, and Switzerland:

After extended negotiations, the trade agreement between the United States and Mexico signed in 1942 was terminated, effective at the close of December 31, 1950. This termination followed Mexico's action in imposing quantitative restrictions on imports of certain items important in its trade with the United States, and in raising the duties on certain items included in the trade agreement.

After the Chinese Nationalist Government announced its withdrawal from the General Agreement on Tariffs and Trade on May 6, 1950, the United States, pursuant to the General Agreement, withdrew certain concessions initially negotiated with China. This action will have the effect of restoring on most of the withdrawn items the rates originally provided in the Tariff Act of 1930. Other concessions initially negotiated with China remain in effect pending consultation with other contracting parties to the General Agreement in order to determine what further concessions to China, if any, should be withdrawn.

The agreement between the United States and Switzerland, effective in 1936, did not contain an escape-clause provision under which concessions might be withdrawn or modified in event imports increased so as to cause or threaten serious injury to the domestic industry concerned. The change in trade conditions for certain commodities, largely imported from Switzerland, made the inclusion of such an escape clause in the agreement with Switzerland of substantial interest to the United States. Accordingly, the United States, on August 10, 1950, advised the Government of Switzerland of its intention to terminate the agreement, effective February 10, 1951,[3] unless Switzerland would agree, by October 15, 1950, to the inclusion of the standard escape clause in the agreement. This inclusion was accepted by the Government of Switzerland in a note of October 13, 1950, and the notice of intention to terminate the agreement was withdrawn.

Reports on operation of the trade agreements program

The Tariff Commission was first directed in 1947 by Executive Order 9832 to report at least once each year to the President and to the Congress on the operation of the trade agreements program. This directive was repeated in superseding Executive Orders 10004 and

[3] In accordance with the agreement provision that it may be terminated by either party on 6 months' notice.

10082. In its first report submitted in 1948 and its second report submitted in 1949 the Commission covered developments under the trade agreements program from its inception in 1934 through March 1949. These reports included pertinent comment on conditions which, particularly since the war, have greatly altered patterns and practices in world trade.

In its third report on the operation of the trade agreements program, now in press, the Commission reviewed the period from April 1949 through June 1950. This report deals mainly with trade-agreement legislation enacted by the United States during the period covered; developments respecting the General Agreement on Tariffs and Trade and plans for accession of new parties thereto; character and scope of the Annecy negotiations and concessions received and granted by virtue of them; preparations for the Torquay negotiations in 1950; and changes in tariffs and in trade practices in the United States and abroad which affect trade between the United States and those countries with which it has trade agreements. (A summary of this report appears in appendix I.)

Activities under the escape clause in trade agreements

A safeguarding clause was first included in the agreement between the United States and Mexico (1943) and subsequently in the agreement with Paraguay and in the multilateral General Agreement on Tariffs and Trade (1948). The escape clause provides that under specified conditions either party to the agreement may withdraw or modify any concession made. The Tariff Commission is directed, under Executive Order 10082,[4] to conduct investigations to determine the facts and to recommend remedial action for the President's consideration in cases where facts justifying invocation of the escape clause are found to exist.

Since April 1948, when the first escape-clause application was received, the Tariff Commission has had 20 applications for investigation.[5] At present (December 1), 5 applications are pending; 13 have been dismissed after preliminary investigation; and 2 formal investigations have been instituted and completed, as described below. All applications under the escape-clause provisions require considerable preliminary investigation, sometimes involving a substantial amount of field work. The nature and status of the individual applications for investigation received under the escape-clause procedure are shown in the accompanying list.

---

[4] Earlier similar directives to the Commission were included in Executive Orders 9832 and 10004.

[5] As the Commission's rule of procedure state, the Commission encourages informal conferences with regard to the filing of applications for investigations under the escape clause. A number of such conferences have been held during the past year in addition to those held with reference to the applications filed.

Applications for investigations under escape-clause provisions of trade agreements (*Dec. 1, 1950*)

Commodity	Name and address of applicant	Date received	Status
1. Marrons	G. B. Raffetto, Inc., New York, N. Y.	Apr. 20, 1948	Dismissed without formal investigation Aug. 27, 1948.
2. Whiskies and spirits	U. S. Distillers Tariff Committee, Washington, D. C. (application filed on behalf of 28 distilling companies).	Sept. 7, 1948	Dismissed without formal investigation Jan. 3, 1949.
3. Spring clothespins	DeMeritt Co., Waterbury, Vt. (6 other producers).	Nov. 10, 1948	Formal investigation ordered Apr. 27, 1949. Completed Dec. 20, 1949. No modification in concession recommended.
4. Knitted berets, wholly of wool	American Basque Berets, Inc., New York, N. Y.	Feb. 11, 1949	Dismissed without formal investigation July 8, 1949.
5. Crude petroleum and petroleum products.	Independent Petroleum Association of America, Washington, D. C.	Feb. 15, 1949	Dismissed without formal investigation May 3, 1949.
6. Hops	United States Hop Growers Association, San Francisco, Calif.	Mar. 28, 1949	Dismissed without formal investigation May 11, 1949.
7. Reeds, wrought or manufactured from rattan or reeds, cane wrought or manufactured from rattan, cane webbing, and split or partially manufactured rattan, n. s. p. f.	American Rattan & Reed Manufacturing Co., Brooklyn, N. Y.	May 20, 1949	Dismissed without formal investigation Feb. 17, 1950.
8. Narcissus bulbs	Northwest Bulb Growers Association, Sumner, Wash.	June 9, 1949	Dismissed without formal investigation Jan. 13, 1950.
9. Sponges, n. s. p. f	Sponge Industry Welfare Committee, Chamber of Commerce, Board of City Commissioners, and Greek Community, all of Tarpon Springs, Fla.	June 14, 1949	Dismissed without formal investigation July 22, 1949.
10. Knit gloves and knit mittens finished or unfinished, wholly or in chief value of wool. Gloves and mittens embroidered in any manner, wholly or in chief value of wool. Gloves and mittens, knit or crocheted, finished or unfinished, wholly or in chief value of cotton.	Association of Knitted Glove and Mitten Manufacturers, Gloversville, N. Y.	Aug. 5, 1949	Action deferred to study further developments Nov. 22, 1949.

11. Knitted berets, wholly of wool (second application).	American Basque Berets, Inc., New York, N. Y.	Nov. 23, 1949	Dismissed without formal investigation Jan. 13, 1950.
12. Woven fabrics in the piece, wholly of silk, bleached, printed, dyed, or colored, and valued at more than $5.50 per pound.	Textile Section of the Manufacturers Division of the Greater Paterson Chamber of Commerce, Paterson, N. J.	Jan. 5, 1950	Dismissed without formal investigation Sept. 20, 1950.
13. Women's fur felt hats and hat bodies	Hat Institute, Inc., and United Hatters, Cap & Millinery Workers International Union, New York, N. Y.	Jan. 24, 1950	Investigation completed; certain concessions withdrawn.
14. Stencil silk, dyed or colored	Albert Godde Bedin, Inc., New York, N. Y.	Jan. 30, 1950	Pending.
15. Beef and veal, fresh, chilled, or frozen	Western States Meat Packers Association, San Francisco, Calif., and Washington, D. C.	Mar. 16, 1950	Dismissed without formal investigation June 30, 1950.
16. Aluminum and alloys, in crude form (except scrap). Aluminum in coils, plates, bars, rods, etc.	Reynolds Metals Co., Louisville, Ky.	Mar. 24, 1950	Dismissed without formal investigation Nov. 21, 1950.
17. Aluminum and alloys in crude form (except scrap). Aluminum in coils, plates, bars, rods, etc.	Kaiser Aluminum & Chemical Corp., Washington, D. C.	Apr. 7, 1950	Do.
18. Lead-bearing materials, lead, and lead scrap.	Emergency Lead Committee, New York, N. Y.	May 11, 1950	Pending.[1]
19. Lead-bearing materials, lead, and lead scrap.	New Mexico Miners and Prospectors Association on behalf of Lead Producers of New Mexico, Albuquerque, N. Mex.	May 16, 1950	Do.[1]
20. Hatters' fur, or furs not on the skin, prepared for hatters' use, including fur skins carroted.	Hatters' Fur Cutters Association of the U. S. A., New York, N. Y.	June 22, 1950	Do.

[1] Under agreement with Mexico.

Spring clothespins.—On December 20, 1949, the Tariff Commission submitted a report to the President on its investigation of spring clothespins which had been instituted on April 27, 1949, under the escape clause in the trade agreement with Mexico. The purpose of the investigation was to determine whether, as a result of unforeseen developments and of the concession granted on spring clothespins in the trade agreement with Mexico, such clothespins were being imported in such relatively increased quantities and under such conditions as to cause or threaten serious injury to domestic producers.

As a result of its investigation the Commission found that, in the period since the trade agreement with Mexico became effective, imports of spring clothespins had been much larger than before the agreement, both absolutely and in proportion to domestic production, and that a part, though not a large part, of this increase may have been attributable to the reduction in the duty made in that agreement. However, the Commission found (Commissioner Gregg dissenting) that imports of spring clothespins were not entering the United States in such increased quantities and under such conditions as to cause or threaten serious injury to the domestic producers of the like or similar article. The Commission, therefore, made no recommendation to the President regarding action on spring clothespins. The President approved this finding.

The Commission noted further that in September 1949 the Swedish and Danish Governments devalued their currencies by about 30 percent, and stated that the Commission "will keep in constant close touch with the situation and will take such action as changes in the situation may warrant." (For a summary of the report, see appendix I.) Accordingly, the Commission has maintained a monthly review of the import trade, domestic production, prices, and shipments of spring clothespins since submitting its report to the President.

Although the trade agreement between the United States and Mexico was terminated at the close of December 31, 1950, the rate of duty, 10 cents per dozen, provided for spring clothespins in the agreement with Mexico was bound against increase by the Annecy Protocol to the General Agreement on Tariffs and Trade, subject to any change which might be made by virtue of action under the escape clause in the agreement with Mexico.

Women's fur felt hats and hat bodies.—An investigation of women's fur felt hats and hat bodies, under the escape clause of the General Agreement was ordered April 7, 1950, in response to an application filed with the Commission by organizations representing domestic producers of women's fur felt hat bodies and workers in that industry. A public hearing was held on May 9, 1950. The purpose of the investigation was to determine whether the United States would be warranted in invoking the escape clause with respect to these hats and hat bodies. Under the General Agreement the United States had granted concessions which became effective on January 1, 1948, and which reduced the rates on these hats and hat bodies.

On September 25, 1950, the Commission submitted its report to the President. Based on its investigation, the Commission found that women's fur felt hats and hat bodies valued at more than $9 and not more than $24 per dozen were being imported into the United States in such increased quantities and under such conditions as to cause serious injury to the domestic industry producing like or directly competitive products, and as to threaten continuance of such injury. The Commission also found that serious injury was not caused or threatened by imports of such hats and hat bodies valued at not more than $9 per dozen or of those valued at more than $24 per dozen.

The Commission found that withdrawal of the tariff concession on women's fur felt hats and hat bodies valued at more than $9 and not more than $24 per dozen was necessary to prevent continuance of injury, and that such withdrawal would afford much greater relief to the domestic producers if it were made effective before December 1, 1950.

In view of its findings the Tariff Commission recommended to the President, for his consideration in the light of the public interest, withdrawal in whole of the tariff concessions granted in the General Agreement on women's fur felt hats and hat bodies valued at more than $9 and not more than $24 per dozen. It recommended further that the President consider making such withdrawal effective not later than December 1, 1950, and without time limit. (The report is summarized in appendix I.) On October 30 the President issued a proclamation effective December 1, 1950, withdrawing the concession on these hats and hat bodies.

Withdrawal of the concessions on women's fur felt hats and hat bodies in the four value brackets between $9 and $24 per dozen restores the compound rates specified in the Tariff Act of 1930.

OTHER ACTIVITIES

Section 22, Agricultural Adjustment Act

Section 22 of the Agricultural Adjustment Act, as amended, authorizes the President to restrict importation of any commodities, either by the imposition of import fees or by quota limitations, whenever such imports render or tend to render ineffective or materially interfere with programs of the Department of Agriculture that relate to agricultural commodities. Before the President takes any action under this section there must be an investigation (including a public hearing) and recommendations by the Tariff Commission.

On June 28, 1950, Congress enacted legislation further amending section 22 of the Agricultural Adjustment Act. Previously the act had provided that no action should be taken in contravention of any international obligation of the United States. The principal change was to add that no international agreement or amendment to an existing international agreement shall be entered into in the future that does not permit the enforcement of section 22 to the full extent that the General Agreement on Tariffs and Trade permits such enforcement.

Under the provisions of section 22 quota restrictions have for some time been imposed on imports of long-staple cotton in accordance with recommendations of the Tariff Commission. In recent years the Commission has conducted several supplementary investigations regarding amendment of the quota restrictions on long-staple cotton. During 1950 one such investigation was made concerning imports of harsh long-staple cotton, and another concerning imports of extra-long-staple cotton.

Rough or harsh long-staple cotton

The annual quota for imports of long-staple cotton in the quota year ending January 31, 1951 (45,656,420 pounds) became exhausted in March 1950. On June 30, 1950, the Commission ordered a supplemental investigation with respect to the quota on harsh or rough cotton $1\frac{1}{8}$ inches or more but less than $1\frac{3}{8}$ inches in staple length. The purpose of this supplemental investigation was to determine whether an additional quantity of such cotton should be allowed to enter during the quota year ending January 31, 1951, to meet the special requirements for this type of cotton. A public hearing was held on July 18, and a report was sent to the President on August 14, 1950. On October 4, 1950, the President issued a proclamation permitting an additional quantity of this cotton to be entered. (See appendix I for summary of the Commission's report.)

Extra-long-staple cotton

On September 20 the Commission ordered the second supplemental investigation on another type of long-staple cotton.[1] The purpose of this investigation was to determine whether an additional quantity of extra-long-staple cotton (cotton having a staple of $1\frac{3}{8}$ inches or more but less than $1\frac{11}{16}$ inches in length) should be permitted entry before the opening of the new quota year, February 1, 1951, to take care of domestic requirements for this cotton, including demands arising from the expanded defense program. A public hearing was held on Sepember 29, and on October 5 a report was sent to the President. On October 12, 1950, the President issued a proclamation permitting an additional quantity of this type of cotton to be entered, and directing the Tariff Commission to allocate the supplemental quota among the applicants for licenses on the basis of essential need as determined by the Commission from data supplied by the applicants. (See appendix I for a summary of the Commission's report.)

Edible tree nuts

By direction of the President, the Tariff Commission on April 13, 1950, instituted an investigation of edible tree nuts under section 22. The purpose of this investigation was to determine whether almonds, filberts, walnuts, brazil nuts, or cashews are being imported or are practically certain to be imported into the United States under such conditions and in such quantities as to render ineffective or materially interfere with any programs of the Department of Agriculture with respect to walnuts, filberts, almonds, or pecans. This is the first investigation ordered under section 22 since the passage in 1948 of legislation amending that section to provide that no proclamation under its authority "shall be enforced in contravention of any treaty or other international agreement to which the United States is or hereafter becomes a party." In this connection the President requested the Commission to make findings of fact which would enable him to determine whether import quotas on tree nuts would be appropriate under section 22, having regard for this new provision concerning compliance with international obligations.

On June 27 and June 28, 1950, the Commission held a public hearing, at which testimony was presented on behalf of the Secretary of Agriculture, domestic producers, packers and shippers of tree nuts produced in the United States, and the principal importers and in-

[1] A second supplemental investigation on extra-long-staple cotton was ordered by the Commission on November 29, 1950, and a public hearing relative thereto was held on December 11, 1950.

dustrial users of edible tree nuts. Briefs were filed by interested parties after the hearing. On November 24, 1950, the Commission sent a report to the President stating that under current conditions there was no basis for action under section 22 with respect to tree nuts, but that the investigation would be continued and consideration of possible action given if and when changed conditions should so warrant.

Section 336, Tariff Act of 1930

Section 336 of the Tariff Act of 1930, the so-called flexible-tariff provision, sets forth procedure by which the import duty on any commodity may be changed by proclamation of the President after investigation and report by the Tariff Commission of differences in costs of production in the United States and in the principal competing foreign country. The provisions of section 336, however, are not applicable to a duty that has been the subject of a concession in a trade agreement.

Investigation on almonds

In July 1948 the California Almond Growers Exchange filed an application looking toward an increase of 50 percent in the duty on shelled and blanched almonds. On September 16, 1948, the Tariff Commission ordered, under the provisions of section 336, an investigation covering almonds, shelled, and almonds, blanched, roasted, or otherwise prepared or preserved. The order was amended on October 29, 1948, to include almonds, not-shelled. On December 3, 1948, the Commission held a public hearing, at which representatives of the domestic almond industry, importers, and major industrial consumers presented their views.

The Commission initiated its investigation of domestic production costs in October 1948, obtaining farm costs of producing almonds as well as costs of processing in-shell, shelled, and blanched almonds. It was found impracticable to obtain foreign production costs; accordingly, the foreign invoice values of imports of shelled and blanched almonds were compiled.

A report of the investigation was sent to the President on November 10, 1949. The majority of the Commission (Commissioners Brossard and Gregg dissenting) concluded that a finding as to the difference in cost of production of almonds in the United States and in Italy could not be made because it was impracticable to obtain foreign production costs and because the invoice values of imports in this case could not be taken as evidence of the foreign cost of producing almonds. This report was approved by the President. (It is summarized in appendix I.)

Action of the Commission on other applications for investigation

In June 1950 the National Association of Alcoholic Beverage Importers, Inc., Washington, D. C., filed an application for an investigation, under provisions of section 336, looking toward a decrease in the duty on grape wines containing more than 14 percent of alcohol by volume. After a preliminary study the Commission determined that a formal investigation was not warranted, and the application was dismissed in September.

Two applications for investigations under section 336, carried over from 1949, were dismissed during the current year. One concerning dental burs, filed by the American Dental Trade Association, was dismissed in January 1950. The second application, dismissed in May 1950, was filed by the Northwest Nut Growers, Dundee, Oreg., and asked for an investigation with respect to filberts, not-shelled. Both of these applicants requested increases in duties.

Section 337, Tariff Act of 1930

Section 337 of the Tariff Act of 1930 provides for investigations by the Tariff Commission of alleged unfair methods of competition and unfair acts in the importation or sale of imported articles in the United States.

On July 26, 1950, a complaint of alleged unfair methods of competition in the importation of pistol-simulating cigarette lighters was filed on behalf of Gunlite, Inc., of New York, N. Y. After preliminary inquiry the allegations in the complaint were held to be insufficient to warrant a formal investigation, and the Commission dismissed the complaint.

Another complaint dismissed by the Commission during the past year was filed on July 26, 1950, by Davol Rubber Co., of Providence, R. I., alleging unfair methods of competition in the importation of rubber catheters.

A complaint of alleged unfair methods of competition in the importation of machines for the manufacture of corrugated flexible metal tubing or hose, and flexible tubing, filed by Chicago Metal Hose Co., of Maywood, Ill., is pending.

United States Import Duties (1950)

In July 1950 the Tariff Commission issued the publication *United States Import Duties (1950)*. This document includes a complete compilation of commodities on the dutiable and free lists as of July 1, 1950, and a complete restatement of the special and administrative provisions of the Tariff Act of 1930, as modified and amended. It was prepared jointly by experts of the Bureau of Customs of the Treasury Department and the Tariff Commission, and is particularly useful to the Congress, to customs administrative officers and other public officials, and to representatives of trade and industry and research workers who are concerned with specific tariff matters.

This publication, which contains over 350 pages, is divided into two main sections. The first section presents information on commodities on the dutiable list, giving the rates of duty or import-excise taxes in effect on July 1, 1950, and the rates under the Tariff Act of 1930. These July 1, 1950, rates reflect aggregate tariff changes that have occurred as a result of numerous Presidential proclamations issued pursuant to the Trade Agreements Act and section 336 of the tariff act as well as changes made by legislation. The information is presented in tabular form, arranged by paragraphs in the tariff act, and expressed in the appropriate legal language. This section also includes the list of commodities which were free of duty on July 1, 1950, a list of the provisions of the Internal Revenue Code which provide for the levy of taxes upon imports, and information on special and additional import duties and special exemptions from import duties. The second section of the publication is a restatement of the special and administrative provisions of the Tariff Act of 1930 as amended up to July 1, 1950.

This volume is the latest in a long series of documents published by the Commission showing changes in duties; it supplants the Commission's previous publication *United States Import Duties (1948)* and subsequent supplements. It is, however, much broader in scope than earlier publications, including not only a complete statement of tariff duties but also a restatement of the special and administrative provisions of the tariff act, which have been extensively amended since enactment in 1930. In general, the document makes readily available in one volume information which could otherwise be determined only by time-consuming research and reference to hundreds of individual documents. The large public demand for the volume immediately after publication assures its widespread use as the most complete reference work on United States tariff duties and tariff law.

A supplement bringing the information up to date as of January 1, 1951, was also issued.

Periodic Reports on Synthetic Organic Chemicals

Each year since 1918 the Tariff Commission has published preliminary and final reports on the United States production and sales of synthetic organic chemicals and the raw materials from which they are derived. Continuing the practice initiated 2 years ago, the preliminary report covering the year 1949 was issued in 13 separate sections, each section being released as soon as sufficient data were

916294—50——5

received to give reasonably complete statistics. Before 1948, the preliminary report had been issued under one cover, and it was usually not available until late in the year following that under review. The new procedure has made it possible to release statistics much earlier, thus increasing their value to the producers, dealers, and the general public. The first section of the preliminary report for 1949 was issued early in May 1950; by the middle of July all the sections had been released. Members of the chemical industry and interested Government officials have commented favorably on the early release of these preliminary statistics. Cooperation of the reporting companies in promptly supplying their data, together with intensive work on the part of the Commission's staff, made this result possible.

The final report for 1949 on the synthetic organic chemical industry, issued in a single document, gives final statistics on production and sales for each segment of the industry; a Directory of Manufacturers, which identifies each product with its producers; statistics on the imports of chemicals entering the country under paragraphs 27 and 28 of the Tariff Act of 1930; and statistics on the number of persons engaged in research on synthetic organic chemicals and the expenditures for this research. Requests for reports in this series, not only for those issued in 1950 but also for those issued in earlier years, are numerous. Although most of the earlier reports are out of print, copies may be consulted in most public libraries of the larger cities and in the libraries of many colleges and universities.

During 1950 the Commission continued to issue monthly statistics on the production of a selected list of synthetic organic chemicals in the Facts for Industry Series 6–2. This series, started during World War II, was continued after the war at the request of the chemicals industry and several Government agencies. It covers chemicals considered to be representative indicators of activity in the industry, and includes such items as acetic acid, methanol, antibiotics, and certain dyes and intermediates.

The Tariff Commission during 1950 also continued to issue monthly statistics on the production and sales of synthetic plastics and resin materials in the Facts for Industry Series 6–10. At the request of Government defense agencies and of the plastics industry, this survey was undertaken by the Commission in 1948, when it was discontinued by the Bureau of the Census, Department of Commerce. The survey covers production and sales of the major classes of synthetic plastics and resin materials such as tar-acid, polystyrene, alkyd, urea and melamine, and vinyl resins. Additional data obtained for each of these groups also show production and sales of plastics and resins, by uses, as for adhesives, laminates, protective coatings, and molding materials.

In July 1950 the Commission issued its annual report on imports in 1949 of coal-tar products. This compilation covers imports of intermediates, dyes, medicinals, flavor and perfume materials, plastics, and other finished coal-tar products imported under paragraphs 27 and 28 of the Tariff Act of 1930. (The reports discussed above are summarized in appendix I.)

Cooperation With Other Government Agencies

The Tariff Commission continues to find a substantial part of its time devoted to carrying out the provisions of section 334 of the Tariff Act of 1930, which directs that the Commission shall in appropriate matters act in cooperation with other Government agencies. Among the more important work of this nature is that done by the Commission in collaboration with agencies of the Department of Commerce, with the Interdepartmental Advisory Committee on Foreign Trade Commodity Classification, with the Army and Navy Munitions Board, and with the Department of State relating to matters other than trade agreements. In addition, various kinds of work were carried on in 1950 in cooperation with some 30 other Government agencies; work of the character above described ranged from projects requiring only a few hours to those requiring several hundred hours of effort by members of the Commission's staff. The Commission is also represented by membership on about 25 interagency committees.

Interagency cooperation is not a one-way street for the Commission; other agencies also cooperate with the Commission in the conduct of its work. Outstanding examples of such cooperation are the continuing work of the Bureau of the Census in supplying the Commission with necessary statistical data on foreign trade, and the collaboration of Customs Bureau officials in the preparation of certain publications issued by the Commission (see earlier section describing the publication *United States Import Duties (1950)*).

Selected aspects of the work conducted by the Commission in cooperation with other Government agencies are reviewed below.

Classification of imports and exports

The Interdepartmental Advisory Committee on Foreign Trade Commodity Classification, consisting of members from the Tariff Commission, the Department of Commerce, and the Treasury Department, is provided for by law (sec. 484, Tariff Act of 1930). Its task is to keep up to date all statistical classifications (descriptions) of products imported into the United States (as distinguished from tariff classifications) in order that such imports shall be recorded on the most accurate and informative basis. Many factors make it advisable to revise statistical descriptions, such as changes in rates of duty by trade agreements, changes in the character of the various products, appearance of new products, or need for recording separately statistics for some product heretofore included in a group of loosely related articles. The Commission did extensive work on the revision of import classifications in 1950. Its member on the Advisory Committee and the commodity specialists of the Commission's staff were very active in helping to prepare the revised edition of *Statistical Classification of Commodities Imported into the United States*, published by the Department of Commerce during the year.

Another interdepartmental committee, with much wider membership, carries out revisions of classifications for products exported from the United States. The Commission also has representation on this committee, and, as in import classifications, many of the Commission's staff assisted in the numerous changes in export classifications made during the year.

Assistance to the Munitions Board

Members of the Commission's staff serve on a number of interdepartmental committees which the Munitions Board has formed to advise the Department of Defense on such matters as national requirements for certain products under wartime conditions, stockpiling needs, and needs for added productive capacity for certain commodities. The Commmission is able to contribute materially to the work of these committees because of the information it has assembled on foreign sources of supply, commercial policies of foreign suppliers, various aspects of domestic production, and potential export requirements. Quite often the information supplied involves the assistance of a large part of the Commission's staff of technical experts. This was so when the Commission aided in the preparation of a standard set of commodity classifications for use by the armed services in setting up their schedules of requirements.

Sugar draw-back systems of the United Kingdom and the United States

At the request of the Department of State certain members of the Commission's staff were designated to undertake a study of the sugar draw-back systems of the United Kingdom and of the United States in order to appraise any element of export subsidy that might be present in either system. Cane-sugar refiners had requested the Department of State to protest to the United Kingdom against an alleged export subsidy involved in the United Kingdom sugar draw-back system. A preliminary staff report has been completed for the information of interested Government agencies. This report, which goes exhaustively into the draw-back systems applied to sugar by the United States and the United Kingdom, necessitated extended work by several members of the Commission's staff.

Review of the proposed German tariff

In connection with its plans for the reconstruction of the country, the Government of the Federal Republic of Germany established a committee to formulate a new tariff. This committee prepared a draft of the proposed tariff early this year, and the Allied High Commission for Germany wished to have an expert appraisal of the draft tariff in connection with its responsibility for approving or disapproving such proposed legislation.

The United States High Commissioner for Germany requested the Department of State to provide competent personnel to make a thorough analysis of the proposed new German tariff. The Department, in turn, requested aid from the Tariff Commission, which assigned its Director of Investigation to take charge of this study and one of its economists to assist in the study.

The proposed new German tariff represents a complete departure from the present German tariff, which had not undergone any general revision for many years. An analysis of the new tariff and its implications for the German economy was therefore a formidable task, but one which had to be quickly executed because the new tariff was to be the basis on which the German Government would participate at Torquay in negotiations looking toward the accession of Germany to the General Agreement on Tariffs and Trade.

The study of the proposed German tariff was carried out in the High Commission's office in Frankfort, Germany, during April 1950, after which one member of the Tariff Commission staff remained for some weeks to advise further at subsequent conferences between the High Commission and the German Government. On completion of the assignment, the United States High Commissioner for Germany expressed appreciation to the Tariff Commission "for the extremely valuable services rendered," and stated that "without this competent assistance from the Tariff Commission the review would have been a most difficult one."

Meeting on Importation of Educational, Scientific and Cultural Materials

On request of the Department of State, a member of the Tariff Commission's staff served as a technical adviser to the United States delegation attending the meeting of the Committee of Experts on the Draft Agreement on the Importation of Educational, Scientific and Cultural Materials. The meeting was held in Geneva, March 1 to 15, 1950. This meeting of representatives from 25 countries, held under the sponsorship of United Nations Educational, Scientific and Cultural Organization, prepared for submission to the Fifth Session of the General Conference of UNESCO the draft of an agreement which, by eliminating tariffs, foreign-exchange restrictions, and other barriers to trade, would facilitate the international circulation of certain publications and documents, works of art, and visual and auditory materials recognized to be of an educational, scientific, or cultural nature. Since the meeting in Geneva, the Tariff Commission has continued to provide technical information, and a member of its staff has served on the working party on the agreement.

Service to the Public on Individual Inquiries

The Commission continues to find an important part of its activity in providing information on specific problems in response to requests from institutions and individuals outside the Federal Government. The requests come from a variety of sources, such as representatives of industry, labor unions, and farm organizations, individual research workers, lawyers, editors, and clergymen. They cover a wide range of subject matter and are received by letter, by telephone, and through personal visits at the offices of the Commission. Dealing with them entails a variety of services, ranging from the preparation of special statistical compilations to conferences with individuals and organization representatives for discussion of matters in which they are interested.

Work of the New York Office

The Commission maintains an office at the port of New York primarily for the purpose of providing it with more detailed and up-to-date factual information on imports of commodities than is available from the regular import statistics. The New York office also maintains contacts with manufacturers, importers, exporters, customs examiners and appraisers, and others in the New York area, in order to obtain special kinds of needed information.

In the analysis of imports, the staff of the New York office uses the original customhouse documents, to which are attached consular and commercial invoices that have been reviewed and passed on by the appraisers and examiners. These invoices describe imports in detail as to type, grade, size, quantity, and value, and they provide other data not available elsewhere. When necessary, the New York office also analyzes the statistical copies of import entries into districts other than New York. If additional detail is required for these entries, the customhouse documents on file at the port of entry are requested. This work in New York is coordinated with other activities of the Commission by an Invoice Analysis Unit in the Washington office.

During 1950 the staff at the New York office analyzed some 600 commodity classifications of imports. About half of these analyses were monthly and the rest bimonthly. In addition special analyses were made in connection with certain investigations being conducted by the Commission, with applications for investigations, and with complaints filed with the Tariff Commission. Special information was also gathered for the use of other Government agencies.

Curtailment of Needed Research and Information Services

Section 332 of the Tariff Act of 1930 states among its several directives that—

> It shall be the duty of the commission to investigate the administration and fiscal and industrial effects of the customs laws of this country . . . relations between the rates of duty . . . and classification of articles in the several schedules of the customs law . . .
>
> The commission shall have power to investigate the tariff relations between the United States and foreign countries, commercial treaties . . . export bounties . . . and conditions, causes, and effects relating to competition of foreign industries with those of the United States . . .
>
> . . . it shall be the duty of the commission to—
>
> Ascertain . . . costs of production [in] the United States . . .
>
> Ascertain . . . costs of production [of imported] articles . . .
>
> Ascertain . . . selling prices . . . and
>
> Ascertain all other facts . . . which affect competition between articles of the United States and imported articles.

This partial quotation from section 332 indicates the wide scope of the subject matter on which the Commission must be prepared to report. To perform the prescribed duties adequately the Commission needs a larger staff of experts to collect, analyze, and organize the necessary data than it has now or has had in recent years. Funds appropriated for the Commission's work have been inadequate to permit the needed personnel, with the result that it has been impossible to keep the Commission's extensive files of information on technical and economic conditions fully up to date. At times this circumstance has delayed response to requests for information and completion of required investigations.

Moreover, the Commission has had to postpone, curtail, or drop a number of important projects which the Commission's experts are eminently qualified to conduct on the basis of their accumulated knowledge and experience—projects which would be most timely in view of the fluid situation in world trade and the notable postwar changes in the economic position and international commercial policies of many nations.

For many years demands on the Commission have been mounting. As a result, the staff has had to give most of its time to current projects of highest priority and has had little opportunity to keep its general files at a level that would meet minimum demands or to undertake new projects on subjects which will be actively engaging the interest of the Congress, the Executive, and the public in the future. This situation has resulted from drastic reductions in the Commission's staff brought about by inadequate appropriations. The progressive shrinkage in staff is shown by numbers on the roll on June 30 as follows:

Year	*Number on roll*	*Year*	*Number on roll*
1939	311	1947	235
1941	297	1949	239
1943	307	1950	223
1945	301	1950 (Oct. 31)	214

PERSONNEL AND ADMINISTRATION

Membership of the Commission

Oscar B. Ryder, Democrat from Virginia, has been a member of the Tariff Commission since June 1934. In 1945 he was reappointed for the term ending June 16, 1951. Mr. Ryder has been Chairman of the Commission since July 1942, and was again designated by the President as Chairman for one year beginning July 1, 1950.

Lynn R. Edminster, Democrat from Illinois, has been a member of the Tariff Commission since June 1942. In 1949 he was reappointed for the term ending June 16, 1955. Mr. Edminster has been Vice Chairman of the Commission since August 1942, and was again designated by the President as Vice Chairman for one year beginning August 4, 1950.

Edgar B. Brossard, Republican from Utah, was first appointed to the Tariff Commission in July 1925. In September 1950 he was reappointed for the term ending June 16, 1956.

The other members of the Commission are E. Dana Durand, Republican from Minnesota; John P. Gregg, Republican from Oregon; and George McGill, Democrat from Kansas.

Personnel

On June 30, 1950, the personnel of the Commission numbered 223, consisting of 5 Commissioners and 218 employees; 126 of the total number were men and 97 women.

The accompanying table shows the distribution of the staff on June 30, 1949, June 30, 1950, and October 31, 1950.

During the year there were several resignations and retirements in the higher positions on the staff of the Tariff Commission.

In April E. M. Whitcomb, Director of Investigation, retired at his own request. Sidney Morgan, the Commission's Secretary, resigned at the end of May. Edwin G. Martin, the General Counsel, resigned at the end of July to enter private practice. L. W. Moore, Executive Officer, who was designated Secretary when Mr. Morgan resigned, retired at his own request in October.

The vacancies caused by these men leaving the service were filled by the following assignments: L. A. Morrison, former chief of the Economics Division, was named Director of Investigation; Ben D. Dorfman, the Commission's chief economist, was made also the chief

Number of persons on the staff of the United States Tariff Commission, by title, on June 30, 1949, June 30, 1950, and Oct. 31, 1950

Title	June 30, 1949	June 30, 1950	Oct. 31, 1950
Commissioners	6	5	6
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	----------	----------
Chiefs of Divisions	9	7	7
Acting Chief of Division	----------	1	1
Chief, New York Office	----------	1	1
Acting Chief, New York Office	1	----------	----------
Assistant General Counsel	1	1	----------
Chiefs of Sections	7	7	7
Librarian	1	1	1
Graphic Presentation Designer	1	----------	----------
Accountants	7	7	7
Commodity Specialists	52	46	45
Industrial Engineers	4	4	4
Economists	20	20	20
Commercial Policy Analysts	3	2	2
Attorneys	3	3	3
Marine and Foreign Transportation Specialist	1	1	1
Assistant Librarian	1	1	1
Library Assistants	3	4	4
Statistical Assistant	1	1	1
Secretaries to Commissioners	6	6	5
Junior Administrative Assistant	1	1	1
Clerks and Stenographers	86	81	76
Operators, Office Devices	7	7	5
Telephone Operators	3	3	3
Messengers	7	6	6
Skilled Laborer	1	1	1
Total	239	223	214

of the Economics Division; Paul Kaplowitz, of the Legal Division, was named General Counsel; and Donn N. Bent, former Executive Secretary of the National Labor Relations Board, was appointed Secretary of the Tariff Commission.

FINANCES AND APPROPRIATIONS, FISCAL YEAR 1950

The appropriated funds available to the Tariff Commission during the fiscal year 1950 amounted to $1,272,400. At the end of the fiscal year the unobligated balance of available funds was $80. Expenditures were as follows:

Salaries:	
Commissioners	$87,144
Employees:	
Departmental	1,096,551
Field	33,974
Overtime	1,320
Travel expense	7,498
Books of reference and publications	3,912
Communication service	4,132
Contractual services	3,091
Office equipment, supplies, etc	13,648
Printing and binding	21,050
Total	1,272,320

APPENDIX I

SUMMARIES OF REPORTS ISSUED IN 1950

Operation of the Trade Agreements Program: Third Report

The Tariff Commission's report, *Operation of the Trade Agreements Program: Third Report* (Rept. No. 172, 2d ser.), now in press, covers the period from April 1949 to June 1950.

The principal change in United States legislation affecting trade agreements during this period was the passage of the Trade Agreements Extension Act of 1949, which was signed by the President on September 26, 1949. This act repealed the Trade Agreements Extension Act of 1948, and extended the President's authority to negotiate trade agreements for a period of 3 years from June 12, 1948. Under the 1949 legislation, the Tariff Commission is no longer required, as it was under the act of 1948, to report to the President the lowest rate of duty which could be fixed on each dutiable item listed for possible trade-agreement concession by the United States without causing or threatening serious injury to the domestic industry concerned. The Commission, however, is designated under the 1949 act, as it had been before passage of the 1948 legislation, as one of the agencies from which the President shall seek information and advice in the negotiation of trade agreements.

The second series of multilateral negotiations under the General Agreement on Tariffs and Trade (adopted at Geneva in 1947) was held at Annecy, France, from April to August 1949. A total of 34 countries met at Annecy for the Tariff Negotiations Meeting, including 11 countries which desired to accede to the General Agreement and the 23 original parties to the agreement. In all, 147 bilateral negotiations were conducted between the participating countries. As a result of the negotiations, 10 new country schedules of tariff concessions were added to the General Agreement (one country withdrew its application for accession), and new or increased concessions were made with respect to 18 of the original 20 country schedules which had been negotiated at Geneva.

The 10 countries with which the United States concluded trade agreements at Annecy accounted for about 5 percent of the total value of imports into the United States in each of the years 1947 and 1948. Including these 10, countries with which the United States has trade agreements accounted for 77 percent of the total value of United States imports in 1947 and for 76 percent in 1948.

In the Annecy negotiations, the United States granted concessions on commodities representing imports from the 10 countries valued at 143 million dollars in 1948, or 37 percent of total United States imports from those countries in that year. In return, the United States obtained concessions on commodities representing imports into those countries from the United States valued, so far as can be determined, at 489 million dollars in 1947, or 36 percent of their total imports from this country in that year. On June 30, 1950, the concessions granted to and obtained from 9 of the 10 Annecy countries were actually in effect; Uruguay had not yet acceded to the General Agreement.

Inclusion of the concessions granted by the United States at Annecy makes 95.7 percent of total dutiable United States imports (based on 1947 data) subject to trade-agreement concessions (including bindings of preagreement rates). Before any trade agreements were concluded under the 1934 act, the average ad valorem equivalent of the duties on total dutiable United States imports, weighted by the value of imports in 1947, was 28.4 percent.[1] Similarly weighted, the average on July 1, 1949, after all the Geneva concessions had become effective, was 15.0 percent; on January 1, 1950, assuming that all the Annecy concessions were then in effect, it was 14.5 percent.[2]

Two sessions of the contracting parties to the General Agreement (in contrast to the Tariff Negotiations Meeting at Annecy) were held in 1949 and early 1950—the Third Session, at Annecy, France, from April to August 1949; and the Fourth Session, at Geneva, from February to April 1950. No amendments to the general provisions of the agreement were adopted at these two meetings. At the Third Session, however, the contracting parties held a number of consultations and discussions relating to certain of the general provisions; the more important of these concerned tariff preferences, quantitative restrictions imposed for balance-of-payments or economic-development reasons, discriminations with respect to exports, and customs unions.

During the latter part of 1949 and the first half of 1950 the contracting parties to the General Agreement made preparations for a third round of multilateral tariff negotiations, which opened at Torquay, England, on September 28, 1950. Invitations to attend the conference were extended to 29 countries; 7 of these countries not pre-

[1] This figure does not represent the actual average rate of duty in the preagreement year (weighted by the value of imports of that year), which was much higher. Apart from the effect of reductions in duty by trade agreements, increased prices have lowered ad valorem equivalents on most commodities subject to specific rates of duty. The only manner in which the effects of trade-agreement concessions can be measured is by applying preagreement and post-agreement rates to the imports of the same year.

[2] Some of the Annecy concessions became effective at later dates in 1950, and those negotiated with Uruguay are not yet effective.

viously parties to the General Agreement accepted, with a view to acceding to it. The negotiations at Torquay (the report stated) follow the general pattern established at the 1947 Geneva and the 1949 Annecy Conferences. United States preparations for participation in these negotiations began in the latter part of 1949. In accordance with established procedures, the Tariff Commission and the Department of Commerce prepared, for the use of the interdepartmental trade agreements organization, analyses of the United States import trade and export trade, respectively, with each of the countries which might negotiate with the United States at Torquay. On the basis of these data and other information at its disposal, the Department of State on April 14 and May 17, 1950, announced the intention of the United States to negotiate with specified foreign countries at Torquay, and listed commodities to be considered for possible concessions by the United States. The Committee for Reciprocity Information held public hearings beginning May 24 and June 19, 1950, respectively, regarding these lists of possible concessions to be granted by the United States, as well as concerning concessions to be sought by the United States from foreign countries.[3]

Most foreign countries with which the United States had trade agreements in the period covered by the report made no important changes in their tariffs inconsistent with their trade-agreement obligations. Four countries with which the United States had bilateral trade agreements, however, failed in one or more respects to observe various provisions of their respective agreements with the United States as to tariff rates. The bilateral trade agreement with Colombia was terminated, effective December 1, 1949. In June 1950, the termination of the bilateral trade agreement with Mexico, effective at the close of December 31, 1950, was announced. Of the General Agreement countries, China was the only one which violated that agreement in an extensive manner. On taking control of the country, the Chinese Communists generally ignored the obligations assumed by the Chinese Nationalist Government in the General Agreement, including the tariff concessions made by the Nationalist Government at Geneva. Early in 1950, the Chinese Nationalist Government withdrew from the General Agreement. Other tariff actions inconsistent with the General Agreement by various countries were few in number and involved primarily the nondiscrimination provisions of the agreement.

The report states that all countries with which the United States has trade agreements employ some or all of the various types of quantitative import restrictions and exchange-control measures permitted under the General Agreement. Known departures from trade-agree-

[3] An additional announcement was made on August 17, and another hearing was held beginning September 25.

ment obligations resulting from the imposition or alteration of such controls have been more frequent by countries with which the United States has pre-Geneva bilateral trade agreements, than by countries party to the General Agreement. With few exceptions, the exchange controls and quantitative restrictions imposed by General Agreement countries have been made under the provisions permitting such measures for balance-of-payments reasons or for purposes of economic development.

Recent Developments in the Foreign Trade of Argentina

After a phenomenal postwar boom, the foreign trade of Argentina declined sharply in 1949, and in the early months of 1950 was only slowly recovering. Its trade with the United States in 1949 declined relatively more than its trade with Europe. In 1947 and 1948 the United States had supplanted the United Kingdom as the leading source of Argentine imports, shipping far more goods to Argentina than it purchased there. In those 2 years, as in the preceding postwar years, Argentina had used part of the large dollar balances it had accumulated during the war to buy large quantities of heavy machinery, equipment, fuels, chemicals, and manufactured goods from the United States. Dwindling dollar reserves, however, forced sharp curtailment of purchases from the United States in 1949.

Foreign funds accumulated by Argentina during the war were derived mainly from an excess of merchandise exports over imports. Then Argentina was supplying essential commodities to the United States and the United Kingdom, but was unable because of war conditions in those countries to purchase from them fuels, heavy equipment, and manufactured goods in the desired quantities. Argentina's wartime accumulations of foreign currencies were used after the war not only to pay for needed current imports, but also to nationalize foreign-owned public utilities and to pay off foreign debts. Unable to convert its sterling balances into dollars, Argentina found that it could not pay commercial dollar debts promptly, and it established a system to pay them off gradually out of current dollar earnings. Most of the sterling balances were used to purchase the British-owned railways in the country.

Since the war, Argentine exports have continued to exceed imports in trade with most countries (except the United States and Brazil), but the balances derived from these exports have been subject in many countries to restrictions which limit the purposes for which they may be expended. Argentina itself has restricted and channeled imports by means of import licensing and multiple rates of exchange for the peso. In an effort to supply by domestic production more of its requirements of certain manufactured goods, Argentina has engaged in a program of industrialization. It also has attempted to find new sources of imports and new markets for its exports. The country's balance-of-payments position, together with population increase and further development of natural resources, is altering the composition and magnitude of its foreign trade.

Along with increased domestic consumption of its food products, especially meat, Argentina will probably experience a sustained export demand for certain such products. Many countries do not have sufficient room for large herds of cattle, whereas Argentina has, and it is otherwise ideally suited to cattle raising. Whether the foreign demand for Argentine grains will return to prewar levels, however, is problematical. If the foreign demand for Argentine grain declines or fluctuates too widely in the future, some retrenchment of grain production and greater diversification in agriculture may be expected in that country.

More critical for Argentina is the problem of getting supplies of needed goods from abroad. Since many countries that buy Argentine products are unable to supply sufficient quantities of wanted manufactured goods in return, imported goods will probably continue to be scarce and costly in Argentina for some time. If fewer dollars received for its wartime surplus of exports had been invested by Argentina in its debt repatriation and industrialization programs, more dollars would now be available for current purchases in the United States. Under present circumstances, however, United States exports to Argentina can no longer exceed imports from that country in value unless special financial arrangements are made. In 1949 a joint United States-Argentine Commission recommended ways of increasing United States imports of Argentine goods, and the Export-Import Bank recently arranged a loan of 125 million dollars to enable Argentina to refinance its remaining commercial dollar debt.

Spring Clothespins: Report on Investigation Under Escape Clause of the Trade Agreement With Mexico

The report on spring clothespins (Rept. No. 168, 2d ser.) submitted to the President December 20, 1949, gives the results of an investigation under the escape clause of the trade agreement with Mexico; in this agreement the import duty was reduced from 15 to 10 cents per gross. The investigation, instituted on April 27, 1949, pursuant to Executive Order 10004, was continued and completed under superseding Executive Order 10082.

The Commission found (Commissioner Gregg dissenting) that imports of spring clothespins were not, as a result of unforeseen developments and of the concession granted on such clothespins in the agreement with Mexico, entering the United States in such increased quantities and under such conditions as to cause or threaten serious injury to the domestic producers of the like or similar articles. Therefore, no recommendation was made to the President regarding action on spring clothespins under the escape clause of the agreement. The President approved this finding.

Commissioner Gregg dissented from the foregoing finding of the Commission, being of the opinion that, as a result of the concession on spring clothespins, imports were causing serious injury to domestic producers and threatening even more serious injury. He recommended that steps be taken to establish a rate of 20 cents per gross on spring clothespins to be effective for one year, toward the end of which period the question should be reviewed.

The Commission noted that the Governments of Sweden and Denmark, which countries for several years have been by far the principal sources of imports of spring clothespins, devalued their currencies by about 30 percent in September 1949. The report stated that it was impossible at the time to foresee what effects this devaluation would have on the volume of imports into the United States or on the price at which the foreign clothespins are offered in this market, but that the Commission would keep in constant close touch with the situation and take such action as changes in the situation might warrant.

The rate of duty on spring clothespins, which was 20 cents per gross under the Tariff Act of 1930, was reduced to 15 cents in the trade agreement with Sweden, effective in 1935, and to 10 cents in the trade agreement with Mexico, effective in 1943. In the Annecy Protocol signed by the United States on October 10, 1949, by which Sweden and Denmark acceded to the General Agreement on Tariffs and Trade, the existing rate of 10 cents per gross was continued as a concession to Sweden and Denmark, with the reservation that, if a less favorable rate should be proclaimed as a result of the then pending escape-clause investigation, the rate so proclaimed would be the effective rate under the agreement. This reservation, of course, has become inoperative.

Apparent consumption of spring clothespins in the United States first exceeded 1 million gross in 1937. World War II interrupted both domestic production and imports, but during 1946–48 the quantity consumed averaged nearly 4 million gross. To some extent the larger consumption reflected the need for the restoration of inventories. Before 1930 the ratio of imports to domestic production ranged from 8 to 12 percent, although during 1930–39 it averaged only about 1 percent. In 1945 and 1946 imports were about three times as large as domestic output, but in 1947 and 1948 the ratio of imports to production was about 33 percent. Until about the middle of 1948, current sales by domestic producers about equaled their output; from the middle of 1948 until the middle of 1949, sales were smaller than output so that the ratio of imports to sales exceeded the ratio of imports to production. The reverse, however, was true in July and August 1949, when domestic production was at a lower rate and sales were at a higher rate than during the first 6 months of the year.

Spring clothespins are produced in the United States by eight concerns, six of which also produce other products. Three factories are in Maine, two are in Vermont, and one each in West Virginia, Michigan, and California. With normal full-capacity operation, the manufacture of spring clothespins would provide employment for 650 to 750 persons.

In 1941 United States production of spring clothespins exceeded 2 million gross. In 1947, the first year of full postwar operation, it totaled 2.7 million gross and in 1948 reached a peak of more than 3.2 million. In the first 8 months of 1949, production amounted to about 2.1 million gross, or to an annual average rate of 3.2 million, but beginning in April the monthly rate was lower than in the first 3 months. The delivered value of domestic spring clothespins amounted to $524,000 in 1939. In 1948, with much higher prices, the value was 2.6 million dollars.

United States imports of spring clothespins ranged from 60,000 to 100,000 gross annually before passage of the Tariff Act of 1930, which increased the duty from 15 to 20 cents per gross. In the period 1930–44, annual imports did not exceed 25,000 gross. During the early years of the war, imports ceased entirely; in 1943 they were resumed and in 1946 reached a peak of 3.2 million gross, valued at 2.2 million dollars, coming then mainly from Mexico. As domestic supplies became more plentiful, imports fell off markedly from the 1946 peak; they amounted to 876,000 gross, valued at $598,000, in 1947, but rose to 1.1 million gross, valued at $502,000 in 1948. In the first 3 months of 1949 imports were at an annual rate in excess of 1 million gross; but they later declined, and during the entire period January–August 1949 imports totaled 537,000 gross, valued at $222,000, representing an annual rate of 806,000 gross.

Before World War II Sweden was practically the only source of United States imports of spring clothespins. From 1943 through 1946 Mexico was the most important source; since 1947 Sweden and Denmark have been the principal sources, and imports from Mexico have been negligible.

Spring clothespins are sold both in bulk and in factory-packed retail packages, the wholesale prices of the latter being the higher. For domestic clothespins, the price differential between bulk and packaged clothespins is 16 to 20 cents per gross; for the imported, it is about 3 or 4 cents per gross.

The average delivered price received by domestic producers, for bulk and packaged clothespins combined, was 38 cents per gross in 1939.

In 1946, when the mills were getting back into production, the price averaged 64 cents per gross. In 1947 the average delivered price of domestic spring clothespins was about 90 cents per gross, and it changed but little throughout the first quarter of 1949, after which it declined, reaching the level of 80 cents in August 1949. The decline was sharper for bulk than for packaged clothespins as shown below:

Delivered prices per gross of domestic spring clothespins, specified periods 1947–49

Kind	Apr.–Dec. 1947	1948	Jan.–May 1949	Aug. 1949
Bulk	$0.82	$0.80	$0.78	$0.66
Packaged	.99	.98	.97	.86

After deduction of freight paid by the mills, the mill realizations averaged about 7½ cents per gross less than the delivered prices in the period 1947–49.

The average foreign value of imported spring clothespins (bulk and packaged combined), which was 12 to 14 cents per gross in the years preceding World War II, reached a peak of 95 cents in 1944. Although the average dropped to 59 cents in 1945, it increased to 70 cents in 1946. After 1947, however, it declined sharply and in August of 1949 was 41 cents.

Imported spring clothespins are usually resold by the importer to wholesalers or other distributors in the United States operating through the same distribution channels used by dealers who handle the products of the domestic manufacturers. Unlike domestic producers, however, importers do not sell on a delivered price basis, but usually quote prices and sell f. o. b. the particular port of entry where the clothespins have been landed or are warehoused, the purchaser paying the freight from such port to destination. The average selling price of imported spring clothespins (bulk and packaged) f. o. b. port of importation was 83 cents a gross in 1947, 69 cents in 1948, and 61 cents in the first 5 months of 1949. Most of the imports consisted of packaged pins.

Although no available basis of comparison of selling prices in the United States fully reflects the competition between domestic and imported spring clothespins in all areas, comparison of the selling prices of imported spring clothespins with the prices of the domestic product on either a delivered basis or an f. o. b. mill basis shows that early in 1950 the imported articles were being sold at substantially lower prices than the domestic product.

Data on profit and loss were obtained from six domestic concerns, but only three of them were able to supply such data relating to their operations in spring clothespins alone. For the other three the profit and loss information related to their entire business. For all six concerns the ratio of profit to gross sales averaged 9.3 percent in 1946, 12.2 percent in 1947, and 9.0 percent in 1948. For the three concerns reporting data on spring clothespin operations alone, comparable ratios were 5.9, 9.5, and 6.0 percent, respectively.

Women's Fur Felt Hats and Hat Bodies: Report to the President on the Escape-Clause Investigation

The Commission's report on women's fur felt hats and hat bodies (Rept. No. 170, 2d ser.) was sent to the President on September 25, 1950. On the basis of its investigation, the Commission found that as a result of unforeseen developments and of the effect of the tariff concessions granted in the General Agreement on Tariffs and Trade (effective January 1, 1948), such hats and hat bodies valued at more than $9 and not more than $24 per dozen were being imported into the United States in such relatively increased quantities and under such conditions as to cause serious injury to the domestic industry producing like or directly competitive products and as to threaten continuance of such injury. The Commission found that the withdrawal in whole of the tariff concessions granted on these hats and hat bodies was necessary to prevent continuance of such injury, and that such withdrawal would afford much greater relief to the domestic producers if made effective before December 1, 1950, than if made effective later. The Commission further found that women's fur felt hats and hat bodies in the lower and higher value brackets, i. e., valued at not more than $9 per dozen or at more than $24 per dozen, were not being imported in such relatively increased quantities and under such conditions as to cause or threaten serious injury to the domestic industry.

In view of its findings and in accordance with paragraph 13 of Executive Order 10082, the Commission recommended to the President for his consideration that the United States withdraw the tariff concessions granted in the General Agreement with respect to women's fur felt hats and hat bodies valued at more than $9 and not more than $24 per dozen. The Commission also recommended that the President further consider making such withdrawal effective not later than December 1, 1950, and without time limit.

The Tariff Act of 1930 established nine value brackets for imports of women's fur felt hats and hat bodies; the duties under each bracket were compound, including a specific and an ad valorem rate. The ad valorem duty of 25 percent was applicable to all hats, but the specific rates of duty were graduated according to value brackets, ranging from $1.25 per dozen for hats valued at not more than $6 per dozen to $16 per dozen for hats valued at more than $48 per dozen. The ad valorem equivalent of the compound rates varied within each value bracket as well as between brackets, but ranged roughly from 45 percent to 80 percent. In the General Agreement, effective January 1, 1948, the rates on all of these brackets were changed. In most of them straight ad valorem rates were substituted for the compound rates. The ad valorem equivalents of rates in the General Agreement on the brackets covering the bulk of imports were from one-fifth to one-third lower than the rates in the corresponding brackets under the 1930 act.

The United States fur felt hat industry sells almost its entire output of women's hat bodies to milliners who trim and finish the hats. Only two domestic producers of hat bodies have their own millinery establishments in which they finish all the hat bodies they produce. The United States industry making women's fur felt hat bodies consists of about 20 concerns, all but one of which make men's hat bodies also. Although men's fur felt hat bodies account for approximately two-thirds of the total output, a great part of the women's hat bodies are made by manufacturers who make very few men's hat bodies.

Imports of women's fur felt hats and hat bodies consist almost exclusively of hat bodies, imports of finished hats being insignificant. Competition between imports and domestic production therefore is essentially in hat bodies and not in finished hats.

American women have bought far fewer fur felt hats since the war than they did just before the war. Although in the 3 years 1937–39 annual consumption of women's fur felt hat bodies (domestic and imported) amounted to a million dozen or more, in 1947–49 it ranged only between 500,000 and 700,000 dozen. The reduction in the domestic output of women's fur felt hat bodies since the war has been due largely to the decline in the demand as more and more women took to going without hats. Increased competition from imported hat bodies, however, has also contributed substantially to the reduction in the domestic output.

Since the reduction in duties in 1948, imports of women's fur felt hat bodies have supplied a growing share of the domestic consumption. Throughout the 1930's and in the immediate postwar years the ratio of imports to production was less than 5 percent, but in 1948 (the first year following the reduction in duty) this ratio rose to 7.2 percent, in 1949 to 21.4 percent, and in the first 6 months of 1950 to 30.5 percent.

Before the war nearly all of the domestic production of women's fur felt hat bodies, and the larger part of the imports in most years, consisted of hat bodies of plain felt. About the time the duties were reduced, there was a style change greatly favoring hats with napped or pile finishes such as velours. Increase in the proportion of hat bodies having these special finishes began in the import trade and later extended, in much smaller proportion, to domestic production. In 1949 and the first 6 months of 1950, it is estimated, these special finishes represented more than 95 percent of the imports but only 6 or 7 percent of the domestic output. Imports have supplied much the greater part of the consumption of hat bodies with these special finishes.

To some extent imports of hat bodies with these special finishes have affected domestic production of hat bodies of plain felt, particularly of the more expensive ones selling at or near the price of imported velours. More especially, however, these imports have severely limited the establishment and expansion of domestic production of these special finishes. Domestic producers do not face any technical obstacles in shifting their production from plain felt hat bodies to velours or to most of the other special finishes; the special finishes, however, require much more labor than the plain bodies. Although by early 1950 most domestic factories had produced samples of velours, by June 1950 only four domestic concerns had been able to offer velours at prices competitive with the imported velours. Other manufacturers asked prices ranging from $3 to $5 per dozen higher than the prices of competitive imports. Undoubtedly, the report stated, domestic manufacturers would have been able to expand production of hat bodies with special finishes to a much greater extent than they have done if it had not been for the severe competition from imports.

Domestic producers supply the great bulk of the consumption of women's low-priced fur felt hat bodies—those corresponding to imports valued at not more than $9 per dozen. On the other hand, imports supply a great part of the consumption of women's very high priced hat bodies—those valued in import trade at more than $24 per dozen. In other words, there is very little competition between imports and domestic production in either the low price range or the very high price range. It is the marked increase in imports in the middle price range—between $9 and $24 per dozen—which has caused serious injury to the domestic industry. This price range comprises the bulk of imports.

Women's fur felt hats are mostly for fall and winter wear. For domestic hat bodies the peak period of production and sales occurs in June, July, and August; for foreign hat bodies in the United States market it occurs somewhat earlier. Usually as early as December or January preceding a season, price lines and samples are initiated by importers and early contracts are made. A withdrawal of the tariff concessions under consideration therefore would afford much greater relief to the domestic producers if made before December 1, 1950, than if made later.

Almonds, Not-Shelled, Shelled, and Blanched: Report on Investigation Under the Provisions of Section 336, Title III, of the Tariff Act of 1930

The report (Rept. No. 167, 2d ser.) covers the Tariff Commission's investigation of almonds under the flexible-tariff provision of the tariff act. This provision, set forth in section 336, title III of the Tariff Act of 1930, authorizes the President, after investigation by the Tariff Commission, to change rates of import duty, within specified limits, in accordance with the Commission's findings as to the difference between the cost of production in the United States and in the principal competing country.

In the investigation on almonds the Tariff Commission held a public hearing and did extensive field work. It obtained costs of growing almonds in California for the 1947 and 1948 crops. In addition, it obtained costs of processing and delivery to the principal competing markets. Since it was impracticable to obtain foreign costs of production, the Commission decided to obtain invoice values of imports for the purpose of determining whether they might be taken as evidence of foreign costs.

The Commission concluded (Commissioners Brossard and Gregg dissenting) that a finding as to the difference between the costs of production of almonds in the United States and in the principal competing country (Italy) could not be made because invoice values of imports could not, in this case, be taken as evidence of cost of producing almonds in Italy. The President approved this conclusion, and, as a result, the duties were not changed pursuant to the investigation. Commissioners Brossard and Gregg were of the opinion that the data available with respect to the costs of production of almonds in Italy were adequate to warrant a finding, and that the Commission should make an affirmative finding that the present duty should be either maintained or increased.

The duties on almonds are those established by the Tariff Act of 1930, as follows: Not-shelled almonds, 5½ cents per pound; shelled, 16½ cents per pound; blanched, roasted, or otherwise prepared or preserved, 18½ cents per pound. Based on average foreign values of imported almonds in 1948, the ad valorem equivalent of the duty on shelled almonds was 45 percent, and that of the duty on almonds, blanched, roasted, or otherwise prepared or preserved, 37 percent. Imports of almonds, not-shelled, were too small for the calculation of a significant ad valorem equivalent.

Since World War II about 85 percent of the almonds consumed in the United States have gone into distribution as unblanched shelled almonds, about 10 percent (shelled equivalent) as almonds in the shell, and less than 5 percent as blanched almonds. About 75 percent of the unblanched shelled almonds has been used in chocolate bars and other confectionery; about half of the remainder has been used for salted nuts and the rest in other outlets such as bakers' goods, shelled almonds in small packages for the grocery trade, and ice cream.

In recent years, almonds have supplied about one-fifth of the total apparent consumption in the United States of all tree nuts, domestic and imported. In 1946 and 1947, annual consumption of all tree nuts on a shelled basis approximated 200 million pounds, or 1.4 pounds per capita, and that of almonds approximated 40 million pounds, or 0.27 pound per capita. United States production has risen decidedly in the past three decades, owing both to increased bearing acreage and to increased yield per acre, and it will probably continue to rise for the next decade.

Before 1922, virtually all the domestic almond crop was marketed in the shell. After the increase in duty on shelled almonds in the Tariff Act of 1922 from 4 to 14 cents per pound, large-scale mechanical shelling was undertaken. The proportion of the crop shelled has steadily increased until in 1947 and 1948 about 85 percent was shelled.

Imports have fluctuated widely from year to year, but the general trend in the past three decades has been downward. In the twenties, the United States imported over two-thirds of the almonds it consumed, but in the thirties this ratio dropped to one-third. For the three immediate prewar crop years, as well as for the first three postwar crop years (1946–48), this ratio averaged one-fourth. In the latter period, however, both imports and domestic production were at a substantially higher level than before the war.

During the past 20 years more than 90 percent of United States imports of almonds have originated in Italy and Spain. Virtually no imports have been received from Spain since the imposition of a countervailing duty on Spanish almonds in November 1948.

Domestic costs of production—the aggregate of farm, processing, and transportation costs—were obtained for each of the three types of almond products the subject of this investigation—not-shelled, shelled, and blanched. For domestic farm costs the crops harvested in the fall of 1947 and 1948 were taken as representative. The Commission's staff secured data on farm costs through direct interviews with growers, selected so as to be representative of the producing region of California.

Total domestic costs of growing, processing, and delivering not-shelled almonds to eastern markets averaged 29.97 cents per pound for the 2 years 1947–48; of this amount 25.20 cents was farm cost; 2.78 cents processing cost; and 1.99 cents transportation cost.

Shelling costs were obtained from five concerns. Joint costs, applicable to two or more products, were allocated on the basis of direct labor costs. To obtain a weighted average cost for all shelling concerns, costs of each processor were weighted on the basis of pounds of shelled almonds handled. Most of the competition between imported and domestic almonds is in the shelled almonds. The total domestic cost of shelled almonds was 58.00 cents a pound in 1947 and 58.28 cents in 1948. For the 2 years it averaged 58.14 cents, of which 49.04 cents was farm cost (shelled basis), 7.11 cents processing cost, and 1.99 cents transportation cost.

The invoice prices of shelled almonds imported from Italy, the principal competing country, were obtained from representative importers for the period October 1946–December 1948. For the first 8 months of 1949, official statistics on general imports of shelled Italian almonds were used, adjusted to conform with invoice values, f. o. b. Italian port. For the market year 1947–48 the foreign invoice value of imports (not including duty or transportation and marketing costs) was 41.27 cents per pound; in the market year 1948–49 it was 36.22 cents. The average for the 2 years was 39.02 cents.

Synthetic Organic Chemicals

Preliminary report on production and sales in 1949

The preliminary report on the 1949 production and sales of synthetic organic chemicals was issued in 13 separate releases, each covering one segment of the industry. Reports were issued on crude chemicals derived from coal tar and from petroleum and natural gas; cyclic intermediates; coal-tar dyes; lakes and toners; bulk medicinal chemicals; flavor and perfume materials; plastics and resin materials; plasticizers; rubber-processing chemicals; elastomers; surface-active agents; and miscellaneous chemicals. The first of these releases was issued in May, and the last in July 1950. Issuing the report in sections made the statistics for the several groups available much earlier than would otherwise have been possible, and also resulted in an earlier release of the final report on production and sales.

Final report on production and sales in 1949

The final report, *Synthetic Organic Chemicals: United States Production and Sales, 1949* (Rept. No. 169, 2d ser.), was issued in October of 1950. This report, compiled from data supplied by about 565 companies on 6,000 individual chemicals, contains final statistics on the several groups of products named in the preceding paragraph. It also gives statistics on the number of persons employed by the reporting companies in organic chemical research, and on the companies' total expenditures for this work. The report further includes a Directory of Manufacturers, which lists for each chemical the names of the producers, except those which have requested that they not be so identified.

The quantity of tar recovered from all sources in 1949 was 915 million gallons, or about 10 percent less than the output in 1948. Of this amount, about 683 million gallons was coal tar and 232 million gallons was water-gas and oil-gas tar. Production of coal tar declined 9 percent compared with 1948, and that of water-gas and oil-gas tar declined 14 percent.

The principal tar crudes derived from coke-oven gas and tar are benzene, toluene, xylene, naphthalene, and creosote oil; other products which have important uses are pitch of tar and road tar. In 1949 the output of benzene (except motor grade) was 133 million gallons, or 23 percent below that of 1948. However, production of motor benzene was 122 percent greater in 1949 than in 1948. Production of the following crude chemicals declined in 1949 compared with 1948: Toluene, 2 percent; xylene, 6 percent; naphthalene, 28 percent; and creosote oil, 9 percent. Production of road tar in 1949 was 151 million gallons, or 16 percent above that for 1948. Production of tar pitches and pitch-of-tar coke both declined in 1949.

Crude products from petroleum and natural gas for chemical conversion increased in output to 5 billion pounds from the 3.9 billion pounds reported for 1948. Of this group, the C_4 hydrocarbons were produced in the largest amounts—494 million pounds of 1,3-butadiene and 613 million pounds of 1-butene and 2-butene fractions were produced in 1949. Production of propane and propylene, as well as ethylene, increased greatly in 1949.

The output of cyclic intermediates in 1949 totaled 2.5 billion pounds compared with 2.9 billion in 1948, a decline of 13 percent. In 1949, approximately two-thirds of the total output of intermediates was consumed in the producing plants in the manufacture of more advanced intermediates and of finished products. The remaining one-third was sold by the producers to other manufacturers.

The combined output of cyclic finished products and of acyclic intermediates and finished products in 1949 was 15.1 billion pounds, slightly below the total for 1948 of 15.6 billion pounds. Acyclic chemicals accounted for 12.6 billion pounds of the total in 1949 compared with 12.9 billion pounds in 1948. Production of finished cyclic products in 1949 totaled 2.5 billion pounds, a decline of 8 percent from the 2.7 billion pounds reported for 1948.

Specified synthetic organic chemicals, monthly releases on production

During 1950 the Tariff Commission continued to release monthly statistics on production of a selected list of synthetic organic chemicals, which serve as an index of activity in the synthetic organic chemical industry. Statistics are given for about 50 individual chemicals which were selected with the advice of representatives of interested Government agencies and the chemical industry. Among the items included are the large-volume industrial organic chemicals (acetic acid and anhydride, acetone, methanol, and selected coal-tar chemicals) and certain medicinals, dyes, and intermediates. These monthly releases, issued as Facts for Industry, Series 6–2, give production data for the current and previous months.

Synthetic plastics and resin materials, monthly releases on production and sales

During the year 1950, the Tariff Commission continued to issue monthly statistics on production and sales of synthetic plastics and resin materials. These data, compiled by the Commission since the work was transferred from the Bureau of the Census in 1948, are supplied by about 130 manufacturers and cover 43 individual classes of materials. The releases contain statistics on production and sales of the major types of plastics and resins, classified by uses, for the current and the previous months. Issued as Facts for Industry, Series 6–10, the releases include statistics on tar acid, alkyd, styrene, urea and melamine, and vinyl resins; rosin modifications; and cellulosic plastics.

Imports of Coal-Tar Products, 1949

The annual analysis of 1949 imports for consumption of the coal-tar products entered under paragraphs 27 and 28 of the Tariff Act of 1930 was released in July 1950. 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.

Imports of coal-tar intermediates entering under paragraph 27 in 1949 totaled 3.7 million pounds, with a foreign value of $779,000, compared with 2 million pounds, valued at 1.1 million dollars, in 1948. In terms of quantity, Belgium, the United Kingdom, and Germany were the principal suppliers of imports in 1949; small quantities came also from France, Canada, Switzerland, Australia, the Netherlands, and Italy. In terms of value, however, Germany ranked first, followed by Belgium, the United Kingdom, Switzerland, France, and Canada, in the order named.

Imports of finished coal-tar products entering under paragraph 28 consisted of dyes, medicinals and pharmaceuticals, flavor and perfume materials, and miscellaneous finished products. In 1949 imports of these coal-tar products totaled 1.4 million pounds, with a foreign value of 2.7 million dollars, compared with 1.6 million pounds, valued at 3.5 million dollars, in 1948. In 1949, as in earlier years, dyes were by far the most important group of finished coal-tar products imported and came almost entirely from Switzerland. Imports of dyes in 1949 accounted for 2.2 million dollars, or 79.9 percent of the total value of all imports under paragraph 28, compared with 2.7 million dollars, or 77.5 percent of the total value in 1948. Medicinals and pharmaceuticals were the next most important group of finished products imported in 1949. They came chiefly from Switzerland, the United Kingdom, and Germany and were valued at $392,000, or 14.6 percent of the total value of imports under paragraph 28, compared with $692,000, or 20 percent of the total value in 1948. Among the remaining groups of finished products, imports of flavor and perfume materials declined in value to $20,000 in 1949 from $49,000 in 1948, and the miscellaneous group (chiefly synthetic resins from Canada) increased in value in 1949 to $117,000 from $34,000 in 1948.

Harsh or Rough Long-Staple Cotton: Report to the President on the Supplemental Import Quota

On June 30, 1950, the Commission announced a supplemental investigation and a public hearing (held July 18, 1950) under section 22 of the Agricultural Adjustment Act, as amended, on imports of harsh or rough cotton having a staple length of 1⅛ inches or more but less than 1⅜ inches. Cotton of this staple length is known as "ordinary-long-staple." The quota on long-staple cotton applies to all cotton having a staple length of 1⅛ inches or more but less than 1$^{11}/_{16}$ inches and includes extra-long-staple as well as ordinary-long-staple cotton. It totals 45,656,420 pounds annually. The current quota year for long-staple cotton opened on February 1, 1950, and the quota was filled by mid-March. Without a supplemental quota, therefore, no ordinary-long-staple cotton could be imported for consumption before February 1, 1951.

As a result of its investigation, the Commission reported to the President on August 14, 1950 (Rept. No. 171, 2d ser.),[4] that certain domestic manufacturers requiring harsh or rough ordinary-long-staple cotton in order to obtain the desired characteristics in their products had insufficient stocks to last them until the opening of the new quota year. This particular type of cotton is not available from the domestic crop; most, if not all, of that used in the United States is of the Tanguis variety, ranges from about 1$^{3}/_{16}$ to 1⅜ inches in staple length, and comes from Peru. This cotton is harvested each year in May and June. Almost all the 1949 crop of Tanguis was sold before United States manufacturers had an opportunity to obtain their supplies under the import quota. For this reason United States stocks of Tanguis cotton were very low during 1950.

Tanguis cotton is used in the United States principally in making asbestos yarns, in mixing with wool, and in making certain industrial fabrics, particularly molleton, a heavy, densely napped cloth used on the dampener rollers of lithograph machines. Because of its coarse,

---

[4] Published with report on extra-long-staple cotton.

harsh fiber, Tanguis is not readily substituted for domestic ordinary-long-staple cotton in uses other than those specified, and only a wide price differential would encourage manufacturers to make such a substitution. The price of Tanguis in August 1950 was not sufficiently below the price of domestic ordinary-long-staple cotton to encourage substitution of it for domestic cotton; nor had its price been sufficiently low for some years. Taxes and charges added to the price of Tanguis as quoted in Peru increased its price in the United States during August 1950 by about 17 cents a pound (including Peruvian taxes and charges of about 11.39 cents a pound, the United States duty of 3½ cents a pound, and transportation and other charges).

The applicants for this investigation requested a supplemental quota of 2,500,000 pounds of Peruvian Tanguis cotton for entry before the opening of the next quota year on February 1, 1951. Apparently nearly 4 million pounds of Tanguis cotton has been consumed annually in the United States during some recent years, but it is not evident that all this was used for purposes in which no domestic cotton could have been used with reasonable satisfaction. The quantity of Tanguis cotton required in uses for which it is essential fluctuates from year to year with the demand for the various products in which it is used. Obviously a much smaller quantity has been available to domestic mills during the current quota year than during the several preceding years. In these special uses, only the higher grades of Tanguis cotton are employed in the United States.

To cover essential uses and provide some stock on hand at the opening of the new quota on February 1, 1951, the Commission recommended to the President that he permit entry during the present quota year of an additional quantity of 1,500,000 pounds of harsh or rough cotton (except cotton of perished staple, grabbots, and cotton pickings), white in color, and having a staple of 1$\frac{3}{16}$ inches or more but less than 1⅜ inches in length.

A proclamation signed by the President on October 4, 1950, gave effect to this recommendation.

Extra-Long-Staple Cotton: Report to the President on the Supplemental Import Quota

In 1939, as a result of an investigation by the Tariff Commission under section 22 of the Agricultural Adjustment Act, as amended, an annual import quota on long-staple cotton of 45,656,420 pounds was established; this quota is now applicable to cotton 1⅛ inches or more but less than 1$\frac{11}{16}$ inches in staple length. Shortly after the opening of the quota year on February 1, 1950, the regular quota was filled, and in August 1950 domestic textile mills consuming foreign extra-long-staple cotton ($1\frac{3}{8}$ inches or more in length) petitioned the Commission to make an investigation, stating that their stocks of such cotton were running low and that they could not obtain adequate supplies in the United States for the remainder of the quota year.

On September 20, 1950, the Tariff Commission ordered a supplemental investigation and gave notice that a public hearing would be held on September 29, 1950. At the hearing testimony was heard from representatives of the Office of the Quartermaster General, the Department of Agriculture, and the domestic growers and consumers of extra-long-staple cotton. The Commission sent its report (No. 171, 2d ser.)[5] to the President on October 5, 1950. On the basis of evidence obtained at the hearing and from other sources, the Commission recommended to the President that a supplemental quota, the total not to exceed 7,500,000 pounds, be established on cotton having a staple of $1\frac{3}{8}$ inches or more but less than $1\frac{11}{16}$ inches in length for the remainder of the quota year ending January 31, 1951, in order to take care of domestic requirements for such cotton, including those attributable to the expanded defense program; that imports under the supplemental quota be confined to concerns which show real need for such cotton; and that such permitted imports be allocated by the Tariff Commission directly to such concerns to the extent of their essential needs.

On October 12, 1950, the President issued a proclamation permitting an additional quantity of this type of cotton, not to exceed 7,500,000 pounds to be entered and directing the Tariff Commission to allocate the supplemental quota among the applicants for licenses on the basis of essential need as determined by the Commission from data submitted by the applicants.

---

[5] Published with report on harsh or rough long-staple cotton.

APPENDIX II

LIST OF SUMMARIES OF TARIFF INFORMATION

NOTE.—Paragraphs listed below refer to those in the Tariff Act of 1930. The documents in this series are available by purchase from the Superintendent of Documents at the prices given below. Orders together with remittance should be sent direct to the office of the Superintendent of Documents, Government Printing Office, Washington 25, D. C.

	Price per copy
Volume 1—Chemicals, Oils, and Paints:	
Part 1.—Non-coal-tar acids, alcohols, resins, and medicinals; and miscellaneous chemicals (paragraphs 1 to 18 inclusive), 210 pages	55¢
Part 2.—Principally coal-tar products, cellulose compounds, and non-coal-tar esters and ethers (paragraphs 19 to 37), 200 pages	50¢
Part 3.—Principally tanning materials, glues, gelatins, and salts of magnesium and lead (paragraphs 38 to 51 inclusive), 108 pages	30¢
Part 4.—Fats and oils, including essential oils; and perfume materials (paragraphs 52 to 62 inclusive, 1730, and 1732), 171 pages	45¢
Part 5.—Principally pigments; paints; soaps; starches; and compounds of sodium, potassium, copper, and zinc (paragraphs 63 to 97 inclusive, 1612, 1659, 1753, and 1781), 231 pages	60¢
Part 6.—Crude petroleum and petroleum products (paragraphs 1710 and 1733), 43 pages	20¢
Volume 2—Earths, Earthenware, and Glassware:	
Part 1.—Refractories, pottery, nonmetallic minerals and manufactures (paragraphs 201 to 216 inclusive), 228 pages	55¢
Part 2.—Glass, glassware, and stone (paragraphs 217 to 236 inclusive), 169 pages	45¢
Volume 3—Metals and Manufactures:	
Part 1.—Principally pig iron, ferrous scrap, and ferro-alloys (paragraphs 301 and 302), 78 pages	25¢
Part 2.—Principally iron and steel mill and foundry products (paragraphs 303 to 338 inclusive), 248 pages	60¢
Part 3.—Principally household articles, cutlery, timepieces, and electrical equipment (paragraphs 339 to 368 inclusive), 267 pages	65¢
Part 4.—Principally vehicles and machinery except electrical (paragraphs 369 to 372 inclusive), 178 pages	45¢
Part 5.—Principally nonferrous metals, miscellaneous metal products, and solid fuels (paragraphs 373 to 397 inclusive, 1620, 1634, 1650, 1657, 1658, and 1719), 253 pages	65¢
Volume 4—Wood and Manufactures (paragraphs 401 to 412 inclusive, 1760, and 1803), 137 pages	40¢
Volume 5—Sugar, Molasses, and Manufactures (paragraphs 501 to 506 inclusive), 55 pages	20¢
Volume 6—Tobacco and Manufactures (paragraphs 601 to 605 inclusive), 35 pages	15¢

Index (gives for dutiable commodities, the tariff paragraph numbers in Tariff Act of 1930; and the volume, part, and page number for each commodity in the Summaries), 92 pages	30¢

Total cost of set $15.85

Volume 16—Free List:

Part 1.—Paragraphs 1601–1652	$1.25
Part 2.—Paragraphs 1653–1684	1.25
Part 3.—Paragraphs 1685–1728	1.25
Part 4.—Paragraphs 1729–1768	1.25
Part 5.—Paragraphs 1769–1816	1.00

Index (to items in free list Summaries)—Available from the Tariff Commission.

APPENDIX III

SECTION 22 OF THE AGRICULTURAL ADJUSTMENT ACT (OF 1933), AS AMENDED BY SECTION 3 OF THE ACT OF JUNE 28, 1950

[PUBLIC LAW 579, 81ST. CONG.]

SEC. 22. (a) Whenever the Secretary of Agriculture has reason to believe that any article or articles are being or are practically certain to be imported into the United States under such conditions and in such quantities as to render or tend to render ineffective, or materially interfere with, any program or operation undertaken under this title or the Soil Conservation and Domestic Allotment Act, as amended, or section 32, Public Law Numbered 320, Seventy-fourth Congress, approved August 24, 1935, as amended, or any loan, purchase, or other program or operation undertaken by the Department of Agriculture, or any agency operating under its direction, with respect to any agricultural commodity or product thereof, or to reduce substantially the amount of any product processed in the United States from any agricultural commodity or product thereof with respect to which any such program or operation is being undertaken, he shall so advise the President, and, if the President agrees that there is reason for such belief, the President shall cause an immediate investigation to be made by the United States Tariff Commission, which shall give precedence to investigations under this section to determine such facts. Such investigation shall be made after due notice and opportunity for hearing to interested parties, and shall be conducted subject to such regulations as the President shall specify.

(b) If, on the basis of such investigation and report to him of findings and recommendations made in connection therewith, the President finds the existence of such facts, he shall by proclamation impose such fees not in excess of 50 per centum ad valorem or such quantitative limitations on any article or articles which may be entered, or withdrawn from warehouse, for consumption as he finds and declares shown by such investigation to be necessary in order that the entry of such article or articles will not render or tend to render ineffective, or materially interfere with, any program or operation referred to in subsection (a) of this section, or reduce substantially the amount of any product processed in the United States from any such agricultural commodity or product thereof with respect to which any such program or operation is being undertaken: *Provided*, That no proclamation under this section shall impose any limitation on the total quantity of any article or articles which may be entered, or withdrawn from warehouse, for consumption which reduces such permissible total quantity to proportionately less than 50 per centum of the total quantity of such article or articles which was entered, or withdrawn from warehouse, for consumption during a representative period as determined by the President: *And provided further*, That in designating any article or articles, the President may describe them by physical qualities, value, use, or upon such other bases as he shall determine.

(c) The fees and limitations imposed by the President by proclamation under this section and any revocation, suspension, or modification thereof, shall become effective on such date as shall be therein specified, and such fees shall be treated for administrative purposes and for the purposes of section 32 of Public Law Numbered 320, Seventy-fourth Congress, approved August 24, 1935, as amended, as duties imposed by the Tariff Act of 1930, but such fees shall not be considered as duties for the purpose of granting any preferential concession under any international obligation of the United States.

(d) After investigation, report, finding, and declaration in the manner provided in the case of a proclamation issued pursuant to subsection (b) of this section, any proclamation or provision of such proclamation may be suspended or terminated by the President whenever he finds and proclaims that the circumstances requiring the proclamation or provision thereof no longer exist or may be modified by the President whenever he finds and proclaims that changed circumstances require such modification to carry out the purposes of this section.

(e) Any decision of the President as to facts under this section shall be final.

(f) No proclamation under this section shall be enforced in contravention of any treaty or other international agreement to which the United States is or hereafter becomes a party; but no international agreement or amendment to an existing international agreement shall hereafter be entered into which does not permit the enforcement of this section with respect to the articles and countries to which such agreement or amendment is applicable to the full extent that the general agreement on tariffs and trade, as heretofore entered into by the United States, permits such enforcement with respect to the articles and countries to which such general agreement is applicable. Prescription of a lower rate of duty for any article than that prescribed by the general agreement on tariffs, and trade shall not, if subject to the escape provisions of such general agreement, be deemed a violation of this subsection.

Approved June 28, 1950.

NOTE TO LIBRARIANS

Here Is an Index Card for This Publication

The sample main catalog card with suggested subject headings which appears below is presented by the Tariff Commission as a convenience to expedite the placing of this document in the hands of your readers.

Many libraries file their documents by the Government Printing Office classification number which appears in the *United States Government Publications Monthly Catalog.* This scheme automatically assembles the volumes according to the issuing office. Libraries using it will note that the GPO classification number appears on the card below as well as on the cover of this publication. However, there is no regulation or law requiring depository libraries to use this number or to segregate United States Government documents from the classified book collection. It is therefore suggested that, whenever possible, all subject material be classified with like material in the regular classification scheme used in your library.

This publication should be noted on the open-entry cards for this subject which probably are already in your catalog. The Library of Congress has printed such cards.

U. S. *Tariff commission.*

Annual report of the United States Tariff Commission, 1st., 1917–
Washington, U. S. Govt. print. off., 1918–
v. 23^{cm}

TC 1.1:950

O