

Thirty-ninth
Annual Report
of the
United States Tariff Commission
1955



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UNITED STATES TARIFF COMMISSION

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LETTER OF TRANSMITTAL

UNITED STATES TARIFF COMMISSION,
Washington, January 6, 1956.

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

Respectfully,

EDGAR B. BROSSARD,
Chairman.

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

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INTRODUCTION

This—the Thirty-ninth Annual Report of the United States Tariff Commission—covers the period October 1, 1954, through September 30, 1955. When the year 1955 is mentioned in this report, therefore, it should be taken to mean the period October 1, 1954, through September 30, 1955, rather than the calendar year 1955.

For the purposes of this report, the current work of the Tariff Commission—described in parts I, II, III, and IV—has been classified under the following headings: Public investigations; special reports and activities; furnishing technical information and assistance; and other activities. Part V of the report deals with the membership and the staff of the Commission, and its finances and appropriations. As required by law, summaries of all reports made by the Commission during 1955 appear under the appropriate headings in parts I and II of this report.

PART I. PUBLIC INVESTIGATIONS

Specific provisions of law and certain Executive orders direct the Tariff Commission to conduct various investigations and to make certain studies and reports. These directives are contained in sections 3 and 7 of the Trade Agreements Extension Act of 1951, as amended, Executive Orders 10082 and 10401, sections 332, 336, and 337 of the Tariff Act of 1930, section 22 of the Agricultural Adjustment Act, as amended, section 201 (a) of the Antidumping Act, 1921, as amended, section 504 of the Philippine Trade Act of 1946, and Public Law 38 (82d Cong.), as amended.

During 1955 the Commission undertook or continued investigations under all these statutes and Executive orders except section 504 of the Philippine Trade Act of 1946. As in the last several years, activities relating to public investigations continued in 1955 to account for a major part of the work of the Commission.

Section 3 of the Trade Agreements Extension Act of 1951

Section 3 of the Trade Agreements Extension Act of 1951 sets forth the statutory requirements regarding peril-point determinations in connection with proposed trade-agreement negotiations. The peril-point provisions of the 1951 act require the President, before entering into any trade-agreement negotiation, to transmit to the Tariff Commission a list of the commodities that may be considered for possible concessions. The Commission is then required to make an investigation, including a public hearing, and to report its findings to the President on (1) the maximum decrease in duty, if any, that can be made on each listed commodity without causing or threatening serious injury to the domestic industry producing like or directly competitive products, or (2) the minimum increase in the duty or the additional import restrictions that may be necessary on any of the listed products to avoid serious injury to such domestic industry.

The President may not conclude a trade agreement until the Commission has made its report to him, or until 120 days from the date he transmitted the list of products to the Commission. If the President concludes a trade agreement that provides for greater reductions in duty than the Commission specifies in its report, or that fails to provide for the minimum increase in duty or the additional import restrictions specified, he must transmit to the Congress a copy of the trade agreement in question, identifying the articles concerned and stating his reason for not carrying out the Tariff Commission's recommendation. Promptly thereafter, the Commission must deposit with the Senate Committee on Finance and the House Committee on Ways and Means a copy of the portions of its report to the President

dealing with the articles with respect to which the President did not follow the Commission's recommendations.

During 1955 the Commission completed three peril-point investigations, and instituted a fourth such investigation, under the provisions of section 3 of the Trade Agreements Extension Act of 1951. On November 13, 1954, the Interdepartmental Committee on Trade Agreements issued public notice of the intention of the United States to undertake tariff negotiations with Japan and other countries under the General Agreement on Tariffs and Trade at Geneva, Switzerland. On the same day, the President transmitted to the Tariff Commission a list of the commodities that were to be considered for possible concessions in the proposed negotiations. The President's list involved 168 tariff paragraphs or subparagraphs, each of which included one or more commodities, and covered approximately 600 statistical (Schedule A) ¹ classifications or parts thereof. The Commission instituted the required peril-point investigation on November 13, 1954. A public hearing was held from December 13 through 23, 1954. The Commission submitted its report to the President on February 17, 1955.

On February 21, 1955, the Trade Agreements Committee issued a supplementary public notice concerning the trade-agreement negotiations involving Japan and other countries under the General Agreement. On the same day, the President transmitted to the Tariff Commission the supplemental list of commodities that were to be considered for possible concessions in the proposed negotiations. The President's list involved 28 tariff paragraphs or subparagraphs, each of which included one or more commodities, and covered approximately 50 statistical (Schedule A) classifications or parts thereof. The Commission instituted the required peril-point investigation on February 21, 1955. A public hearing was held from March 28 through April 1, 1955. The Commission transmitted its report to the President on April 8, 1955.

On February 21, 1955, the Trade Agreements Committee also issued public notice of the intention of the United States to undertake tariff negotiations with Switzerland at Geneva to compensate Switzerland for the increase in United States duty rates on certain watches and watch movements. On the same day, the President transmitted to the Tariff Commission a list of the commodities that were to be considered for possible concessions in the proposed negotiations. The President's list involved 11 tariff paragraphs or subparagraphs, each of which included one or more commodities, and covered approximately 70 statistical (Schedule A) classifications or parts thereof. The Commission instituted the required peril-point investigation on February 21, 1955. A public hearing was held from March 28 through April 1, 1955. The Commission transmitted its report to the President on April 13, 1955.

On September 21, 1955, the Trade Agreements Committee issued public notice of the intention of the United States to undertake tariff

¹ U. S. Department of Commerce, *Schedule A, Statistical Classification of Commodities Imported Into the United States*.

negotiations early in 1956 with 25 countries under the General Agreement at Geneva. On the same day, the President transmitted to the Tariff Commission a list of the commodities that were to be considered for possible concessions in the proposed negotiations. The Commission instituted the required peril-point investigation on September 21, 1955. A public hearing was scheduled to be held beginning October 31, 1955. At the end of the period covered by this report, the investigation was in process.

Section 7 of the Trade Agreements Extension Act of 1951

Section 7 of the Trade Agreements Extension Act of 1951, as amended, (establishing a statutory escape-clause procedure), provides that the Tariff Commission, upon the request of the President, upon resolution of either House of Congress, upon resolution of either the Senate Committee on Finance or the House Committee on Ways and Means, upon its own motion, or upon application by any interested party, must promptly conduct an investigation to determine whether any product on which a trade-agreement concession has been granted is, as a result, in whole or in part, of the customs treatment reflecting such concession, being imported in such increased quantities, either actual or relative, as to cause or threaten serious injury to the domestic industry producing like or directly competitive products. The Commission must complete its investigation and make a report thereon within 9 months of the date the application is received. As a part of each investigation, the Commission usually holds a public hearing at which interested parties are afforded an opportunity to be heard. Section 7 (a) of the Trade Agreements Extension Act of 1951 requires such hearing to be held whenever the Commission finds evidence of serious injury or threat of serious injury, or whenever so directed by resolution of either the Senate Committee on Finance or the House Committee on Ways and Means. In arriving at its findings and conclusions, the Commission is required to consider several factors expressly set forth in section 7 (b) of the extension act of 1951, as amended.

Should the Commission find, as a result of its investigation, the existence or threat of serious injury as a result of increased imports, either actual or relative, due, in whole or in part, to the customs treatment reflecting the concession, it must recommend to the President, to the extent and for the time necessary to prevent or remedy such injury, the withdrawal or modification of the concession, or the suspension of the concession in whole or in part, or the establishment of an import quota. The Commission must immediately make public its findings and recommendations to the President, including any dissenting or separate findings and recommendations, and must publish a summary thereof in the *Federal Register*. When, in the Commission's judgment, there is no sufficient reason to recommend to the President that a trade-agreement concession be modified or withdrawn,

the Commission must make and publish a report stating its findings and conclusions.

Work on escape-clause investigations under section 7 of the Trade Agreements Extension Act of 1951 constituted a very important activity of the Commission during 1955, as it did during 1954. The Commission's procedures in conducting escape-clause investigations and the work of its staff on such investigations were described in the Annual Report for 1952.

On October 1, 1954, a total of 8 escape-clause investigations were pending before the Tariff Commission. During the ensuing 12 months the Commission received 4 applications, and instituted an investigation on each of them. Of a total of 12 escape-clause investigations that were pending before the Commission at one time or another during the period October 1, 1954, to September 30, 1955, the Commission, at the close of that period, had completed 8 investigations, and had transmitted to the President its supplemental report on 1 investigation completed in 1954; 3 investigations were in process.

With respect to the 8 completed investigations, the Commission took the actions indicated below:

Commodity	Vote of the Commission	
	Against escape action	For escape action
Spring clothespins (3d investigation)	3	3
Coconuts	6	0
Wood screws of iron or steel (3d investigation)	3	3
Wool gloves and mittens and wool glove linings	5	1
Glue of animal origin and inedible gelatin	6	0
Bicycles (2d investigation)	4	1
Hardwood plywood	5	0
Red fescue seed	4	0

With respect to spring clothespins (third investigation), in which the vote of the Commission was equally divided, the President on November 20, 1954, decided not to modify the concession. With respect to wood screws of iron or steel, on which the vote of the Commission likewise was equally divided, the President on December 23, 1954, decided not to modify the concession.

With respect to one of the investigations that the Commission completed in 1954—that on alsike clover seed—the President accepted in part the recommendation of the Commission, and modified the concession by a proclamation of June 30, 1954. On July 14, 1954, the President requested the Commission to continue the investigation of alsike clover seed, and to submit a supplementary report to him by May 2, 1955. The President accepted in part the recommendation of the Commission in its supplementary report of April 28, 1955, and further modified the concession by a proclamation of June 29, 1955.

Status of investigations pending during 1955

The nature and status of the individual escape-clause investigations that were pending before the Tariff Commission at one time or another during the period October 1, 1954, through September 30, 1955, are shown in the accompanying list.²

Escape-clause investigations pending before the Tariff Commission at one time or another during the period Oct. 1, 1954, to Sept. 30, 1955

Commodity	Status
1. Alsike clover seed-----	<p><i>Origin of investigation:</i> Application by W. W. Thompson, Klamath Falls, Oreg., and others. <i>Application received:</i> Nov. 23, 1953. <i>Investigation instituted:</i> Dec. 2, 1953. <i>Hearing held:</i> Feb. 16, 1954. <i>Investigation completed:</i> May 21, 1954. <i>Recommendation of the Commission:</i> Modification in concession recommended to the President. <i>Vote of the Commission:</i> 6-0. <i>Action of the President:</i> Recommendation accepted in part by the President. Concession modified by Presidential proclamation of June 30, 1954. President on July 14, 1954, requested Commission to continue investigation and to submit supplementary report to him by May 2, 1955. <i>Commission ordered investigation continued:</i> Aug. 3, 1954. <i>Hearing held:</i> Mar. 10, 1955. <i>Supplementary investigation completed:</i> Apr. 28, 1955. <i>Recommendation of the Commission:</i> Further modification in concession recommended to the President. <i>Vote of the Commission:</i> 5-0. <i>Action of the President:</i> Recommendation accepted in part by the President. Concession further modified by proclamation of June 29, 1955.</p>
2. Spring clothespins (third investigation).	<p><i>Origin of investigation:</i> Application by Clothespin Manufacturers of America, Washington, D. C. <i>Application received:</i> Jan. 7, 1954. <i>Investigation instituted:</i> Jan. 25, 1954. <i>Hearing held:</i> Apr. 20 and 21, 1954. <i>Investigation completed:</i> Oct. 6, 1954. <i>Vote of the Commission:</i> 3-3. <i>Action of the President:</i> President decided not to modify the concession Nov. 20, 1954.</p>
3. Screws, commonly called woodscrews, of iron or steel (third investigation).	<p><i>Origin of investigation:</i> Application by United States Wood Screw Service Bureau, New York, N. Y. <i>Application received:</i> Jan. 29, 1954. <i>Investigation instituted:</i> Feb. 25, 1954. <i>Hearing held:</i> May 26 and 27, 1954. <i>Investigation completed:</i> Oct. 28, 1954. <i>Vote of the Commission:</i> 3-3. <i>Action of the President:</i> President decided not to modify the concession Dec. 23, 1954.</p>

²The Commission's reports on the completed investigations—all of which have been released—are summarized in a later section of this report. For the President's actions on the Commission's recommendations with respect to alsike clover seed, see the subsequent section of this report on investigations completed.

Escape-clause investigations pending before the Tariff Commission at one time or another during the period Oct. 1, 1954, to Sept. 30, 1955—Continued

Commodity	Status
4. Wool gloves and mittens and wool glove linings.	<p><i>Origin of investigation:</i> Application by American Knit Handwear Association, Inc., Gloversville, N. Y.</p> <p><i>Application received:</i> Mar. 29, 1954.</p> <p><i>Investigation instituted:</i> Apr. 12, 1954.</p> <p><i>Hearing held:</i> Sept. 14 and 15, 1954.</p> <p><i>Investigation completed:</i> Dec. 28, 1954.</p> <p><i>Recommendation of the Commission:</i> No modification in concession recommended.</p> <p><i>Vote of the Commission:</i> 5-1.</p>
5. Glue of animal origin, n. s. p. f., and gelatin, n. s. p. f., valued under 40 cents per pound.	<p><i>Origin of investigation:</i> Application by National Association of Glue Manufacturers, Inc., New York, N. Y.</p> <p><i>Application received:</i> Apr. 9, 1954.</p> <p><i>Investigation instituted:</i> May 5, 1954.</p> <p><i>Hearing held:</i> Oct. 4 and 5, 1954.</p> <p><i>Investigation completed:</i> Jan. 7, 1955.</p> <p><i>Recommendation of the Commission:</i> No modification in concession recommended.</p> <p><i>Vote of the Commission:</i> 6-0.</p>
6. Bicycles (second investigation).	<p><i>Origin of investigation:</i> Application by Bicycle Manufacturers Association of America, New York, N. Y.</p> <p><i>Application received:</i> June 14, 1954.</p> <p><i>Investigation instituted:</i> June 22, 1954.</p> <p><i>Hearing held:</i> Sept. 21-27, 1954.</p> <p><i>Investigation completed:</i> Mar. 14, 1955.</p> <p><i>Recommendation of the Commission:</i> Modification in concession recommended to the President.</p> <p><i>Vote of the Commission:</i> 4-1.</p> <p><i>Action of the President:</i> President requested further study by the Commission May 11, 1955.</p> <p><i>Supplemental report submitted to the President:</i> July 14, 1955.</p> <p><i>Action of the President:</i> Recommendation accepted in part by the President. Concession modified by Presidential proclamation of Aug. 18, 1955.</p>
7. Coconuts-----	<p><i>Origin of investigation:</i> Application by Coconut Growers Association of Rio Grande and Loiza, Puerto Rico.</p> <p><i>Application received:</i> Aug. 27, 1954.</p> <p><i>Investigation instituted:</i> Sept. 1, 1954.</p> <p><i>Hearing held:</i> None.</p> <p><i>Investigation completed:</i> Oct. 25, 1954.</p> <p><i>Recommendation of the Commission:</i> No modification in concession recommended.</p> <p><i>Vote of the Commission:</i> 6-0.</p>
8. Hardwood plywood (except Spanish cedar plywood).	<p><i>Origin of investigation:</i> Application by Hardwood Plywood Institute, Chicago, Ill.</p> <p><i>Application received:</i> Sept. 3, 1954.</p> <p><i>Investigation instituted:</i> Sept. 16, 1954.</p> <p><i>Hearing held:</i> Mar. 22-25, 1955.</p> <p><i>Investigation completed:</i> June 2, 1955.</p> <p><i>Recommendation of the Commission:</i> No modification in concession recommended.</p> <p><i>Vote of the Commission:</i> 5-0.</p>

Escape-clause investigations pending before the Tariff Commission at one time or another during the period Oct. 1, 1954, to Sept. 30, 1955—Continued

Commodity	Status
9. Red fescue seed-----	<p><i>Origin of investigation:</i> Application by Union County Seed Growers Association, Le Grande, Oreg. <i>Application received:</i> Nov. 15, 1954. <i>Investigation instituted:</i> Nov. 23, 1954. <i>Hearing held:</i> Mar. 8, 1955. <i>Investigation completed:</i> June 22, 1955. <i>Recommendation of the Commission:</i> No modification in concession recommended. <i>Vote of the Commission:</i> 4-0.</p>
10. Ferrocerium (lighter flints) and other cerium alloys.	<p><i>Origin of investigation:</i> Application by Kent Metal and Chemical Corp., Edgewater, N. J., and New Process Metals, Inc., Newark, N. J. <i>Application received:</i> Mar. 29, 1955. <i>Investigation instituted:</i> Apr. 7, 1955. <i>Hearing held:</i> May 17, 1955. <i>Investigation in process.</i></p>
11. Fluorspar, acid grade---	<p><i>Origin of investigation:</i> Resolution of the Senate Committee on Finance dated July 29, 1955. <i>Application received:</i> Aug. 1, 1955. <i>Investigation instituted:</i> Aug. 1, 1955. <i>Hearing held:</i> Sept. 27-30, 1955. <i>Investigation in process.</i></p>
12. Para-aminosalicylic acid and salts thereof in bulk (not in dosage) form.	<p><i>Origin of investigation:</i> Application by Sumner Chemical Co., New York, N. Y. <i>Application received:</i> Sept. 14, 1955. <i>Investigation instituted:</i> Sept. 16, 1955. <i>Hearing scheduled:</i> Jan. 24, 1956. <i>Investigation in process.</i></p>

Investigations completed during 1955

Alsike clover seed.—On December 2, 1953, in response to an application filed by W. W. Thompson, of Klamath Falls, Oreg., and others, the Tariff Commission instituted an escape-clause investigation of alsike clover seed. A public hearing was held on February 16, 1954.

In this investigation, the report on which was submitted to the President on May 21, 1954,³ the Commission found that escape-clause relief was warranted, and that it was necessary to impose a duty of 4 cents per pound on alsike clover seed imported in any 12-month period beginning July 1 in 1954 and in subsequent years until 1,500,000 pounds had been imported, and a duty of 6 cents per pound on imports in excess of that quantity.

On June 30, 1954, the President issued a proclamation imposing a duty of 2 cents per pound on imports of alsike clover seed during the 12-month period beginning July 1, 1954, until 1,500,000 pounds have been so entered, and a duty of 6 cents per pound on imports in excess of that quantity. The President's proclamation modified the Com-

³U. S. Tariff Commission, *Alsike Clover Seed: Report to the President on Escape-Clause Investigation . . .*, 1954 [processed].

mission's recommendation in another respect by limiting the modification of the concession to 1 year; the Commission had recommended that the concession be modified for an indefinite period.

On July 14, 1954, in a letter to the Chairman of the Tariff Commission, the President requested the Commission to continue its investigation of alsike clover seed, and to submit to him, by May 2, 1955, a supplementary report indicating whether the Commission then considered necessary the continuation of the tariff quota on alsike clover seed beyond June 30, 1955. A public hearing was held on March 10, 1955.

In its supplementary report, submitted to the President on April 28, 1955,⁴ the Commission recommended that a duty of 2 cents per pound be imposed on alsike clover seed imported in any 12-month period beginning July 1 in 1955 and in subsequent years until 2.5 million pounds have been so imported, and a duty of 6 cents per pound on imports in excess of that quantity.

On June 29, 1955, the President issued a proclamation limiting imports of alsike clover seed during each of the two 12-month periods beginning July 1, 1955, to 2.5 million pounds dutiable at 2 cents per pound, imports in excess thereof during each of the two periods to be dutiable at 6 cents per pound. The President thus modified the Commission's recommendation by limiting the effectiveness of his proclamation to the next two 12-month periods, or until June 30, 1957.

Spring clothespins (third investigation).—On January 25, 1954, in response to an application filed by the Clothespin Manufacturers of America, of Washington, D. C., the Tariff Commission instituted an escape-clause investigation of spring clothespins. A public hearing was held on April 20 and 21, 1954.

The Commission submitted its report to the President on October 6, 1954.⁵ Upon consideration by the full Commission of the facts obtained in the investigation, the Commission divided into two equal groups, each of which was unanimously agreed upon opposite findings, as to whether or not escape-clause relief was warranted. In a situation of this kind, section 330 of the Tariff Act of 1930, as amended by section 201 of the Trade Agreements Extension Act of 1953 (Public Law 215, 83d Cong.), requires that the findings and recommendations of each group of Commissioners shall be transmitted to the President, and provides that the findings and recommendations of either such group may be considered by the President as the findings and recommendations of the Commission.

In this investigation Commissioners Brossard, Talbot, and Schreiber found that escape-clause relief was warranted and that, in order to remedy the serious injury to the domestic industry concerned, it

⁴ U. S. Tariff Commission, *Alsike Clover Seed: Supplementary Report to the President on Escape-Clause Investigation* . . . , 1955 [processed].

⁵ U. S. Tariff Commission, *Spring Clothespins: Report to the President on Escape-Clause Investigation* . . . , 1954 [processed].

was necessary, for an indefinite period, to establish, for imports of spring clothespins an absolute annual quota of 450,000 gross.

Commissioners Ryder, Edminster, and Sutton found that escape-clause relief with respect to spring clothespins was not warranted, and that, accordingly, there was no sufficient reason for a recommendation to the President under section 7 of the Trade Agreements Extension Act of 1951, as amended.

On November 20, 1954, the President announced that he had decided not to take escape-clause action with respect to imports of spring clothespins.

Coconuts.—On September 1, 1954, in response to an application filed by the Coconut Growers Association of Rio Grande and Loiza, Puerto Rico, the Tariff Commission instituted an escape-clause investigation of coconuts in the shell. No public hearing was held in connection with the investigation.

In this investigation, the report on which was issued on October 25, 1954,⁶ the Commission unanimously found that escape-clause relief with respect to coconuts was not warranted and that no sufficient reason existed for a recommendation to the President under the provisions of section 7 of the Trade Agreements Extension Act of 1951, as amended.

Wood screws (third investigation).—On February 25, 1954, in response to an application filed by the United States Wood Screw Service Bureau, of New York, N. Y., the Tariff Commission instituted an escape-clause investigation of wood screws of iron or steel. A public hearing was held on May 26 and 27, 1954.

The Commission submitted its report to the President on October 28, 1954.⁷ Upon consideration by the full Commission of the facts obtained in the investigation, the Commission divided into two equal groups, each of which unanimously agreed upon opposite findings as to whether or not escape-clause relief was warranted. As in the spring clothespin investigation, the findings and recommendation of each group of Commissioners were transmitted to the President.

In this investigation Commissioners Brossard, Talbot, and Schreiber found that escape-clause relief was warranted, and that in order to remedy the serious injury to the domestic industry concerned it was necessary, for an indefinite period, to establish for imports of wood screws of iron or steel (except lag bolts or lag screws) an absolute annual quota of 2,800,000 gross, such quota to be allocated among supplying countries as specified in the Commission's recommendation.

Commissioners Ryder, Edminster, and Sutton found that escape-clause relief with respect to wood screws of iron or steel was not warranted and that, accordingly, there was no sufficient reason for a

⁶ U. S. Tariff Commission, *Coconuts in the Shell: Report on Escape-Clause Investigation . . .*, 1954 [processed].

⁷ U. S. Tariff Commission, *Wood Screws of Iron or Steel: Report to the President on Escape-Clause Investigation . . .*, 1954 [processed].

recommendation to the President under section 7 of the Trade Agreements Extension Act of 1951, as amended.

On December 23, 1954, the President announced that he had decided not to modify the concession on wood screws of iron or steel.

Wool gloves and mittens.—On April 12, 1954, in response to an application filed by the American Knit Handwear Association, Inc., of Gloversville, N. Y., the Tariff Commission instituted an escape-clause investigation of certain wool gloves and mittens and glove and mitten linings of wool. A public hearing was held on September 14 and 15, 1954.

In this investigation, the report on which was issued on December 28, 1954,⁸ the Commission found (Commissioner Brossard dissenting) that escape-clause relief with respect to the wool gloves, mittens, and linings covered in the investigation was not warranted and that, accordingly, no sufficient reason existed for a recommendation to the President under the provisions of section 7 of the Trade Agreements Extension Act of 1951, as amended.

Glue of animal origin and inedible gelatin.—On May 5, 1954, in response to an application filed by the National Association of Glue Manufacturers, Inc., of New York, N. Y., the Tariff Commission instituted an escape-clause investigation of certain glue of animal origin and inedible gelatin. A public hearing was held on October 4 and 5, 1954.

In this investigation, the report on which was issued on January 7, 1955,⁹ the Commission unanimously found that escape-clause relief with respect to the glue and gelatin covered in the investigation was not warranted and that, accordingly, no sufficient reason existed for a recommendation to the President under the provisions of section 7 of the Trade Agreements Extension Act of 1951, as amended.

Bicycles (second investigation).—On June 22, 1954, in response to an application by the Bicycle Manufacturers Association of America, of New York, N. Y., the Tariff Commission instituted an escape-clause investigation of bicycles. A public hearing was held from September 21 to 27, 1954.

In this investigation, the report on which was submitted to the President on March 14, 1955,¹⁰ the Commission found (Commissioner Sutton dissenting) that escape-clause relief was warranted and that, in order to remedy the serious injury to the domestic industry concerned it was necessary that the following rates of duty be applied for an indefinite period, to imports of bicycles, with or without tires: On those having wheels in diameter (measured to the outer circumference of the tire) over 25 inches, a rate of \$3.75 each, but not less

⁸ U. S. Tariff Commission, *Wool Gloves and Mittens and Glove and Mitten Linings of Wool: Report on Escape-Clause Investigation . . .* 1955 [processed].

⁹ U. S. Tariff Commission, *Inedible Gelatin and Glue of Animal Origin: Report on Escape-Clause Investigation . . .* 1955 [processed].

¹⁰ U. S. Tariff Commission, *Bicycles (1955): Report to the President on Escape-Clause Investigation . . .* 1955 [processed].

than 22½ percent nor more than 30 percent ad valorem; over 19 but not over 25 inches, a rate of \$3 each, but not less than 22½ percent nor more than 30 percent ad valorem; not over 19 inches, a rate of \$1.87½ each, but not less than 22½ percent nor more than 30 percent ad valorem. (Commissioner Edminster dissented in part from this finding.)

On May 11, 1955, in a letter to the Chairman of the Tariff Commission, the President asked the Commission for further information before deciding on the escape-clause action with respect to imports of bicycles. The President asked the Commission to consider certain specific questions, and to report to him thereon not later than July 15, 1955.

In the Commission's supplementary report, which was submitted to the President on July 14, 1955,¹¹ a majority of the Commission (Commissioners Brossard, Talbot, and Schreiber) expressed the opinion that the more recent information presented in the report indicated that the trend in the quantity of imports of bicycles was continuing upward, and that the condition of the domestic bicycle industry was continuing to deteriorate. Commissioner Sutton did not subscribe to this opinion.

On August 18, 1955, the President announced that, although he concurred with the Tariff Commission majority's finding of injury, he differed with the Commission as to the remedy to be applied. The Tariff Commission majority had recommended that the minimum ad valorem rate of duty for all types of imported bicycles be increased to 22½ percent, an increase from the existing rate of 7½ percent on large-wheel lightweight bicycles (wheel diameter over 25 inches, net weight less than 36 pounds), and from the existing rate of 15 percent on all other types. The President stated that he agreed with the Commission majority's recommendation on the latter group, increasing the minimum ad valorem rate from 15 percent to 22½ percent. He decided, however, to increase the rate on the large-wheel lightweights by the same proportion, from 7½ percent to 11¼ percent, instead of making it 22½ percent, as recommended by the majority of the Commission. By a proclamation of August 18, 1955, the President modified the concession on bicycles in accordance with his statement.

Hardwood plywood.—On September 16, 1954, in response to an application filed by the Hardwood Plywood Institute, of Chicago, Ill., the Tariff Commission instituted an escape-clause investigation of hardwood plywood (except Spanish cedar plywood). A public hearing was held from March 22 to 25, 1955.

In this investigation, the report on which was issued on June 2, 1955,¹² the Commission found that escape-clause relief with respect to the hardwood plywood covered in the investigation was not war-

¹¹ U. S. Tariff Commission, *Bicycles (1955): Supplementary Report to the President . . .*, 1955 [processed].

¹² U. S. Tariff Commission, *Hardwood Plywood: Report on Escape-Clause Investigation . . .*, 1955 [processed].

ranted and that, accordingly, no sufficient reason existed for a recommendation to the President under the provisions of section 7 of the Trade Agreements Extension Act of 1951, as amended.

Red fescue seed.—On November 23, 1954, in response to an application filed by the Union County Seed Growers Association, of Le Grande, Oreg., the Tariff Commission instituted an escape-clause investigation of red fescue seed (including both Chewings fescue and creeping red fescue seed). A public hearing was held on March 8, 1955.

In the report on this investigation, which was issued on June 22, 1955,¹³ the Commission found that escape-clause relief with respect to red fescue seed was not warranted and that, accordingly, no sufficient reason existed for a recommendation to the President under the provisions of section 7 of the Trade Agreements Extension Act of 1951, as amended.¹⁴

Reports made under Executive Order 10401 during 1955

Under the provisions of section 7 (a) of the Trade Agreements Extension Act of 1951, any escape-clause action taken by the President with respect to a particular commodity is to remain in effect only "for the time necessary to prevent or remedy" the injury. In order to establish a formal procedure for review of such escape-clause actions, the President on October 14, 1952, issued Executive Order 10401. Paragraph 1 of this order directs the Tariff Commission to keep under review developments with respect to products on which trade-agreement concessions have been modified or withdrawn under the escape-clause procedure, and to make periodic reports to the President concerning such developments. The first such report is to be made in each case not more than 2 years after the original action, and succeeding reports, at intervals of 1 year as long as the concession remains modified or withdrawn in whole or in part.

Paragraph 2 of Executive Order 10401 provides that the Commission is to institute a formal investigation in any case whenever, in the Commission's judgment, changed conditions warrant it, or upon the request of the President, to determine whether, and if so to what extent, the escape-clause action needs to be continued in order to prevent or remedy serious injury or the threat thereof to the domestic industry concerned. Upon completion of such investigation, including a public hearing, the Commission is to report its findings to the President.

During 1955 the Commission made periodic reports to the President, under the provisions of Executive Order 10401, on developments with respect to women's fur felt hats and hat bodies, hatters' fur, and dried figs.

¹³ U. S. Tariff Commission, *Red Fescue Seed: Report on [Escape-Clause] Investigation . . .*, 1955 [processed].

¹⁴ Commissioner Edminster participated in this investigation and concurred in the finding, but his term of office expired before the report was completed.

Women's fur felt hats and hat bodies.—On November 24, 1954, the Commission submitted to the President its third periodic report with respect to women's fur felt hats and hat bodies pursuant to paragraph 1 of Executive Order 10401. In its report,¹⁵ the Commission concluded that the conditions of competition with respect to the trade in imported and domestically produced fur felt hats and hat bodies for women's wear had not so changed since the modification of the trade-agreement concession as to warrant the institution of a formal investigation under the provisions of paragraph 2 of Executive Order 10401. On January 27, 1955, the President approved the conclusion of the Commission, and authorized the release of its report.

As a result of litigation in the customs courts, the escape-clause action with respect to women's fur felt headwear has been practically nullified. In this litigation, importers contended that the Presidential proclamation that resulted in increased duties on certain women's fur felt headwear applied only to such headwear when made from fur felt that had a separate and independent existence as such. This contention was based on the language of the term "composed wholly or in chief value of fur felt," in the escape-clause proclamation, the argument being that the word "composed" required the application of the "preexisting material" rule that had been developed in the customs courts in the interpretation of certain tariff provisions. The United States Customs Court sustained the importers' contentions, and, upon appeal by the Government, the Court of Customs and Patent Appeals affirmed the lower court's judgment. A petition for rehearing by the Government was denied. Since virtually all women's fur felt headwear entered under the value brackets covered by the escape-clause action is made by a continuous process beginning with the raw fur, the effect of the court decision was virtually to nullify the escape-clause relief.

Hatters' fur.—On February 4, 1955, the Commission submitted to the President its second periodic report with respect to hatters' fur pursuant to paragraph 1 of Executive Order 10401. In its report,¹⁶ the Commission concluded that the conditions of competition with respect to the trade in imported and domestically produced hatters' fur had not so changed since the modification of the trade-agreement concession as to warrant the institution of a formal investigation under the provisions of paragraph 2 of Executive Order 10401. In a letter to the Chairman of the Tariff Commission, dated March 24, 1955, the President approved the conclusion of the Commission, and authorized the release of its report.

Dried fgs.—On August 9, 1955, the Commission submitted to the President its third periodic report with respect to dried fgs, pur-

¹⁵ U. S. Tariff Commission, *Women's Fur Felt Hats and Hat Bodies: Report to the President (1954) Under Executive Order 10401, 1954* [processed].

¹⁶ U. S. Tariff Commission, *Hatters' Fur: Report to the President (1955) Under Executive Order 10401, 1955* [processed].

suant to paragraph 1 of Executive Order 10401. In its report,¹⁷ the Commission concluded that the conditions of competition with respect to the trade in dried figs had not so changed during the 1954 marketing year as to warrant the institution of a formal investigation under the provisions of paragraph 2 of Executive Order 10401. In a letter to the Chairman of the Tariff Commission, dated September 2, 1955, the President approved the Commission's report.

Section 22 of the Agricultural Adjustment Act

Section 22 of the Agricultural Adjustment Act authorizes the President to restrict the importation of commodities, by the imposition either of fees or of quotas (within specified limits), if found necessary to prevent imports from rendering or tending to render ineffective or materially interfering with programs of the United States Department of Agriculture relating to agricultural commodities. Section 22 requires the Tariff Commission, on direction of the President, to conduct an investigation, including a public hearing, and to make a report and recommendation to the President. Under subsection (f), as amended by section 8 (b) of the Trade Agreements Extension Act of 1951, no trade agreement or other international agreement entered into at any time by the United States may be applied in a manner inconsistent with the requirements of section 22. Previously, section 22 had provided that no action taken under it should be in contravention of any international obligation of the United States.

The Trade Agreements Extension Act of 1951, as amended (sec. 8 (a)), sets up special procedures for invoking section 22 in emergency conditions due to the perishability of any agricultural commodity. Upon a report to the President and the Tariff Commission by the Secretary of Agriculture that such emergency conditions exist with respect to any agricultural commodity, the Tariff Commission must make an immediate investigation under section 22 or section 7 of the Trade Agreements Extension Act of 1951, and make appropriate recommendations to the President. The Commission's report to the President and the President's decision must be made not more than 25 calendar days after the case is submitted to the Commission. Should the President deem it necessary, however, he may take action without awaiting the recommendations of the Commission.

An amendment to section 22 of the Agricultural Adjustment Act by section 104 of the Trade Agreements Extension Act of 1953 provides that the President may take immediate action under section 22 without awaiting the recommendation of the Tariff Commission whenever the Secretary of Agriculture determines and reports to him with regard to any article or articles that a condition exists requiring emergency treatment. Such action by the President may continue

¹⁷ U. S. Tariff Commission, *Figs, Dried: Report to the President (1955) Under Executive Order 10401, 1955* [processed].

in effect pending his receipt of the report and recommendations of the Commission after an investigation under section 22, and his action thereon. Under section 8 (a) of the extension act of 1951, the President's authority to take action before he had received a report from the Commission was limited to perishable agricultural products. No action under either of the foregoing emergency provisions was taken during the year.

Cotton and cotton waste (continuing investigation)

Under the provisions of section 22, quota restrictions have been imposed since 1939 on imports of most types of cotton and some types of cotton waste, in accordance with the recommendations of the Tariff Commission. In recent years, the Commission has conducted a number of investigations to determine whether supplemental import quotas for certain types of long-staple cotton were necessary. During 1955 the Commission made no investigations relating to short-staple cotton, long-staple cotton, or cotton waste, but it continued to watch closely the developments with respect to those products.

Wheat and wheat flour (continuing investigation)

Since May 1941, under the provisions of section 22, and in accordance with recommendations of the Tariff Commission, the United States has restricted imports of wheat and wheat flour, semolina, crushed or cracked wheat, and similar wheat products, in order to prevent interference with programs of the Department of Agriculture to control the production or marketing of domestic wheat. Imports in any quota year are limited to 800,000 bushels of wheat and to 4 million pounds of wheat flour, semolina, and similar wheat products. The quotas are allocated by country; in general, they are in proportion to imports from the several countries in the 5-year period 1929-33. Since their adoption in 1941, the basic quotas have not been changed, but exceptions have been granted on distress shipments, on seed wheat, on wheat for experimental purposes, and on wheat imported during the war by the War Food Administrator (virtually all of which was used for animal feed). The Commission is continuing to watch closely the developments with respect to wheat, wheat flour, and other wheat products.

On November 29, 1954, in response to an application by the National Macaroni Manufacturers Association, the Commission instituted an investigation, under the provisions of section 22, of durum wheat (class II) or flour, including semolina, produced from such wheat. The investigation was limited to the remainder of the quota year that ended May 28, 1955. The applicant requested that existing quota restrictions on wheat and wheat flour be modified to permit over-quota imports of the specified products in order to meet the emergency needs of the industry. A public hearing was scheduled for January 11, 1955. However, the National Macaroni Manufacturers Association informed the Commission that the conditions that led

the association to request the investigation could not be remedied by any action that might result from the investigation. The applicant requested that the Commission discontinue the investigation, and on January 6, 1955, the Commission discontinued and dismissed it.

Edible tree nuts (continuing investigation)

During 1955 the Tariff Commission had pending before it a continuing investigation of edible tree nuts, under the provisions of section 22. At the direction of the President, the Commission instituted this investigation on April 13, 1950. The purpose of the investigation is 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 tend to render ineffective or materially interfere with any of the programs undertaken by the Department of Agriculture with respect to almonds, filberts, walnuts, or pecans, or to reduce substantially the amount of any product processed in the United States from such almonds, filberts, walnuts, or pecans.

The Commission submitted reports to the President in this investigation in November 1950, in November 1951, in September 1952, and in September 1953. The recommendations that the Commission made in these reports, and the President's actions on those recommendations, are discussed in the Commission's annual reports for 1952, 1953, and 1954.

The Commission ordered a fifth public hearing in the investigation of edible tree nuts under section 22 on June 24, 1954. The public hearing was held on August 24 and 25, 1954. In its report to the President on September 24, 1954,¹⁸ the Commission recommended imposition of a fee of 10 cents per pound, but not more than 50 per centum ad valorem, on imports of shelled or blanched almonds in excess of an aggregate quantity of 4.5 million pounds during the period October 1, 1954, through September 30, 1955, and imposition of a fee of 10 cents per pound, but not more than 50 per centum ad valorem, on imports of shelled filberts in excess of an aggregate quantity of 5.5 million pounds during the period October 1, 1954, through September 30, 1955. By proclamation of October 11, 1954, the President imposed a fee of 10 cents per pound on imports of almonds in excess of 5 million pounds during the period October 1, 1954, through September 30, 1955, and a fee of 10 cents per pound on imports of shelled filberts in excess of 6 million pounds during the same period. The President's action thus modified the recommendations of the Commission.

In its report of September 24, 1954, as in its previous reports, the Commission advised the President that it was continuing the investigation, and that it would report again if further action was found to be necessary to carry out the purpose of section 22 of the Agricultural Adjustment Act, as amended.

¹⁸ U. S. Tariff Commission, *Edible Tree Nuts: Report to the President . . .*, 1954 [processed].

In September 1954, when the Commission submitted to the President its report on edible tree nuts under section 22, it reported its findings with respect to almonds and filberts, but with respect to walnuts stated that it would make its report later in the marketing year when developments in the trade had clarified sufficiently to enable the Commission to make a finding. On February 24, 1955, the Commission reported to the President that walnuts were not being imported and were not likely to be imported into the United States during the remainder of the 12-month period ending September 30, 1955, under such conditions and in such quantities as to render or tend to render ineffective or materially interfere with any program undertaken by the United States Department of Agriculture with respect to walnuts, almonds, filberts, or pecans produced in the United States. On March 24, 1955, the President concurred with the Commission's finding.

On July 11, 1955, the Commission ordered a sixth public hearing in the investigation of edible tree nuts, to be held on August 30, 1955. On August 5, 1955, however, the President, in response to a request from the Secretary of Agriculture, requested the Commission to cancel the hearing. The Secretary of Agriculture stated that, because of the expectation of a reduced supply of almonds, filberts, walnuts, and pecans both here and abroad, during the forthcoming crop year, the hearing was no longer necessary. The Secretary of Agriculture recommended and the President requested, however, that because of the continuing nature of the marketing problems facing the nut industries, the Commission's investigation of edible tree nuts under section 22 be continued. The Commission canceled the hearing on August 5, 1955, and continued the investigation as requested.

Shelled filberts (supplemental investigation)

On May 25, 1955, in response to a letter from the Imported Nut Section of the Association of Food Distributors, of New York, N. Y., and others, the Commission instituted a supplemental investigation of shelled filberts, whether or not blanched, under the provisions of section 22. A public hearing was held on June 21, 1955.

The Commission reported the results of its investigation to the President on July 1, 1955.¹⁹ In its report the Commission recommended that the President's proclamation of October 11, 1954, be modified so as to permit the importation, during the remainder of the 12-month period beginning October 1, 1954, of an additional 1,500,000 pounds of shelled filberts, whether or not blanched, free of the fee imposed by the proclamation of October 11, 1954.

On July 15, 1955, the President issued a proclamation permitting an additional 1,500,000 pounds of shelled filberts to be entered free of special import fee between that date and September 30, 1955, the end of the current quota year. The President's action thus modified his

¹⁹ U. S. Tariff Commission, *Shelled Filberts: Supplemental Investigation Under Section 22* . . . , 1955 [processed].

proclamation of October 11, 1954, which permitted 6,000,000 pounds of shelled filberts to enter at the basic rate of 8 cents per pound, imports in excess thereof to enter subject to a special fee of 10 cents per pound.

Oats (second investigation)

On August 23, 1954, at the direction of the President, the Tariff Commission instituted a second investigation of hulled and unhulled oats, and unhulled ground oats, under the provisions of section 22. A public hearing was held on September 8, 1954.

The Commission reported the results of its investigation to the President on September 27, 1954.²⁰ In its report the Commission recommended establishment of an aggregate quota, for imports of hulled and unhulled oats and unhulled ground oats, of 40 million bushels of 32 pounds each, for the 12-month period beginning October 1 in 1954 and in subsequent years.

By a proclamation of October 4, 1954, the President placed in effect, for the period October 1, 1954, through September 30, 1955, the quota recommended by the Commission. The proclamation specified that, of the aggregate quantity of 40 million bushels, not more than 39.3 million bushels could be imported from Canada.

Tung oil and tung nuts

On May 19, 1954, at the direction of the President, the Tariff Commission ordered an investigation of tung oil and tung nuts, under the provisions of section 22. A public hearing was held on August 10, 1954.

The Commission reported the results of its investigation to the President on September 30, 1954.²¹ In its report the Commission recommended establishment of an aggregate quota of 13.4 million pounds for imports of tung oil and tung nuts, for the 12-month period beginning November 1 in 1954 and in subsequent years, tung nuts to be charged against this quota on the basis of 15.9 pounds for each 100 pounds of tung nuts.

In the light of the undertaking by Argentina and Paraguay to restrict their exports to the United States of tung oil and the equivalent in tung nuts to totals of 21.8 million pounds and 2.6 million pounds, respectively, during the marketing year ending October 31, 1955, the President on November 22, 1954, announced that he would not act on the recommendations made by the Tariff Commission in its report.

Barley

On August 23, 1954, at the direction of the President, the Tariff Commission ordered an investigation of barley, hulled or unhulled, including rolled barley and ground barley, and barley malt, under the

²⁰ U. S. Tariff Commission, *Oats, Hulled and Unhulled, and Unhulled Ground Oats: Report to the President . . .*, 1954 [processed].

²¹ U. S. Tariff Commission, *Tung Nuts and Tung Oil: Report to the President . . .*, 1954 [processed].

provisions of section 22. A public hearing was held on September 9 and 10, 1954.

The Commission reported the results of its investigation to the President on September 30, 1954.²² In its report the Commission recommended imposition of a fee of 8 cents per bushel but not more than 50 percent ad valorem on imports of the specified products in any 12-month period beginning October 1 in 1954 and in subsequent years in excess of an aggregate quantity of 22.5 million bushels, such fee to be in addition to the duties imposed upon such products under the Tariff Act of 1930.

By a proclamation of October 18, 1954, the President limited imports of barley from all sources to 27.5 million bushels during the period October 1, 1954, through September 30, 1955, of which not more than 27,225,000 bushels could be imported from Canada. The President thus modified the Commission's recommendations by establishing an absolute quota instead of a tariff quota (omitting the fee of 8 cents per bushel on imports in excess of 22,500,000 bushels), by limiting the specified absolute quota to 1 year, and by allocating a specified part of the quota to Canada.

Peanuts (supplemental investigation)

On November 26, 1954, in response to an application by the National Confectioners' Association of the United States and others, the Tariff Commission instituted a supplemental investigation of peanuts under the provisions of section 22. The applicants requested that existing quota restrictions on peanuts under section 22 be relaxed in order to relieve emergency needs of United States users of peanuts. A public hearing was held on January 4, 1955.

The Commission reported the results of its investigation to the President on February 18, 1955.²³ In its report the Commission (Commissioners Talbot and Schreiber dissenting) recommended that during the remainder of the quota year ending June 30, 1955, there be permitted to be imported an aggregate quantity of 48 million pounds of shelled, blanched, salted, prepared, or preserved peanuts (including roasted peanuts, but not including peanuts not shelled or peanut butter), of sizes averaging in representative samples more than 40 kernels per ounce, subject to a fee of 2 cents per pound but not more than 50 percent ad valorem; that after such quantity of 48 million pounds has been entered, imports of such peanuts shall be subject to a fee of 4 cents per pound but not more than 50 percent ad valorem; and that the fees specified be in addition to the other duties imposed on the importation of peanuts.

On March 9, 1955, the President issued a proclamation permitting the importation of an additional 51 million pounds of the specified

²² U. S. Tariff Commission, *Barley, Hulled or Unhulled, Including Rolled Barley and Ground Barley and Barley Malt: Report to the President* .. 1954 [processed].

²³ U. S. Tariff Commission, *Peanuts: Supplemental Investigation Under Section 22* .. 1955 [processed].

peanuts, averaging more than 40 kernels per ounce, during the remainder of the quota year ending June 30, 1955, such imports to be subject to an additional fee of 2 cents per pound but not more than 50 percent ad valorem. The President thus modified the Commission's recommendation. The Commission had recommended an increase in the additional fee from 2 cents to 4 cents per pound on all imports of peanuts after 48 million pounds had been entered. The President stated that, because of certain technical legal problems attendant on the use of a 4-cent fee in these circumstances, he had decided to authorize the importation of not more than 51 million pounds (aggregate quantity) at the 2-cent-per-pound additional fee.

Peanuts (second supplemental investigation)

On March 31, 1955, as a result of information received from the Secretary of Agriculture and other sources, the Tariff Commission instituted a second supplemental investigation of peanuts, under the provisions of section 22. In his letter the Secretary of Agriculture indicated that the additional quantity of peanuts permitted entry over the basic quota during the remainder of the current quota year (July 1, 1954—June 30, 1955) was not sufficient to enable the trade to import enough peanuts to meet requirements until supplies became available from the 1955 crop. A public hearing was held on April 19, 1955.

The Commission reported the results of its investigation to the President on May 5, 1955.²⁴ In its report the Commission recommended (1) that the current quota year for peanuts be extended through July 31, 1955; (2) that, during the remainder of the current quota year ending July 31, 1955, there be permitted to be imported additional quantities of peanuts (without regard to size), whether shelled, not shelled, blanched, salted, prepared, or preserved (including roasted peanuts, but not including peanut butter), unrestricted by quota but subject to the following fees (in addition to the regular duties imposed upon the importation of peanuts): (a) On peanuts, not shelled, 1½ cents per pound, (b) on all other specified peanuts, 2 cents per pound, but not in excess of 50 percent ad valorem; and (3) that the quota year for peanuts be changed to begin hereafter on August 1 in any year.

By a proclamation of May 16, 1955, the President permitted unlimited quantities of shelled peanuts of all sizes to be imported into the United States until July 31, 1955, entries of such peanuts to be subject to a fee of 2 cents per pound in addition to the regular duty of 7 cents per pound prescribed by the Tariff Act of 1930. With one exception, the President accepted the recommendations of the Commission. The Commission had recommended that imports of unshelled peanuts be permitted, but the President's proclamation applied only to shelled peanuts, blanched, salted, prepared, or preserved (including roasted peanuts, but not including peanut butter).

²⁴ U. S. Tariff Commission, *Peanuts: Second Supplemental Investigation Under Section 22* . . . , 1955 [processed].

Certain manufactured dairy products (cheeses) (supplemental investigation)

On April 12, 1955, at the direction of the President, the Tariff Commission instituted a supplemental investigation of certain manufactured dairy products (cheeses of Italian type made from cow's milk, in original loaves), under the provisions of section 22. A public hearing was held on May 10, 1955. The Commission reported the results of its investigation to the President on July 13, 1955.

Rye, rye flour, and rye meal

On May 20, 1955, at the direction of the President, the Tariff Commission ordered an investigation of rye, rye flour, and rye meal, under the provisions of section 22. A public hearing was held on June 14, 1955.

The Commission reported the results of its investigation to the President on June 24, 1955.²⁵ In its report the Commission recommended establishment of a quota of 95,200,000 pounds on imports of rye, rye flour, and rye meal, to be imposed indefinitely for succeeding 12-month periods beginning July 1, 1955, of which not more than 8,000 pounds might be of rye flour and rye meal.

By a proclamation of June 29, 1955, the President continued the limitation on imports of rye at the current level of 186,000,000 pounds per year, and limited the effectiveness of his proclamation to the next two 12-month periods, or until June 30, 1957. The President's proclamation also provided that 182,280,000 pounds of the quota may be imported from Canada, and 3,720,000 pounds from other foreign countries. Of the total permissible imports, not more than 15,000 pounds may be of rye flour or rye meal.

Section 332 of the Tariff Act of 1930

Section 332 of the Tariff Act of 1930 directs the Tariff Commission to place at the disposal of the President, the Committee on Ways and Means of the House of Representatives, and the Committee on Finance of the Senate, whenever requested, all information at its command. It also directs the Commission to make such investigations and reports as may be requested by the President, by either of the above-mentioned committees, or by either House of Congress.

Tariff rates of 50 percent or higher

In a resolution dated March 11, 1954, the Senate Committee on Finance directed the Tariff Commission to make an investigation with respect to each article being imported into the United States which, in the calendar year 1953, had an average equivalent rate of duty of 50 percent ad valorem or higher, and to report to the Senate Committee on Finance its findings as to (1) the limit to which a modification, imposition, or continuance of such rate of duty may be made or extended without causing or threatening serious injury to the domes-

²⁵ U. S. Tariff Commission, *Rye and Rye Flour and Rye Meal: Report to the President . . .*, 1955 [processed].

tic industry producing like or directly competitive articles, and (2) if increases in duties or additional import restrictions are required to avoid serious injury to the domestic industry producing like or directly competitive articles, the minimum increase in duties or additional import restrictions required. The resolution directed the Commission to report the results of its study to the chairman of the Senate Committee on Finance not later than December 1, 1954. The Commission instituted the investigation on March 15, 1954, under the provisions of section 332. A public hearing was held from July 13 to 28, 1954.

The Commission reported the results of its investigation to the committee on November 29, 1954. Although this investigation was similar to the investigations that the Commission is directed to conduct under section 3 of the Trade Agreements Extension Act of 1951, the findings were not "peril point" findings for the purposes of that act.

Hardboard industry

Pursuant to a resolution adopted by the Senate Committee on Finance on August 9, 1954, the Tariff Commission on August 11, 1954, instituted an investigation of the domestic hardboard industry and of the import classification of hardboard, under the provisions of section 332.

The resolution directed the Commission to make a thorough investigation of the hardboard industry and of the import classification of hardboard. The report was to include the facts relative to production, trade, imports, and consumption of hardboard in the United States, taking into account relevant factors affecting the domestic economy and national security, including the interests of consumers and producers. The report was also to include data on wage rates in the United States and abroad; data on costs of transportation to the principal consuming centers; data on other factors bearing on costs of production and distribution; a statement of findings as to the proper tariff classification of hardboard; and a statement of findings as to the effect upon the competitive position of the domestic hardboard industry of the present tariff status of imported hardboard, so as to assist the Congress in determining what changes, if any, should be made in that status. The Commission was directed to make its report to the committee on or before February 28, 1955; the date for submittal was subsequently extended for 30 days. A public hearing in the investigation was held from December 7 to 16, 1954.

The Commission reported the results of its investigation to the committee on April 4, 1955.²⁶ The report presented information relative to the production, trade, imports, and consumption of hardboard in the United States, taking into account all relevant factors affecting the domestic economy and national security, including *inter alia* the interests of consumers.

²⁶ U. S. Tariff Commission, *Hardboard: Report on Investigation Conducted Pursuant to a Resolution by the Committee on Finance of the United States Senate Dated August 9, 1954*, 1955 [processed].

The majority of the Commission (Commissioners Brossard, Talbot, and Schreiber) found that hardboard is a distinctive article of commerce of sufficient importance to justify specific enumeration thereof in the tariff schedules; that such specific enumeration would be more appropriate in the tariff schedule covering wood products than in any other tariff schedule; that the desirability for establishing a specific enumeration may or may not indicate the appropriateness or desirability of a change in the rates of duty presently applicable; and that no information developed in the course of the Commission's investigation supports the position that the presently applied rates are necessarily those best suited to afford the domestic hardboard industry the degree of protection which the Congress intends that it should have.

The minority of the Commission (Commissioners Edminster and Sutton) were of the opinion that the reclassification of hardboard should be considered by the Tariff Commission in the general review that it is making of all tariff classifications in the conduct of its tariff simplification study.²⁷ They recognize that a reasonable case can be made to justify a specific enumeration of hardboard in the tariff, but in their view hardboard could just as appropriately be enumerated in the tariff schedule covering paper products or in that covering sundries as in the schedule covering wood products. The minority found that the considerations that point to the desirability for establishing a specific enumeration in the tariff do not indicate the appropriateness or desirability of a change in the rates of duty presently applied to imports of hardboard. No information which has come to their knowledge makes them feel that there is a need for revising those rates at this time.

Fluorspar industry

On August 18, 1954, pursuant to a resolution adopted by the Senate Committee on Finance on August 14, 1954, the Tariff Commission instituted an investigation of the domestic fluorspar industry, under the provisions of section 332.

The resolution directed the Commission to make a thorough investigation of the domestic fluorspar industry, including the effect of imports of fluorspar on the livelihood of American workers, and to report the results of its investigation to the Senate Committee on Finance. The report was to include the facts relating to production, trade, imports, and consumption of fluorspar in the United States, taking into account all relevant factors affecting the domestic economy, including the interests of consumers, processors, and producers. The report was also to include data on wage rates in the United States and abroad; data on costs of transportation to the principal consuming centers; data on other factors bearing on costs of production and distribution; and a statement of findings as to the effect of the present

²⁷ This study is being made pursuant to title I of the Customs Simplification Act of 1954 (Public Law 768, 83d Cong.). See part II of this report.

tariff status of imported fluorspar on the competitive position of the domestic fluorspar industry. The Commission was directed to make its report to the committee as early as practicable in 1955. A public hearing in the investigation was held on October 19 and 20, 1954.

On June 6, 1955, the Commission reported the results of its investigation to the committee.²⁸ The Commission's report, which comprised 140 pages, including 32 statistical tables, presented authentic and exhaustive information regarding conditions in the domestic fluorspar industry. Among other things, the report set forth the facts on production, trade, imports, consumption, and prices in the United States, and included data on the profit-and-loss experience of domestic producers and on employment. It also presented detailed information on costs of transporting domestic and imported fluorspar to the principal consuming centers, on average delivered values of domestic and imported fluorspar in these markets, and on other matters bearing on the competitive position of the domestic fluorspar industry. Most of this information has not heretofore been available.

A letter from the chairman of the Senate Committee on Finance, dated June 27, 1955, asked the Tariff Commission to give consideration to certain comments and questions relating to the Commission's report on fluorspar. The comments and questions were contained in two documents submitted with the letter—documents prepared by a committee representing certain domestic fluorspar producers. In response to the letter from the chairman of the Senate Committee on Finance, the Commission on July 22, 1955, transmitted to him a memorandum commenting on the questions and comments of the industry committee.²⁹

Section 336 of the Tariff Act of 1930

Section 336 of the Tariff Act of 1930—the so-called flexible-tariff provision—sets forth the procedure under which the import duty on an article may be changed by proclamation of the President to equalize differences in costs of production at home and abroad after investigation and report by the Tariff Commission of the differences between the costs of production in the United States and in the country that is the principal foreign supplier. The Trade Agreements Act, however, made the provisions of section 336 inapplicable to any commodity on which a tariff concession is in effect pursuant to a trade agreement. As the United States has progressively extended the coverage of trade-agreement concessions, it has reduced correspondingly the scope of possible action under the provisions of section 336.

²⁸ U. S. Tariff Commission, *Fluorspar: Report on Investigation Conducted Pursuant to Resolution by the Committee on Finance of the United States Senate Dated August 14, 1954*, 1955 [processed].

²⁹ U. S. Tariff Commission, *Memorandum of the United States Tariff Commission on Fluorspar Prepared in Response to the Letter of June 27, 1955, From the Chairman of the Committee on Finance of the United States Senate*, 1955 [processed].

Knit or crocheted cotton gloves and mittens

On May 7, 1954, the American Knit Handwear Association, Inc., of Gloversville, N. Y., filed an application with the Tariff Commission for an investigation under the provisions of section 336, of knit or crocheted cotton gloves and mittens covered by paragraph 917 of the Tariff Act of 1930. The association alleged that the present rate of duty on these products does not equalize the cost of production of the comparable product made in the United States and in foreign countries, and requested an increase in the rate of duty on the imported products. On February 1, 1955, the Commission denied and dismissed the application after preliminary inquiry. The articles in question were on the published list of articles proposed for consideration in United States trade-agreement negotiations with Japan and other countries.

Cork insulation

On August 2, 1954, the Cork Institute of America, of New York, N. Y., representing the Armstrong Cork Co., of Lancaster, Pa., the Mundet Cork Corp., of North Bergen, N. J., the National Cork Co., of Englewood, N. J., and the United Cork Companies, of Kearny, N. J., filed an application with the Tariff Commission for an investigation of cork insulation, wholly or in chief value of cork, under the provisions of section 336. The institute alleged that the present rate of duty on cork insulation does not equalize the cost of production of the comparable product made in the United States and in foreign countries, and requested an increase of 50 percent in the rate of duty on imported cork insulation. The Tariff Commission instituted an investigation on January 24, 1955. A public hearing in the investigation was scheduled to begin June 1, 1955. On May 12, 1955, however, the Commission discontinued and dismissed the investigation and canceled the hearing. This action was taken after consideration of representations made by the applicants, and of other pertinent factors.

Photographic shutters

On February 14, 1955, the Wollensak Optical Co., of Rochester, N. Y., filed an application with the Tariff Commission for an investigation of photographic shutters, under the provisions of section 336. The company alleged that the present rate of duty on photographic shutters does not equalize the cost of production of the comparable product made in the United States and in foreign countries, and requested an increase of 50 percent in the rate of duty on the imported product. On March 29, 1955, after a preliminary inquiry, the Commission denied and dismissed the application. Photographic shutters were included in the list of products considered in the trade-agreement negotiations involving Japan.

Camera shutters and parts thereof

On June 20, 1955, the Wollensak Optical Co. and the Photograph & Precision Optical Workers' Union No. 24659, both of Rochester, N. Y., filed an application with the Tariff Commission for an investigation of camera shutters and parts thereof, under the provisions of section 336. The applicants alleged that the present rate of duty on camera shutters and parts thereof does not equalize the cost of production of the comparable product made in the United States and foreign countries, and requested an increase in the rate of duty on the imported product. On September 30, 1955, a preliminary inquiry was in process.

Section 337 of the Tariff Act of 1930

Section 337 of the Tariff Act of 1930 authorizes the Tariff Commission to investigate alleged unfair methods of competition and unfair acts in the importation of articles or in the sale of imported articles in the United States. When the effect or tendency of such methods or acts is to destroy or substantially injure a domestic industry, or to prevent the establishment of an industry, or to restrain or monopolize trade and commerce in the United States, the articles involved may by Executive order be excluded from entry into the United States.

On September 20, 1954, after investigation and public hearing, the Commission held (with Commissioners Ryder and Edminster dissenting) that synthetic star sapphires and synthetic star rubies were being imported into the United States under conditions that violated the provisions of section 337.³⁰ In accordance with the provisions of section 337, a certified copy of the Commission's findings was transmitted by registered mail to the persons known to the Commission to be engaged in the actions that violated section 337 with respect to synthetic star sapphires and rubies. In accordance with the appeal provisions of section 337, one of the persons so served—an importer of synthetic star sapphires and rubies—filed an appeal with the United States Court of Customs and Patent Appeals on November 18, 1954. While several motions in such appeal have been passed upon by the court in the interim period, this appeal had not been decided at the end of the period covered by this report.

Early in July 1955, the Commission received three complaints under section 337, each alleging unfair methods of competition and unfair acts in the importation of certain articles. These complaints were as follows:

- (1) A complaint filed by Renee Hall, of Mount Vernon, N. Y., and others, with regard to knitted garments;
- (2) a complaint filed by the Central Scientific Co., of Chicago, Ill., and others, with regard to apparatus for electrolytically treating metal surfaces; and

³⁰ See U. S. Tariff Commission, *Thirty-eighth Annual Report* . . ., 1954, p. 27.

(3) a complaint filed by Eitel-McCullough, Inc., of San Bruno, Calif., with regard to electron tubes and component parts thereof.

On July 22, 1955, in accordance with section 203.3 of the Commission's rules, the Tariff Commission issued a notice that it was conducting a preliminary inquiry for the purpose of determining with respect to each of the above complaints whether a formal investigation under the provisions of section 337 is warranted. These preliminary inquiries were in process at the end of the period covered by this report.

Section 201 (a) of the Antidumping Act, 1921, as Amended

Section 301 of the Customs Simplification Act of 1954 (Public Law 768, 83d Cong.) amended the Antidumping Act, 1921, and transferred to the Tariff Commission the function formerly exercised by the Treasury Department of making "injury" determinations for the purposes of the Antidumping Act. This transfer became effective October 1, 1954. On and after that date, whenever the Secretary of the Treasury determines that imports are entering or are likely to enter at less than their "fair value," within the meaning of that term as used in the Antidumping Act, he must refer the matter to the Tariff Commission for determination as to whether a domestic industry is being or is likely to be injured, or is prevented from being established, by reason of the importation of such merchandise. If the Commission makes an affirmative finding, it so reports to the Secretary of the Treasury, who thereupon issues a "finding of dumping."

Muriate of potash from the Soviet Zone of Germany

On November 30, 1954, in response to advice received from the Secretary of the Treasury on November 26, 1954, the Tariff Commission instituted an investigation of imports of muriate of potash from the Soviet Zone of Germany under the provisions of section 201 (a). A public hearing was held from January 25 to 27, 1955.

In the notification sent to the Secretary of the Treasury on February 25, 1955, the Commission was equally divided on the question of whether the domestic potash industry is being or is likely to be injured by reason of the importation of muriate of potash from the Soviet Zone of Germany at less than fair value. Commissioners Brossard, Talbot, and Schreiber found in the affirmative. Commissioners Ryder, Edminster, and Sutton found in the negative. The divided opinion of the Commission resulted in no finding of injury. On February 25, 1955, the Treasury Department instructed customs field officers to discontinue the withholding of appraisement of entries of muriate of potash from the Soviet Zone of Germany because of suspected dumping and to process entries of such merchandise without regard to any question of dumping. In view of the information contained in the Tariff Commission's letter of notification, the Treasury Department advised the Commission that it will continue to maintain close observation over imports of muriate of potash from the Soviet Zone of Germany.

Muriate of potash from the Federal Republic of Germany and France

On December 17, 1954, in response to advice received from the Secretary of the Treasury on December 15, 1954, the Tariff Commission instituted an investigation of imports of muriate of potash from the Federal Republic of Germany and from France under the provisions of section 201 (a). A public hearing was held on February 8 and 9, 1955.

In the notification sent to the Secretary of the Treasury on March 3, 1955, the Commission by unanimous opinion determined that the domestic potash industry is not being, and is not likely to be, injured by reason of the importation of muriate of potash from the Federal Republic of Germany or from France at less than fair value. On March 3, 1955, the Treasury Department instructed customs field officers to discontinue the withholding of appraisement of entries of muriate of potash from the Federal Republic of Germany and from France because of suspected dumping and to process entries of such merchandise without regard to any question of dumping.

Pocket pencil sharpeners from the firm of Karl Zech, Forchheim, West Germany

On June 8, 1955, in response to advice received from the Secretary of the Treasury on June 6, 1955, the Tariff Commission instituted an investigation of imports of pocket pencil sharpeners from the firm of Karl Zech, Forchheim, West Germany, under the provisions of section 201 (a). No public hearing was held in connection with the investigation.

In a notification sent to the Secretary of the Treasury on August 11, 1955, the Commission, on the basis of the facts developed in the investigation, unanimously determined that the domestic pencil sharpener industry was not being, and was not likely to be, injured by reason of the importation of pencil sharpeners from the firm of Karl Zech at less than fair value. Investigation by the Commission disclosed that the pencil sharpeners received from the firm of Karl Zech were small in number and consisted of novelty-type sharpeners sold in the United States at prices substantially above those of the most nearly comparable domestic product. On August 29, 1955, the Treasury Department instructed customs field officers to discontinue the withholding of appraisement of entries of pocket pencil sharpeners from the firm of Karl Zech of West Germany because of suspected dumping and to process entries of such merchandise without regard to any question of dumping.

Nicotine sulphate from the firm of N. V. Alhamex, Amsterdam, Netherlands

On August 1, 1955, in response to advice received from the Secretary of the Treasury on July 27, 1955, the Tariff Commission instituted an investigation of imports of nicotine sulphate from the firm of N. V. Alhamex, Amsterdam, Netherlands, under the provisions of section 201 (a). No public hearing was held in connection with the investigation.

In a notification to the Secretary of the Treasury on August 25, 1955, the Commission, on the basis of the facts developed in the investigation, unanimously determined that the domestic nicotine sulphate industry was not being, and was not likely to be, injured by reason of the importation of nicotine sulphate from the firm of N. V. Alhamex, Amsterdam, Netherlands, at less than fair value. The Commission's investigation disclosed, among other things, that the Treasury Department's determination that there were sales or likelihood of sales of nicotine sulphate at less than fair value was based on a single shipment from N. V. Alhamex, of Amsterdam, Netherlands; that Alhamex is not a producer of nicotine sulphate; that while the source of the shipment in question was indicated on the customs invoice as being West Germany, this was later denied by Alhamex, who refused to state the actual source of the shipment; that the Treasury Department accordingly attributed the source to West Germany and based its determination that the shipment in question was sold below fair value on prevailing prices in West Germany; that ordinarily West Germany was not a source of imports of nicotine sulphate; and that the shipment in question constituted about 3 percent of total imports of nicotine sulphate from all sources in 1954. On August 29, 1955, the Treasury Department instructed customs field officers to discontinue the withholding of appraisement of entries of nicotine sulphate from the firm of N. V. Alhamex, Amsterdam, Netherlands, because of suspected dumping and to process entries of such merchandise without regard to any question of dumping.

Cast iron soil pipe from the United Kingdom

On August 1, 1955, in response to advice received from the Secretary of the Treasury on July 27, 1955, the Tariff Commission instituted an investigation of imports of cast iron soil pipe from the United Kingdom, under the provisions of section 201 (a). A public hearing was scheduled to be held beginning October 21, 1955. On September 30, 1955, the investigation was in process.

Section 504 of the Philippine Trade Act of 1946

Section 504 of the Philippine Trade Act of 1946 authorizes the President to establish import quotas on Philippine articles which he finds, after investigation by the Tariff Commission, are coming, or are likely to come, into substantial competition with like articles which are the product of the United States. The act directs the Commission to conduct an investigation, including a public hearing, upon request of the President, upon resolution of either House of Congress or concurrent resolution of both Houses of Congress, upon its own motion, or, when in its judgment there is good reason therefor, upon the application of any interested party. The Commission must report the results of its investigation to the President, and must send copies of such reports to each House of Congress. No investigations were made in 1955 under the provisions of the Philippine Trade Act of 1946.

Public Law 38, as Amended

Public Law 38 (82d Cong.), as amended by Public Law 91 (84th Cong.), suspends the import-exercise taxes on copper until June 30, 1958. It provides, however, that the President must revoke the suspension at an earlier date if the Tariff Commission determines that the average market price of electrolytic copper in standard shapes and sizes (delivered Connecticut Valley) has been below 24 cents per pound for any 1 calendar month during the period. The commission is required to advise the President, when this market condition occurs, within 15 days after the conclusion of such calendar month, and the President is required to reimpose the tax not later than 20 days after he has been so advised by the Commission. The Commission in previous years had established the necessary procedure for carrying out its responsibilities under the law; during 1955 it kept informed on current copper prices and competitive conditions. Inasmuch as the price of copper did not fall below 24 cents per pound during the year, there was no occasion to make a report to the President.

PART II. SPECIAL REPORTS AND ACTIVITIES

In addition to the public investigations that it conducts and the services that it renders to the Congress, to the President, and to other Government agencies, the Tariff Commission is directed by law and by Executive orders to make certain special reports and to engage in certain special activities.

Section 332 of the Tariff Act of 1930, which sets forth the general powers of the Tariff Commission, directs the Commission to investigate and report on a wide range of subjects related to tariffs, commercial policy, and international trade. These subjects include, among others, the fiscal and industrial effects of, and the operation of, the customs laws; the effects of various types of import duties; tariff relations between the United States and foreign countries; commercial treaties; the volume of imports compared with domestic production and consumption; and the competition of foreign industries with those of the United States. Under the provisions of section 332, the Commission has issued various editions of its Summaries of Tariff Information; various editions of its compilation of information on United States import duties; periodic reports on synthetic organic chemicals; reports on the commercial policies of certain foreign countries; and other special reports, including those on specific commodities and industries.

The Tariff Commission is one of the agencies from which the President seeks information and advice in negotiating trade agreements with foreign countries. Executive Order 10082, of October 5, 1949, requires the Commission to supply to the interdepartmental trade agreements organization factual data on all articles on which the United States proposes to consider granting concessions in trade agreements. Since 1947, various Executive orders have directed the Commission to keep informed concerning the operation and effect of provisions relating to duties and other import restrictions of the United States contained in trade agreements, and to make a factual report to the President and to the Congress, at least once each year, on the operation of the trade agreements program. Under section 350 (e) (2) of the Tariff Act of 1930, as amended by the Trade Agreements Extension Act of 1955, this function is made mandatory by statute.

Summaries of Tariff Information

Under its general powers, the Commission's most extensive work is the preparation of its Summaries of Tariff Information, which are designed to provide the Congress and the executive agencies with complete and up-to-date information on the commodities listed in the tariff act. These summaries contain the tariff history of the commodi-

ties in each classification specified in the tariff act; a discussion of the nature and uses of each commodity; an analysis of the trends in United States production, imports, and exports; data on output and the conditions of production in foreign countries; and an analysis of the factors affecting the competition of imports with the domestic product. Continuous revision of these summaries, the first edition of which was issued in 1920, is an important activity of the Commission.

The most recent complete published edition of the Summaries of Tariff Information was issued in 1948-50. This edition consists of some 2,300 separate summaries, comprising a total of 44 volumes. These summaries have been widely used by the Congress and other Government agencies, and by industrial, agricultural, commercial, labor, and other organizations. Because of budgetary limitations and the pressure of work of higher priority, the Commission has not been able to maintain a regular schedule for publishing revisions of the summaries. During 1955, however, as in previous years, several hundred of the summaries were brought up to date. These revised summaries, especially those on critical and strategic materials, have been made available to the defense agencies.

Information on United States Import Duties

To meet the problem of supplying in convenient form information for the use of the customs service, the public, and the Congress regarding changes made in duties on imported articles under the trade agreements program and otherwise since the enactment of the Tariff Act of 1930, the Commission, from the late thirties until 1948 periodically issued documents showing these changes. After the multi-lateral trade-agreement negotiations in 1947 that resulted in the General Agreement on Tariffs and Trade, the Commission in 1948 issued a complete restatement of the Tariff Act of 1930, as modified and amended, including the special and administrative provisions of the act. A revised edition was issued in 1950, and a second revision in 1952.

The latest revision, *United States Import Duties (1952)*,¹ is a loose-leaf publication consisting of two sections. Section I presents the rates of duty applicable to imported commodities, a list of the items that are free of duty, a list of the items subject to import-excite taxes under the Internal Revenue Code, and references to various statutes that provide for special and additional import duties or for special exemptions from duty under certain circumstances. Section II presents the special and administrative provisions of the Tariff Act of

¹ U. S. Tariff Commission, *United States Import Duties (1952)*, Misc. ser., 1952. Subscriptions to this publication, which may be placed with the Superintendent of Documents, U. S. Government Printing Office, include Supplement I. The subscription price is \$3.25 if the document is mailed to a domestic address, and \$4.25 if it is mailed to a foreign address.

1930. These compilations, which are prepared by the Commission in cooperation with the Bureau of Customs, are distributed by the Bureau of Customs to all its field offices. Copies are also furnished to appropriate congressional committees and to reference libraries throughout the United States. Supplement I to the 1952 edition, which consists of new pages for insertion in the original document, was issued in November 1953. Work is proceeding on Supplement II, which will incorporate the changes resulting from the trade-agreement negotiations with Japan, Switzerland, and other countries, conducted during 1955, and from legislative actions.

Reports on Synthetic Organic Chemicals

Preliminary report on production and sales, 1954

In accordance with its usual procedure, the Tariff Commission in 1955 released preliminary and final reports on the production and sales of synthetic organic chemicals in 1954. These reports continue the annual series that the Commission has published since 1918. The preliminary report consisted of 14 separate sections, each dealing with a segment of the industry. Each section was released as soon as it was completed, thereby making the information available to industry and Government agencies at the earliest possible date. The first sections, covering elastomers (synthetic rubbers) and rubber-processing chemicals, were released early in June, and all sections had been released by early August. The preliminary report covered production and sales of tars and tar crudes; crude products from petroleum and natural gas; cyclic intermediates; coal-tar dyes; toners and lakes; bulk medicinal chemicals; flavor and perfume materials; plastics and resin materials; rubber-processing chemicals; elastomers (synthetic rubbers); plasticizers; surface-active agents; pesticides and other agricultural chemicals; and miscellaneous chemicals.

Final report on production and sales, 1954

The Commission's final report on the production and sales of synthetic organic chemicals in 1954 was issued in October 1955.² The statistics given in the report for each segment of the industry were compiled from data—supplied by more than 600 companies—on about 6,000 individual chemicals and chemical products. Also included in the report are a Directory of Manufacturers, which identifies the producers of the individual products covered in the report; statistics on imports of coal-tar products under paragraphs 27 and 28 of the Tariff Act of 1930; and statistics on the number of persons engaged in research by the reporting companies, as well as the expenditures for such research.

United States production of tar in 1954 from all sources was 766 million gallons, a decrease of 15 percent from the 901 million gallons

² U. S. Tariff Commission, *Synthetic Organic Chemicals, United States Production and Sales, 1954*, Rept. No. 196, 2d ser., 1955.

produced in 1953. Of the output in 1954, 721 million gallons was coal tar, and 45 million gallons was water-gas and oil-gas tar. The decline in production of tar in 1954 resulted from the reduced demand for coke in steel making, and from the continued replacement of manufactured gas by natural gas. The most important products obtained from coke-oven gas and from tar are benzene, toluene, xylene, creosote oil, naphthalene, and road tar. The section of the report covering crude products from petroleum and natural gas in 1954 covers some products derived from petroleum which are identical with those produced from tar (e. g., benzene, toluene, and xylene). Total output of crude products from petroleum and natural gas in 1954 was 13 billion pounds, compared with 11 billion pounds in 1953. The output of all aromatic and naphthenic chemicals from petroleum and natural gas amount to 2,874 million pounds, compared with 2,506 million pounds in 1953. Production of aliphatic hydrocarbons in 1954 was 10,572 million pounds, compared with 8,641 million pounds in 1953.

In 1954, the output of cyclic intermediates was 4,614 million pounds, a slight decline from the 4,699 million pounds reported in 1953. More than 60 percent of the total output of cyclic intermediates in 1954 was used by the producers in the manufacture of more advanced products such as dyes, medicinals, plastics, surface-active agents, and agricultural chemicals. In 1954, the total output of all intermediates and finished products was 28,445 million pounds, compared with 29,129 million pounds in 1953. Of the total output in 1954, cyclic intermediates and finished products accounted for 9,174 million pounds, and acyclic intermediates and finished products, for 19,271 million pounds.

Specified synthetic organic chemicals: Monthly releases on production

During 1955, the Commission continued to conduct a monthly survey of the production and inventories of a selected list of synthetic organic chemicals. The statistics compiled include data on the monthly production of each specified chemical, and the stocks of each chemical held by the producers at the end of each month. These latter data are not included in the published reports, but are obtained for Government use only. Collection of data on stocks of chemicals has been discontinued, as the need for them no longer exists. The Business and Defense Services Administration is furnished, upon request, with reported data that are necessary to its operations. The releases on chemical production, designated as Facts for Industry Series 6-2, are published jointly with those on plastics and resins and are obtainable from the Superintendent of Documents, United States Government Printing Office, on a fee basis.

Synthetic plastics and resin materials: Monthly releases on production and sales

The Commission also continued during 1955 to issue reports on the production and sales of synthetic plastics and resin materials. This monthly report, which is issued as Facts for Industry Series 6-10, in

conjunction with the report on synthetic organic chemicals (see above), covers production and sales of synthetic plastics and resins grouped according to chemical composition and broad end uses. The chemical classes for which statistics are given include cellulose plastics, phenolic and other tar-acid resins, styrene resins, urea and melamine resins, alkyd resins, vinyl resins, and miscellaneous plastics and resins. In 1955, statistics for two new classes of resins were given monthly for the first time; these are polyester resins, used mainly for reinforced plastics, and polyethylene resins. Some of the end uses covered are molding, extruding, casting, and textile-and-paper treating, for sheeting and film, for adhesives, and for protective coatings. Data on stocks of the listed materials are collected for Government use, and are not published. Collection of data on stocks of plastics was discontinued in the latter part of 1955.

Imports of coal-tar products, 1954

In July 1955 the Tariff Commission released its annual report on imports of coal-tar products entered under paragraphs 27 and 28 of the Tariff Act of 1930. The report, which covers imports through all United States customs districts, is based on data obtained from an invoice analysis made by the Commission's New York office.

The report shows that in 1954 general imports of coal-tar chemicals entered under paragraph 27 totaled 8.6 million pounds, with a foreign invoice value of 4.5 million dollars. In 1953, imports were 22.3 million pounds, valued at 5.4 million dollars, and in 1952 they were 3.0 million pounds, valued at 1.7 million dollars. About three-fourths of all imports of intermediates in 1954 came from Germany and the United Kingdom; sizable quantities also came from the Netherlands and Switzerland.

In 1954, imports of finished coal-tar products dutiable under paragraph 28 totaled 5.1 million pounds, valued at 8.7 million dollars (foreign invoice value), compared with 4.1 million pounds, valued at 6.9 million dollars, in 1953. As in previous years, dyes were by far the most important group of finished coal-tar products imported, accounting for 5.8 million dollars, or 67 percent of the total foreign invoice value of all imports under paragraph 28. In 1953, imports of dyes were valued at 4.6 million dollars. In 1954, Germany was the principal supplier of dyes, accounting for 55 percent of total dye imports (based on computed weight). Medicinals and pharmaceuticals were the next most important group of products imported under paragraph 28. In 1954, imports of these products were valued at 2.2 million dollars, or 25 percent of the total foreign invoice value of all imports under paragraph 28. In both 1952 and 1953, imports of medicinals and pharmaceuticals were valued at 1.9 million dollars. Imports of flavor and perfume materials in 1954 increased in value to \$326,000, compared with \$194,000 in 1953 and \$18,000 in 1952. Imports of other coal-tar products entered under paragraph 28 were valued at \$364,000 in 1954, compared with \$192,000 in 1953 and \$584,000 in 1952.

Tariff Simplification Study

Title I of the Customs Simplification Act of 1954 (Public Law 768, 83d Cong.), approved September 1, 1954, directs the Tariff Commission to make a comprehensive study of the laws of the United States prescribing the tariff status of imported articles, and to submit to the President and to the chairmen of the House Committee on Ways and Means and the Senate Committee on Finance, within 2 years, a revision and consolidation of these laws which, in the judgment of the Commission, will accomplish to the extent practicable the following purposes: (1) Establish schedules of tariff classifications which will be logical in arrangement and terminology and adapted to the changes that have occurred since 1930 in the character and importance of articles produced in and imported into the United States, and in the markets in which they are sold; (2) eliminate anomalies and illogical results in the classification of articles; and (3) simplify the determination and application of tariff classifications.

Immediately after the approval of the above-mentioned act, the Commission initiated this study, and invited importers, domestic producers, customs brokers, and other interested parties to submit any suggestions that, in their opinion, would accomplish the purposes mentioned. The Commission will not hold hearings in connection with the study until after it has completed its review of the tariff classification laws and has prepared a draft of revised tariff schedules. Hearings will then be scheduled for the purpose of affording interested parties opportunity to be heard with regard to the proposed revised tariff schedules—particularly with respect to the probable effect on domestic industry of any incidental changes in duties that may be involved in the proposed revision.

In accordance with subsection (d) of section 101 of Public Law 768, the Commission on March 15, 1955, submitted an interim progress report on the tariff simplification study to the President and to the chairmen of the Senate Committee on Finance and the House Committee on Ways and Means.³ The interim report is confined to a treatment of the fundamental problems underlying a simplification of the tariff schedules, the principles that will be followed by the Commission in formulating a proposed revision of the tariff schedules, and methods for putting the proposed revision into force and effect.

Compilations of Information on Status of Investigations

During 1955 the Commission issued a series of compilations showing the outcome or current status of the various types of investigations that the Commission is directed by law to conduct. These compilations, which will be brought up to date from time to time, are

³ U. S. Tariff Commission, *Tariff Simplification Study: Interim Report to the President and to the Chairmen of the Committee on Finance of the Senate and of the Committee on Ways and Means of the House Pursuant to Section 101 (d) of the Customs Simplification Act of 1954*, 1955 [processed].

as follows: (1) Investigations under the "escape clause" of trade agreements; (2) investigations under the "peril point" provision; (3) investigations under section 22 of the Agricultural Adjustment Act, as amended; (4) investigations under section 332 of the Tariff Act of 1930; (5) investigations under section 336 of the Tariff Act of 1930; (6) investigations under section 337 of the Tariff Act of 1930; and (7) injury determinations under the Antidumping Act, 1921, as amended.

Trade-Agreement Activities

Not only is the Tariff Commission directed to make peril-point and escape-clause investigations under the provisions of the Trade Agreements Extension Act of 1951, as amended, and under Executive Order 10401, but it is one of the agencies from which the President seeks a vast amount of information and advice in connection with proposed trade-agreement negotiations with foreign countries. Executive Order 10082, of October 5, 1949, requires the Commission to supply to the interdepartmental trade agreements organization factual data concerning the production and consumption of, and trade in, all articles on which the United States proposes to consider granting concessions in trade agreements. When trade-agreement negotiations are in progress, the Commission furnishes to the Interdepartmental Committee on Trade Agreements, and to its "country" committees, statistical and other data with respect to all commodities on which the United States is proposing to grant concessions. The Chairman of the Tariff Commission serves as a member of the Trade Agreements Committee, and also as chairman of the interdepartmental Committee for Reciprocity Information; the Vice Chairman serves as his alternate on the Trade Agreements Committee.

During 1955 the Tariff Commission assisted the Trade Agreements Committee, as consultants and technical advisers, in dealing with a variety of problems. Principal among these were United States preparations for participation in the Ninth Session of the Contracting Parties to the General Agreement on Tariffs and Trade, which was held at Geneva from October 28, 1954, to March 7, 1955; preparations for and participation in the trade-agreement negotiations that were held with Japan and other countries and with Switzerland at Geneva from February 21 to June 7, 1955; and preparations for the fourth round of multilateral tariff negotiations, scheduled to be held at Geneva early in 1956.

In accordance with the provisions of Executive Order 10082, and at the request of the Trade Agreements Committee, the Tariff Commission during 1955 prepared statistical analyses of United States imports from Japan, Switzerland, and other countries. As required by Executive Order 10082, the Commission also provided the trade agreements organization with digests of information on all commodities that the United States had listed for possible concessions in the negotiations at Geneva involving Japan and Switzerland. In these

negotiations, five members of the Commission's staff served as technical advisers and thus as members of the United States Delegation.

Late in 1955, in accordance with the provisions of Executive Order 10082 and at the request of the Trade Agreements Committee, the Tariff Commission prepared statistical analyses of United States imports from the 25 countries with which the United States on September 21, 1955, announced its intention of negotiating tariff concessions early in 1956. As required by Executive Order 10082, the Commission also provided the trade agreements organization with digests of information on all commodities that the United States had listed for possible concessions in the proposed negotiations. The commodities listed for the proposed negotiations involve approximately 1,250 statistical classifications or parts thereof.

During 1955 the Tariff Commission also assisted in the work of the Philippine Trade Agreement Committee and the United States Delegation that negotiated with the Republic of the Philippines for the revision of the United States-Philippine trade agreement concluded pursuant to the Philippine Trade Act of 1946. Members of the Commission's staff provided the Philippine Trade Agreement Committee and the United States Delegation with technical economic information on United States imports from the Philippines. The Secretary of State designated a member of the Commission's staff as a member of the United States Delegation that negotiated the revision of the trade agreement between the two countries.

Report on Operation of the Trade Agreements Program

Since 1947 various Executive orders have directed the Tariff Commission to make a factual report to the President and to the Congress, at least once each year, on the operation of the trade agreements program. The seven reports that the Commission has issued in response to these directives provide a detailed history of the trade agreements program since its inception in 1934. The Commission's first six reports covered developments from June 1934 through June 1953. The Trade Agreements Extension Act of 1955, which made this function a statutory one, directs the Commission to keep informed at all times concerning the operation and effect of provisions relating to duties and other import restrictions contained in trade agreements heretofore or hereafter entered into by the President and to submit to the Congress, at least once each year, a factual report on the operation of the trade agreements program.

The Commission's seventh report, which was issued in July 1955, covers the period from July 1, 1953, through June 30, 1954.⁴ During this period the United States Government conducted its trade agreements program under the provisions of the Trade Agreements Act of

⁴ The report, originally issued in processed form, was subsequently printed as *Operation of the Trade Agreements Program: Seventh Report, July 1953-June 1954*, Rept. No. 195, 2d ser., 1955.

1934, as amended, the Trade Agreements Extension Act of 1951, as amended, and the Trade Agreements Extension Act of 1953. During the period July 1953-June 1954 the United States had trade-agreement obligations in force with 42 countries. Of these, 32 countries were contracting parties to the General Agreement on Tariffs and Trade, and 10 were countries with which the United States had bilateral trade agreements. During the period covered by the seventh report, the United States concluded no new trade agreements.

The seventh report covers, for the last half of 1953 and the first half of 1954, important developments respecting the General Agreement on Tariffs and Trade. During the period under review, the major developments with respect to the General Agreement related to the Eighth Session of the Contracting Parties, held at Geneva from September 17 to October 24, 1953. The report describes in detail the various discussions and consultations that the Contracting Parties held at the Eighth Session on the general provisions of the agreement, the administration of the agreement, tariffs and tariff negotiations, and several miscellaneous matters.

The seventh report also describes, for the last half of 1953 and the first half of 1954, United States actions relating to its trade agreements program. Among the matters discussed are the following: The entry into force, withdrawal, or modification of United States trade-agreement concessions; the reports by the President to the Congress on inclusion of escape clauses in trade agreements; the status of escape-clause investigations pending before the Tariff Commission; and the status of United States quantitative restrictions on imports, including the restrictions imposed under section 22 of the Agricultural Adjustment Act, as amended, under the sugar act, and under the Philippine Trade Act of 1946.

Like the earlier reports on the operation of the trade agreements program, the seventh report also discusses such matters as changes in tariffs, exchange controls, and quantitative restrictions on imports by countries with which the United States has trade agreements. The trade controls employed by most of the countries with which the United States has trade agreements tend to conform to certain patterns, depending on whether the countries fall into one or another of the following four groups (with some overlapping): (1) Countries that are members of the European Payments Union; (2) countries that are members of the sterling area; (3) various nondollar countries (other than those in groups 1 and 2), most of which rely heavily on multiple-exchange-rate systems for control of their trade; and (4) certain dollar countries (including Canada and several countries in Latin America) that now exercise a minimum of control over their trade with other countries. The pattern of trade controls within each of these groups, as well as the changes in the controls imposed by individual countries, is discussed. The report also describes the developments with respect to currency-retention quotas and similar

practices. It concludes with a discussion of various matters regarding trade-agreement obligations that are at issue between the United States and foreign countries.

Trade Agreements Manual

In March 1955 the Commission issued a trade agreements manual.⁵ The manual, which is designed to provide the answers to certain common questions about United States trade agreements, is a summary of selected data relating to the various trade agreements that the United States has entered into under the authority of the Trade Agreements Act of 1934 and the subsequent extensions of that act. Part I of the manual considers United States trade-agreement obligations, past and present. Part II is devoted to information about the General Agreement on Tariffs and Trade.

⁵ U. S. Tariff Commission, *Trade Agreements Manual: A Summary of Selected Data Relating to Trade Agreements That the United States Has Negotiated Since 1934, 1955* [processed].

PART III. FURNISHING TECHNICAL INFORMATION AND ASSISTANCE

A considerable part of the work of the Tariff Commission is related to the furnishing of technical information and assistance to the Congress and to other agencies of the United States Government, as required by law, and to the furnishing of information to industrial and commercial concerns and the general public. Section 332 of the Tariff Act of 1930 directs the Tariff Commission to gather information relating to the tariff and commercial policy and to place it at the disposal of the President, the Senate Committee on Finance, and the House Committee on Ways and Means, "whenever requested." Section 334 of the Tariff Act of 1930 directs the Tariff Commission to cooperate with other Government agencies in appropriate matters.

Work for the Congress

During 1955, as in previous years, work that the Commission undertook in response to directives or requests from the Congress, congressional committees, and individual Members of Congress was an important part of its activities. This section of the report deals only with direct requests from congressional committees and from Members of Congress for information or comments on proposed legislation, and for assistance at congressional hearings. Other phases of the Commission's work, even though based directly or indirectly on congressional directives or requests, are discussed in other sections of this report.

Reports to committees on proposed legislation

Congress regularly requests the Tariff Commission to analyze proposed legislation relating to tariff and trade matters. Most of these requests come from the Senate Committee on Finance and the House Committee on Ways and Means. Preparation of comments on bills and resolutions usually involves considerable work by the Commission, and the reports required are often extensive.

At the request of the Senate Committee on Finance or the House Committee on Ways and Means, the Commission during 1955 prepared analyses of a large number of bills and resolutions. These bills and resolutions related to a wide variety of subjects, as the following list of representative titles indicates: To extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930; to establish quota limitations on imports of foreign residual fuel oil; to provide assistance to communities, industries, business enterprises, and individuals to facilitate adjustments made necessary

by the trade policy of the United States; to amend the Tariff Act of 1930 with respect to the duty on refractory grade bauxite; to suspend for 1 year certain duties upon the importation of aluminum and aluminum alloys; to repeal the 3-cents-per-pound processing tax on coconut oil; to provide a means whereby domestic producers who are injured by increased imports resulting from trade-agreement concessions may obtain preferences in bidding for Government contracts; to continue until the close of June 30, 1956, the suspension of duties and import taxes on metal scrap; to amend the Tariff Act of 1930 to provide for the free importation of amorphous graphite; to amend the trade agreements extension act of July 1, 1954, so as to assure the availability of materials essential to national security; to amend the Tariff Act of 1930 so as to allow containers for certain petroleum products and derivatives to be temporarily imported without payment of duty; to provide that certain caps shall be dutiable under paragraph 1504 of the Tariff Act of 1930; to amend paragraph 1004 (a) of the Tariff Act of 1930 with respect to the importation of certain yarns; to exempt from duty the importation of certain handwoven fabrics when used in the making of religious vestments; to amend section 11 of the Administrative Procedure Act; to amend the Tariff Act of 1930 to repeal the duty on crude silica; to amend certain provisions of the Tariff Act of 1930 relating to import duties on wool; to amend the Tariff Act of 1930 to provide a revised rate of duty on jute backing for tufted rugs and carpets; to continue until the close of June 30, 1958, the suspension of the import tax on copper; to amend certain administrative provisions of the Tariff Act of 1930 and to repeal obsolete provisions of the customs laws; to amend the Tariff Act of 1930 with respect to toy marbles; to amend paragraph 367 of the Tariff Act of 1930, which defines substitutes for jewels in imported watch movements; to amend and extend the Sugar Act of 1948, as amended; and to define "wheat unfit for human consumption" for the purposes of section 22 of the Agricultural Adjustment Act of 1933.

Special services to committees of the Congress

In their consideration of proposed legislation, congressional committees often ask the Tariff Commission not only for reports, but also for the services of Commission experts. These experts are frequently asked to appear at congressional hearings, or to supply factual technical and economic information orally in executive sessions of the committees.

During 1955, at the request of the House Committee on Ways and Means, members of the staff of the Commission appeared before the committee to supply technical assistance during consideration of the Trade Agreements Extension Act of 1955; the Philippine Trade Agreement Revision Act of 1955; the Customs Simplification Act of 1955; and proposed legislation relating to many of the subjects mentioned in the immediately preceding section of this report.

Services to individual Senators and Representatives

Each year the Commission receives many requests from individual Senators and Representatives for various types of information. Some of these requests can be answered from data that are readily available in the Commission's files; others require research and often the preparation of extensive statistical compilations and trade analyses. Many of the requests relate to investigations that are pending before the Commission.

During 1955 the Commission continued to furnish to several Members of Congress, at their request, monthly tabulations prepared by the Ceramics Division showing United States imports (for consumption) of glassware and pottery, by kinds and by principal sources. The Commission also continued during 1955 to furnish to the Senate Committee on Finance monthly and cumulative monthly statistics, prepared by the Textiles and Statistical Divisions, on imports of wool tops, yarns of wool, and woolen and worsted fabrics.

The Commission also regularly furnishes information to the interdepartmental Committee for Reciprocity Information to help that Committee in responding to inquiries by Members of Congress.¹

Cooperation With Other Government Agencies

Over the years, cooperation with other Government agencies has constituted a considerable part of the Commission's activity. Among the more important instances of such cooperative work is the Commission's continuing collaboration with the Bureau of the Census, the Bureau of Customs, and the Department of State.

During 1955 the Commission carried on various kinds of work in cooperation with a score of other Government agencies. Including the various trade-agreement committees, Commissioners and staff members serve on about 25 interdepartmental committees. The assistance that the Commission gives to other Government agencies ranges from meeting simple requests for factual information requiring only brief servicing, to projects involving considerable research and often as much as a thousand man-hours of staff work. At times, cooperation with other Government agencies involves detailing members of the Commission's staff to other agencies for extended periods.

Selected aspects of the work that the Commission conducted in cooperation with other Government agencies in 1955 are reviewed below.

¹ The primary functions of the Committee for Reciprocity Information, created by Executive order in 1934, are (1) to hold hearings to provide an opportunity for all interested parties to present their views on proposed trade agreements, and (2) to see that those views are brought to the attention of the Interdepartmental Committee on Trade Agreements.

Work for defense and emergency agencies

The United States Government agencies concerned with the problems of defense continued during 1955 to call upon the Tariff Commission for needed information on strategic and critical materials. All the technical divisions of the Commission participated in supplying such information.

During 1955 the Commission's commodity divisions continued to furnish the Office of Defense Mobilization with information on strategic and critical materials similar to that which was furnished to the Munitions Board before it was abolished on June 30, 1953. Members of the Commission's commodity divisions served, at the specific request of the Office of Defense Mobilization, on each of the seven interdepartmental commodity advisory committees established by that agency. These committees are concerned with the following groups of commodities: Iron, steel, and ferroalloys; light metals; nonferrous metals; nonmetallic minerals; chemicals and rubber; forest products; and fibers. In addition, members of the Commission's commodity divisions served as chairmen of several of the commodity subcommittees established by the interdepartmental commodity advisory committees.

During the year the Commission's Chemicals Division continued to supply the Business and Defense Services Administration of the Department of Commerce (formerly the National Production Authority) with monthly data on production, consumption, and stocks of the most important organic chemicals and plastics materials, and annual data on production and sales of all synthetic organic chemicals. These data were used for allocating chemicals, issuing certificates of necessity, and establishing normal consumption levels. The Ceramics Division also continued to supply the Business and Defense Services Administration with monthly tabulations of invoice analyses of United States imports of mica and graphite.

Work for other Government agencies

Besides collaborating with the Department of State in trade-agreement matters, the Commission during 1955 furnished that Department with a wide range of data on United States tariffs and trade. A member of the Sundries Division served on the Rubber Panel, which is under the chairmanship of the Department of State.

During the year the Commission supplied the Department of Agriculture with considerable information on agricultural, chemical, and forest products, and exchanged information in connection with investigations that the Commission was conducting under section 22 of the Agricultural Adjustment Act, as amended. During the year the Commission also assisted the interdepartmental sugar committee, which studied the operation of the United States sugar act, United States participation in the International Sugar Agreement, and other matters relating to sugar. A member of the Commission's Agricul-

tural Division served during the year as a member of the interdepartmental sugar committee.

During 1955 the Commission assisted several divisions of the Department of Commerce: The National Bureau of Standards, the Bureau of the Census, and the Bureau of Foreign Commerce (besides the Business and Defense Services Administration, which has been previously mentioned). The Commission's Ceramics Division and several other commodity divisions assisted the National Bureau of Standards and the Bureau of the Census in the analysis of "basket" classifications of import statistics, and in matters concerning the proper coding and classification of imported articles for statistical purposes. The Agricultural, Ceramics, and Chemicals Divisions supplied the Bureau of Foreign Commerce with market and consumption data on certain articles of commerce for which they had unique information. Other agencies that the Commission assisted during the year included the Bureau of Customs and the Internal Revenue Service of the Treasury Department, the Bureau of Mines of the Department of the Interior, the Department of Labor, the Department of Justice, the Board of Governors of the Federal Reserve System, the Federal Trade Commission, the Federal Supply Service of the General Services Administration, and the Legislative Reference Service of the Library of Congress.

Work on classification of imports and exports

Section 484 (e) of the Tariff Act of 1930 provides for a statistical classification of imports, and authorizes the Department of Commerce, the Tariff Commission, and the Treasury Department to direct its preparation. Under this provision, the representatives of those agencies on the Interdepartmental Advisory Committee on Foreign Trade Commodity Classification prepare, for statistical purposes, an enumeration of articles—in such detail as may in their judgment be necessary—embracing all merchandise imported into the United States.

Many factors—such as changes in description and rates of duty by reason of trade agreements, changes in the character of various products, the appearance of new products, and the need for recording separate statistics for some products previously included in groups of loosely related articles—make advisable the frequent revision of *Schedule A, Statistical Classification of Commodities Imported Into the United States*. In 1955 the Commission continued to assist in the preparation of this statistical classification of commodities and the bulletins that authorize changes after its publication. A member of the Commission's Statistical Division serves on the interdepartmental Committee. During the year members of the Commission's staff also assisted the Bureau of the Census in an exploratory study of the feasibility of consolidating that Bureau's *Schedule A* with the Commission's publication *United States Import Duties*.

During 1955 the Commission also continued to cooperate with the Department of Commerce in preparing revisions of *Schedule B, Sta-*

tistical Classification of Domestic and Foreign Commodities Exported from the United States. The Commission has designated 15 commodity specialists to serve on the various subcommittees concerned with this work. A member of the Statistical Division continued to serve on the interdepartmental Committee in connection with the revisions of *Schedule B*, and acted as liaison between that Committee and the commodity specialists in the Commission in the review of convertibility of the import and export schedules to other coding manuals, such as the *Standard International Trade Classification* and the *Industry Products Code*.

Work for nongovernmental research agencies

During 1955 the Commission also assisted certain nongovernmental research organizations by providing information on trade and tariff matters. For example, three members of the Commission's Ceramics Division served during the year on panels—dealing with strategic and critical materials—which were established by the National Research Council of the National Academy of Sciences to assist the Materials Division of the Emergency Procurement Service. Two members of the Ceramics Division served during the year on committees of the American Society for Testing Materials, a national technical society composed of representatives of industry, the Federal Government, and engineering schools. The assistance given this society related chiefly to nomenclature and classification of ceramic products.

Assistance to Business Concerns and the Public

On specific matters within its field, the Tariff Commission furnishes information in response to many requests from outside the Federal Government. These requests come from industrial and commercial organizations, as well as from individual research workers, lawyers, teachers, editors, students, and other private individuals. Supplying the requested information entails a variety of work, such as preparation of appropriate letters and statistical compilations, and conferences with individuals and representatives of organizations. The Commission maintains no "public relations" staff for dealing with the public.

PART IV. OTHER ACTIVITIES

General Research and Assembling of Basic Data

Prerequisite to the varied activities of the Tariff Commission is the continuing task of assembling, maintaining, coordinating, and analyzing basic economic, technical, and statistical information pertinent to its work. Section 332 of the Tariff Act of 1930 directs the Commission to gather such information and to place it at the disposal of the President, the Senate Committee on Finance, and the House Committee on Ways and Means, "whenever requested." It also directs the Commission to make such investigations and reports as may be requested by the President, by either of the above-mentioned committees, or by either branch of the Congress. Over the years, the Commission's staff has devoted a large part of its time to such work.

Basic information on many thousands of individual commodities is collected by the Commission's various divisions. This basic information includes technical data on the nature of the commodities and their processes of production; on United States production, imports, exports, marketing practices, and prices; on production, imports, exports, and prices for the leading foreign producing and exporting countries; and on the conditions of competition between foreign and domestic products. Such information is obtained primarily through the assembly, collation, and analysis of data obtained from Foreign Service reports, from Government publications, from trade journals, and from individual firms, and through fieldwork by the Commission's technical experts. On commodities involved in special investigations, the Commission also obtains data—through questionnaires and public hearings—on costs, profits, employment, and other pertinent subjects. Another major class of the Commission's basic data has to do with foreign countries—their exports, imports, industries, and resources, their economic, financial, and trade position, and their commercial policies.

The Tariff Commission Library, which contains an outstanding collection of materials on the tariff, on commercial policy, and on international trade, primarily serves the Commission and its technical experts. These materials, however, are also available to other Government agencies and to private organizations and individuals. The library's legislative reference service closely follows congressional legislation that is of interest to the Commission and its staff, and maintains a complete file of pertinent legislative documents.

Fieldwork

Fieldwork by the Commission's commodity and economic experts is essential to the gathering of information for the investigations that the Commission is charged with conducting. A substantial part of the data that the Commission uses in preparing its Summaries of Tariff Information and its other reports is obtained by personal visits of its staff members to manufacturers, importers, and other groups. Through years of experience the Commission has found that neither public hearings nor inquiries by mail can supply it with all the details it needs for making decisions in its investigations, and for verifying information on production, costs, industrial practices, and competitive factors.

In 1955, as in 1954, the Commission found it necessary to devote an exceptionally large amount of time to fieldwork. During 1955 the Commission's experts made field trips in connection with the investigations that the Commission was conducting under the escape-clause provision, under section 336 of the Tariff Act of 1930, and under section 22 of the Agricultural Adjustment Act, as amended. In addition, certain of the Commission's experts visited representative manufacturing and importing firms in their fields of specialization, as required to keep abreast of technical and trade developments. Representatives of the Commission also attended several conferences of trade and technical associations in order to follow developments affecting competition in domestic markets.

Work of the Invoice Analysis Section and the New York Office

With respect to analyses of import invoices and other work carried on by the New York office, the Invoice Analysis Section of the Commission's Technical Service serves as liaison between the Washington office and the New York office, and also between the Commission and other Government agencies. This section coordinates all requests for invoice analyses, for special tabulations connected with the regular work and investigations of the Commission, and for special analyses the Commission makes for other Government agencies. The Invoice Analysis Section also compiles such special tabulations as are required by other Government agencies from the invoice cards it receives from the New York office.

The office that the Commission maintains in the customhouse at the port of New York performs several related functions. It assists with the Commission's investigations in the New York area, in their field aspects, and provides the Commission, through its invoice analyses, with more detailed information on imports of commodities than is available from the regular tabulations of import statistics. Through personal calls and interviews, the New York office also maintains contacts with manufacturers, importers, exporters, customs examiners and appraisers, and others in the New York area. In this way it assists

the Commission's specialists in maintaining up-to-date information.

In its analysis of imports entered through the customs district of New York, the New York office uses the original customhouse documents, to which are attached consular and commercial invoices that have been reviewed and passed upon by the appraisers and examiners. These invoices describe imports in detail as to type, grade, size, quantity, and value, and provide other data not available elsewhere. The New York office also analyzes the statistical copies of import entries through customs districts other than New York. Should the Commission require additional detail for these entries from other districts, the New York office obtains the customhouse documents that are on file at the other ports of entry.

During 1955 the New York office analyzed the data on more than 500 commodity classifications of imports. In addition, the New York office made special analyses for use in the Commission's investigations under section 7 of the Trade Agreements Extension Act of 1951, under sections 332, 336, and 337 of the Tariff Act of 1930, under section 22 of the Agricultural Adjustment Act, as amended, and under Executive Order 10401. It also made, for the defense agencies, several analyses of imports of certain critical and strategic materials, as well as special analyses for the use of other Government agencies.

PART V. ADMINISTRATION AND FINANCES

Membership of the Commission

Edgar B. Brossard, Republican from Utah, was designated by the President as Chairman of the Commission, for the year beginning June 17, 1955.

Joseph E. Talbot, Republican from Connecticut, was designated by the President as Vice Chairman of the Commission, for the year beginning June 17, 1955.

Oscar B. Ryder, Democrat from Virginia, retired on February 28, 1955.

J. Weldon Jones, Democrat from Texas, was nominated by the President as a member of the Commission on March 10, 1955, for the remainder of the 6-year term expiring June 16, 1957. His nomination was confirmed by the Senate on June 14, 1955. Mr. Jones entered on duty June 20, 1955.

The term of Lynn R. Edminster, Democrat from Illinois, expired on June 16, 1955.

On August 12, 1955, the President announced the recess appointment of William E. Dowling, Democrat from Michigan. Mr. Dowling entered on duty August 22, 1955.

The other members of the Commission are Walter R. Schreiber, Republican from Maryland, and Glenn W. Sutton, Democrat from Georgia.

Staff of the Commission

On June 30, 1955, the personnel of the Tariff Commission consisted of 5 Commissioners and 194 staff members. The total of 199 persons consisted of 112 men and 87 women.

The following tabulation shows the size of the Commission's staff on June 30 of the years 1939 to 1955:

<i>Year</i>	<i>Number on staff</i>	<i>Year</i>	<i>Number on staff</i>
1939-----	311	1948-----	223
1940-----	298	1949-----	239
1941-----	297	1950-----	223
1942-----	320	1951-----	211
1943-----	307	1952-----	195
1944-----	305	1953-----	196
1945-----	301	1954-----	192
1946-----	246	1955-----	199
1947-----	235		

On June 30, 1955, the number of persons on the roll of the Commission was but two-thirds of the number employed on June 30, 1945. With such a sharply reduced force and the mounting demands on it, the Commission's staff for many years has had to devote nearly all its time to current projects of the highest priority. It has had little opportunity, therefore, to undertake projects on other subjects that are of great interest to the Congress, the Executive, and the public, and that fall within the scope of its functions, as prescribed by law.

Finances and Appropriations, Fiscal Year 1955

The appropriated funds available to the Tariff Commission during the fiscal year 1955 amounted to \$1,352,483. Reimbursements received amounted to \$25,765. The total funds available to the Commission amounted to \$1,378,248. There was no unobligated balance; all available funds were applied to the cost of the Government employees' pay increase.

Expenditures during the fiscal year 1955 were as follows:

Salaries:	
Commissioners.....	\$94, 187
Employees:	
Departmental.....	1, 158, 871
Field.....	41, 116
Overtime.....	2, 860
Federal Insurance Contributions Act tax.....	417
Federal Employees Government Life Insurance Act contributions	3, 307
Travel expense.....	13, 452
Transportation of things.....	29
Books of reference and publications.....	3, 680
Communication service.....	7, 107
Penalty mail.....	3, 874
Contractual services.....	7, 090
Office supplies and equipment.....	34, 543
Printing and reproduction.....	7, 715
<hr/>	
Total.....	1, 378, 248

The Commission does not own or operate any motor vehicles.

Artificial Organic Chemicals, United States Production and Sales, 1951
(Rept. No. 175, 2d ser.), 1952, 45¢

Artificial Organic Chemicals, United States Production and Sales, 1952
Rept. No. 190, 2d ser.), 1953

Artificial Organic Chemicals, United States Production and Sales, 1953
(Rept. No. 194, 2d ser.), 1954, 55¢

Artificial Organic Chemicals, United States Production and Sales, 1954
(Rept. No. 196, 2d ser.), 1955, 60¢

FACTS FOR INDUSTRY SERIES

and 6-10. Organic Chemicals and Plastics Materials, 50¢ (annual subscription price)

MISCELLANEOUS SERIES

United States Import Duties (1952), \$3.25 (subscription price)

NOTE.—The report preceded by an asterisk (*) is out of print. The other reports listed may be purchased from the Superintendent of Documents, U. S. Government Printing Office, Washington 25, D. C. See inside front cover for other available reports. All U. S. Tariff Commission reports reproduced by the U. S. Government Printing Office may also be consulted in the official depository libraries throughout the United States.