

BACKGROUND MATERIAL ON  
QUOTA LEGISLATION INTRODUCED IN  
THE UNITED STATES SENATE

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COMMITTEE ON FINANCE  
UNITED STATES SENATE  
RUSSELL B. LONG, *Chairman*



OCTOBER 18, 1967

Printed for the use of the Committee on Finance

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U.S. GOVERNMENT PRINTING OFFICE

WASHINGTON : 1967

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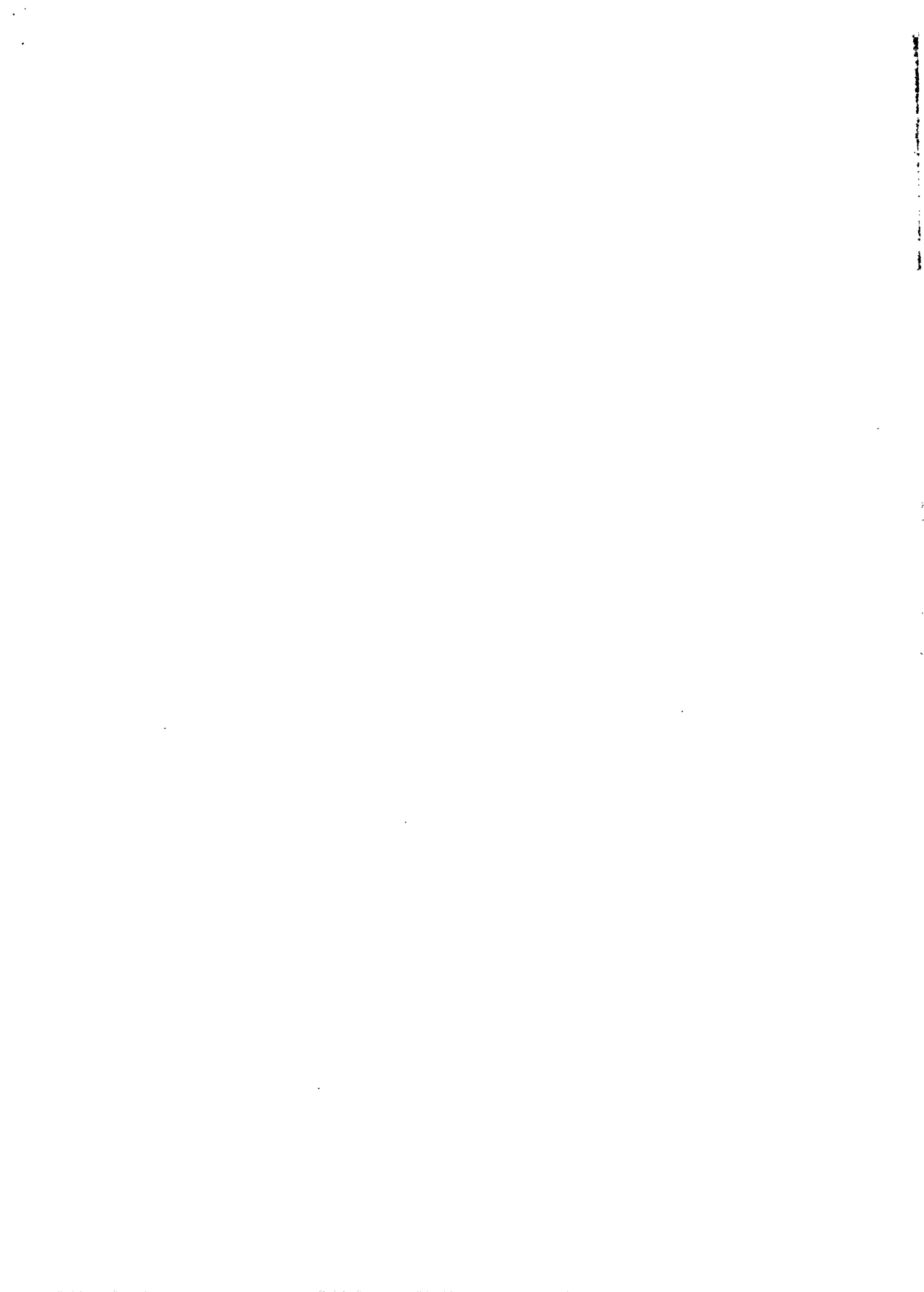
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## INTRODUCTION

The material that follows provides a summary of the nature and purpose of most of the major quota legislation introduced in the Senate during the first session of the 90th Congress. In addition, background material is provided on tariff treatment and trends in imports, exports, domestic production and consumption for the commodity with which the various bills refer. S. 2539 relating to electronic equipment and S. 2540 relating to footwear were introduced too late for the staff to analyze and collect the necessary data. However, the bills are reproduced in this material for the information of the committee. In the preparation of this document and the data included in it, the committee staff requested and was given by the U.S. Tariff Commission the full cooperation and assistance of its staff.



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# QUOTAS ON PETROLEUM AND PETROLEUM PRODUCTS

90TH CONGRESS  
1st Session

## S. 2332

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### IN THE SENATE OF THE UNITED STATES

August 23, 1967

Mr. LONG of Louisiana (for himself, Mr. ALLOTT, Mr. ANDERSON, Mr. BAYH, Mr. BENNETT, Mr. BUECHER, Mr. BYRD of West Virginia, Mr. CARLSON, Mr. CURTIS, Mr. DOMINICK, Mr. EASTLAND, Mr. ELLENDEE, Mr. FANNIN, Mr. HANSEN, Mr. HARRIS, Mr. HARTKE, Mr. HRUSKA, Mr. MCGEE, Mr. MANAFIELD, Mr. METCALF, Mr. MONBONEY, Mr. MONTOYA, Mr. MORTON, Mr. PEARSON, Mr. RANDOLPH, Mr. STENNIS, Mr. TOWER, Mr. YARBOROUGH, and Mr. YOUNG of North Dakota) introduced the following bill; which was read twice and referred to the Committee on Finance

---

## A BILL

To promote the general welfare, foreign policy, and national security of the United States.

- 1     *Be it enacted by the Senate and House of Representa-*  
2     *tives of the United States of America in Congress assembled,*  
3     That the national security provision (19 U.S.C.A. 1862)  
4     of the Trade Expansion Act of 1962 be amended by adding  
5     the following new subsections:  
6     “(e) Imports of petroleum into districts I-IV shall not  
7     exceed 12.2 per centum of production of crude petroleum and  
8     natural gas liquids in those districts during the most recent

2

1 appropriate period for which United States Bureau of Mines  
2 statistics are available.

3       “(f) Imports of petroleum into district V shall be lim-  
4 ited so as to encourage development of district V production  
5 and use of domestic supplies in that district, but in no event  
6 shall the maximum level of overseas imports, which shall be  
7 subject to allocation, be greater than the amount necessary,  
8 when added to domestic supply available to the district and  
9 to the volume of overland imports into the district which  
10 shall be exempt from allocation, to approximate total district  
11 V demand. Determination of supply-demand relationships  
12 in the district shall be made by the United States Bureau of  
13 Mines for appropriate periods.

14       “(g) Imports of petroleum into districts I-IV and dis-  
15 trict V, other than crude petroleum, shall be progressively  
16 reduced.

17       “(h) As used in this Act:

18       “(1) ‘Petroleum’ shall include crude petroleum and  
19 natural gas liquids, and finished and unfinished products  
20 thereof except residual fuel oil for use as fuel.

21       “(2) ‘Imports’ shall include ‘imports for consumption’  
22 as reported by the United States Bureau of the Census and  
23 shipments (A) from Puerto Rico, the Virgin Islands, and  
24 Guam into the United States, and (B) into any foreign-trade  
25 zone located within the United States.

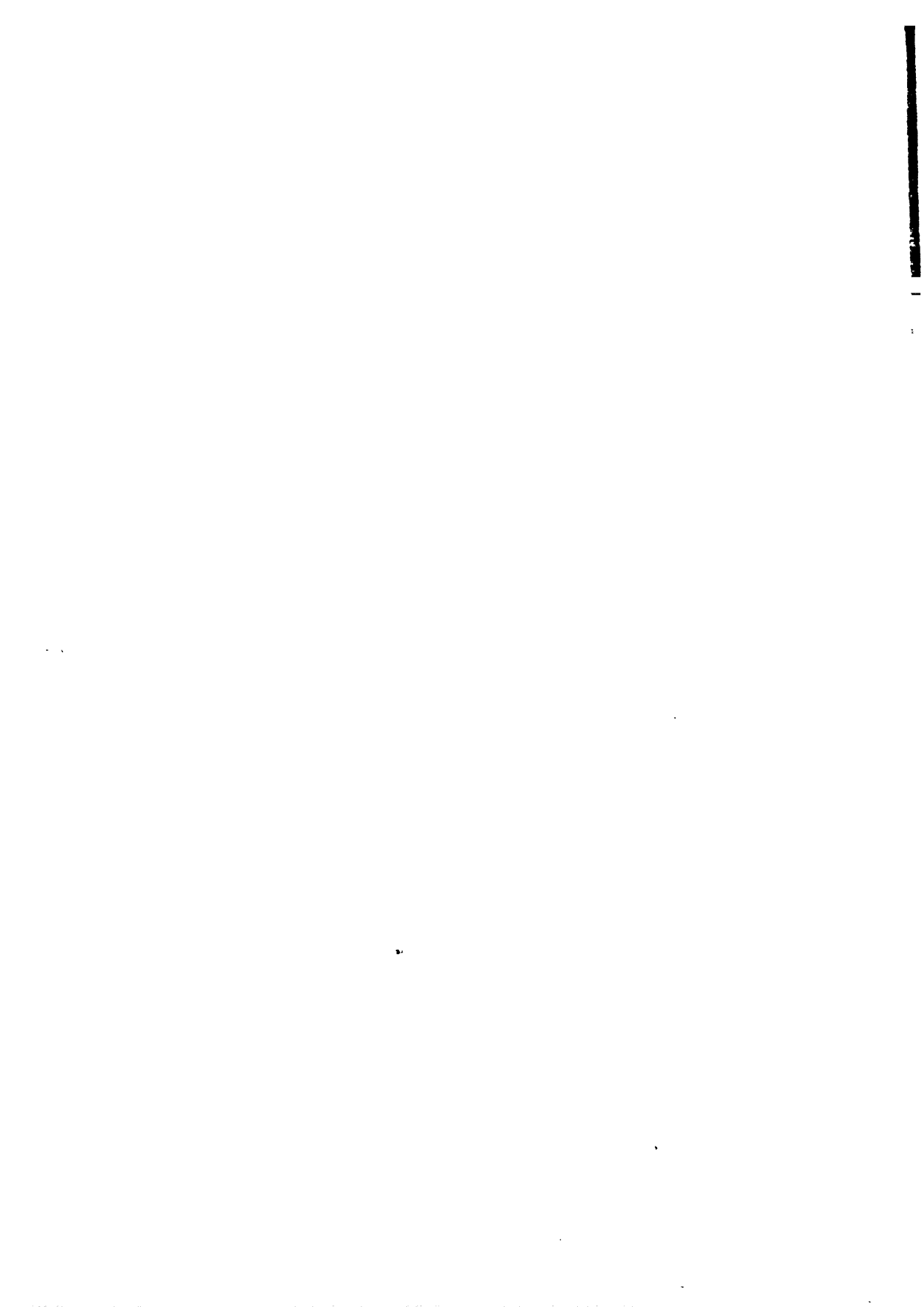


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1       “(3) ‘Districts I-IV’ means the District of Colum-  
2       bia and all the States of the United States except those States  
3       within district V.

4       “(4) ‘District V’ means the States of Arizona, Nevada,  
5       California, Oregon, Washington, Alaska, and Hawaii.”

6       “(i) The President, upon a finding that a national  
7       emergency threatens the adequacy of fuel supplies to meet  
8       national requirements, may modify or suspend the quota  
9       established by subsection (e) for a period not to exceed six  
10      months.



## Quotas on Petroleum and Petroleum Products

(S. 2332)

### *Purpose of the bill*

S. 2332 is designed to enact into statutory law, with certain adjustments, the mandatory import quota restrictions presently applicable to petroleum and certain petroleum products other than residual fuel oil for use as fuel.<sup>1</sup> The present program of quotas is provided for by the President in a series of proclamations<sup>2</sup> issued pursuant to the "national security" authority delegated to him in section 232 of the Trade Expansion Act of 1962, and its predecessor provisions in section 2 of Public Law 464, 83d Congress (1954), as amended.<sup>3</sup> The program is administered by the Secretary of the Interior.

The bill's purpose is the maintenance of a healthy, vigorous domestic industry in the interest of national security. To this end, the bill seeks to change certain existing provisions, and to prevent the adoption of certain pending proposals, which increase or would increase, the volume of imports of petroleum and petroleum products. These actions and proposals relate in particular to—

- (1) Imports for petrochemical feedstocks;
- (2) Imports into foreign trade zones;
- (3) Imports of asphalt, No. 4 fuel oil, and low-sulfur fuel oil;
- (4) The establishment of refineries and petrochemical plants in Puerto Rico, the Virgin Islands, and Guam; and
- (5) Imports from Canada.

With a view to curbing such increases in imports, the bill comprehensively defines the imports which would be included in the mandatory quotas as being comprised of—

- (1) Imports for consumption as officially reported by the U.S. Bureau of the Census;
- (2) Shipments to the United States from Puerto Rico, the Virgin Islands, and Guam; and
- (3) Shipments into any foreign trade zone in the United States.

The bill would also establish mandatory controls to apply to all five of the districts into which the United States has been divided for purposes of the petroleum import program. Imports into districts I-IV (the District of Columbia and all of the States of the United States except Arizona, Nevada, California, Oregon, Washington, Alaska, and Hawaii) would be limited in amount to 12.2 percent of the oil production in those districts. Imports into district V (the States of Arizona, Nevada, California, Oregon, Washington, Alaska, and Hawaii) would be limited so that the maximum level of overseas imports (which would be subject to allocation) would not be greater than the amount necessary, when added to domestic supply available to the district and to the volume of overland imports into the district (which would not be subject to allocation) to approximate district V demands. Imports, except of crude petroleum, into all five districts would be progressively reduced.

The bill would authorize the President, upon a finding that a national emergency threatens the adequacy of fuel supplies to meet national requirements, to modify or suspend the quota which would be established for imports into districts I-IV.

<sup>1</sup> The bill would apply to imports of "crude petroleum and natural gas liquids, and finished and unfinished products thereof except residual fuel oil for use as fuel."

<sup>2</sup> The substantive provisions of proclamation 3279, as modified by proclamations 3290, 3328, 3386, 3389, 3509, 3531, 3541, 3693, 3779, and 3794. Such provisions of proclamation 3279, as modified, are attached.

<sup>3</sup> Section 232, Trade Expansion Act of 1962, and the legislative history thereof, are also attached.

*Tariff treatment*

The rates of duty applicable to petroleum, natural gas, and certain products derived therefrom are set forth in part 10 of schedule 4 of the Tariff Schedules of the United States (TSUS), a copy of which is attached. The rates of duty in column numbered 1 apply to the products of all countries except certain countries designated by the President as being under Communist domination. The rates of duty in column No. 2 apply to such designated Communist countries.

Crude petroleum, topped crude petroleum, and distillate and residual fuel oils derived from petroleum, are provided for in TSUS items 475.05 and 475.10. The rates in column 1 reflect concessions granted in a bilateral trade agreement with Venezuela in 1952. The column 1 rates for the other products in part 10 of schedule 4 reflect concessions granted in the General Agreement on Tariffs and Trade (GATT). Asphaltum from all countries is free of duty under item 521.11 of the TSUS. Paraffin and other petroleum waxes are dutiable under item 494.22 at the rate of 0.5 cent per pound (col. 1) and 1 cent per pound (col. 2). The column 1 rate reflects a concession granted in the GATT. Butadiene, butylene, ethylene, and propylene from all countries are free of duty under item 429.50. Other hydrocarbons (derived from petroleum) are dutiable under item 429.52 at the rate of 10.5 percent ad valorem (col. 1) and 25 percent ad valorem (col. 2). The column 1 rate reflects concessions granted in the GATT.

*Additional information*

Attached are tables 1 and 2, prepared by the Bureau of Mines, setting forth the supply of petroleum districts I-IV and district V for the years 1950-66, and U.S. imports of crude oil by districts and by countries of origin.

Also attached are tables 3-7, showing the quantity and value of imports of petroleum and certain products thereof, prepared by the Bureau of Defense Services Administration on the basis of data published by the Bureau of the Census. These tables have been compiled on a basis as nearly coincident as possible with the structure of the existing import controls. For example, overland receipts of crude oil and petroleum products from Canada and Mexico are exempt from quota control. Therefore, imports from these countries have been stated separately in each of the tables. Also, imports of unfinished oils, which come under the same import control category as crude oil, have been combined with crude oil import figures in table 3.

Licensed imports of all finished petroleum products are controlled according to a single quota category. However, these import statistics have been shown in three tables (tables 5, 6, and 7) because the quantity figures given in the Census data (barrels, long tons, and pounds) are not additive.

Section 2(e) of Presidential Proclamation 3279, as amended, excludes from quota controls certain withdrawals from bonded warehouses. Census data, however, include all withdrawals from bonded storage warehouses for consumption. Consequently, Census data on imports of petroleum and the data used by the Oil Import Administration are not strictly comparable. Also, Census and OIA data are at variance because they draw upon different reporting sources (U.S. customs import declarations in the one case and U.S. oil company reports in the other). The two sets of statistics also differ in cutoff date for recording entry and use somewhat different definitions of products.

Also attached are tables 8 and 9 on shipments of domestic producers, and imports and exports of petrochemical products, respectively, also prepared on the basis of data published by the Bureau of the Census.

TARIFF SCHEDULES OF THE U.S. ANNOTATED (1965)

Schedule 4.—Chemicals and related products

PART 10.—PETROLEUM, NATURAL GAS, AND PRODUCTS DERIVED THEREFROM<sup>1</sup>

BACKGROUND MATERIAL ON QUOTA LEGISLATION

Item	Statistical suffix	Articles	Units of quantity	Rates of duty	
				1	2
		<p>Part 10 headnotes:</p> <p>1. Any product described in this part and also in part 1 of this schedule is classifiable in said part 1, except fuel oils, motor fuel, and lubricating oils and greases, containing by weight not over 25 percent of any product described in said part 1. This part does not cover—</p> <p>(i) paraffin and other petroleum waxes (see part 13B of this schedule), or</p> <p>(ii) petroleum asphalts (see part 1J of schedule 5).</p> <p>2. For the purposes of this part—</p> <p>(a) "Reconstituted crude petroleum" (items 475.05 and 475.10) is a product which is essentially the equivalent of crude petroleum and which is made by adding fuel oil, naphtha, or other petroleum fractions to crude or topped crude petroleum; and</p> <p>(b) "Motor fuel" (item 475.25) is any product derived primarily from petroleum, shale, or natural gas, whether or not containing additives, which is chiefly used as a fuel in internal-combustion or other engines.</p> <p>3. For the purposes of items 475.65 and 475.70 of this part—</p> <p>(a) a product is considered to be in liquid form if—</p> <p>(i) the penetration is more than 350 units (35 millimeters) when tested by the procedure and equipment specified in American Society of Testing Materials (ASTM) Designation: D-5 with the use of a 50-gram load for 1 second at 77°F., or when tested by a procedure which provides equivalent results, and</p> <p>(ii) such product is not in an essentially gaseous state at a temperature of 60° F. and at a pressure of 14.65 pounds per square inch (absolute), regardless of the condition of the product at the time of importation; and</p> <p>(b) in determining the relative weights of components of the mixtures provided for in items 475.65 and 475.70, naphtha and other petroleum derivatives which may be present in such mixtures as solvents shall be disregarded.</p> <p>Part 10 statistical headnote:</p> <p>1. For the purposes of this part the term barrel (bbl.) means a barrel of 42 gallons. Crude petroleum (including reconstituted crude petroleum); topped crude petroleum; crude shale oil; and distillate and residual fuel oils (including blended fuel oils) derived from petroleum, shale, or both, with or without additives:</p>			

<sup>1</sup> See footnotes at end of part 10.

TARIFF SCHEDULES OF THE U.S. ANNOTATED (1965)—Continued  
*Schedule 4.—Chemicals and related products—Continued*  
 PART 10.—PETROLEUM, NATURAL GAS, AND PRODUCTS DERIVED THEREFROM<sup>1</sup>

Item	Statistical suffix	Articles	Units of quantity	Rates of duty	
				1	2
475. 05	10	Testing under 25 degrees A.P.I.-----	Bbl-----	0.125¢ per gal.---	0.5¢ per gal.
		Crude petroleum (including reconstituted crude petroleum) and crude shale oil-----	Bbl-----		
		Other:			
		Having a Saybolt Universal viscosity at 100° F. of less than 145 seconds:	Bbl-----		
		Certified by importer to be further refined-----	Bbl-----		
475. 10	10	Testing 25 degrees A.P.I. or more-----	Bbl-----	0.25¢ per gal.---	0.3¢ per gal.
		Crude petroleum (including reconstituted crude petroleum) and crude shale oil-----	Bbl-----		
		Other:			
		Having a Saybolt Universal viscosity at 100° F. of less than 145 seconds:	Bbl-----		
		Certified by importer to be further refined-----	Bbl-----		
475. 15	10	Natural gas, methane, ethane, propane, butane, and mixtures thereof-----	Bbl-----	Free-----	Free.
		Liquified petroleum gases (propane, butane, and mixtures thereof):			
		Propane-----	Bbl-----		
		Other-----	Bbl-----		
		Natural gas, ethane, methane, and mixtures thereof-----	MCF <sup>2</sup> -----		
475. 25	80	Motor fuel-----	Bbl-----	1.25¢ per gal.---	2.5¢ per gal.
		Gasoline-----	Bbl-----		
		Jet fuel-----	Bbl-----		
		Other-----	Bbl-----		
475. 30	00	Kerosene derived from petroleum, shale oil, or both (except motor fuel)-----	Bbl-----	0.25¢ per gal.---	0.5¢ per gal.
475. 35	80	Naphthas derived from petroleum, shale oil, natural gas, or combinations thereof (except motor fuel).-----	Bbl-----	0.25¢ per gal.---	0.5¢ per gal.
Certified by importer to be further refined-----		Bbl-----			
	40	Other-----	Bbl-----		

475. 40	00	Mineral oil of medicinal grade derived from petroleum, shale oil, or both.....	Gal.....	0.5¢ per gal.....	0.5¢ per gal.
		Lubricating oils and greases, derived from petroleum, shale oil, or both, with or without additives:			
475. 45	00	Oils.....	Bbl.....	2¢ per gal.	4¢ per gal.
		Greases:			
475. 55	00	Containing not over 10 percent by weight of salts of fatty acids of animal (including marine animal) or vegetable origin.....	Lb.....	10% ad val.	20% ad val.
475. 60	00	Other.....	Lb.....	1¢ per lb. + 10% ad val.	2¢ per lb. + 20% ad val.
		Mixtures of hydrocarbons not specially provided for, derived wholly from petroleum, shale oil, natural gas, or combinations thereof, which contain by weight not over 50 percent of any single hydrocarbon compound:			
475. 65	20	In liquid form.....		0.25¢ per gal.	0.5¢ per gal.
	40	<i>Certified by importer to be further refined</i> .....	Bbl.		
		<i>Other</i> .....	Bbl.		
475. 70	00	In other than liquid form.....	Lb.....	Free	Free

<sup>1</sup> Crude petroleum and certain products thereof are subject to import quotas proclaimed pursuant to section 2 of Public Law 464, 83d Cong., as amended (19 U.S.C. 1352a). Proc. 3279, as amended by Procs. 3290, 3328, 3386, 3389, 3509, 3531, 3541, 3693, 3770, and 3794.

<sup>2</sup> Thousand cubic feet.

TABLE 1.—Supply of Petroleum Districts I-IV and District V, 1960-66

[Thousands of barrels daily]

	1950	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
<b>DISTRICTS I-IV</b>													
Production.....	4,930	6,523	6,910	6,968	6,580	7,006	7,061	7,258	7,439	7,714	7,847	8,051	8,533
Crude oil.....	4,509	5,835	6,193	6,239	5,850	6,207	6,199	6,344	6,491	6,688	6,763	6,906	7,313
Natural gas liquids.....	421	688	717	729	730	799	852	914	948	1,026	1,084	1,145	1,220
Receipts from:													
District V.....	74	47	15	9	28	49	41	32	37	40	37	24	26
Puerto Rico.....			3	5	28	38	36	44	40	44	47	47	52
Imports:													
Crude oil.....	487	689	755	763	768	730	739	740	773	790	811	834	859
Unfinished oils.....	21	15	5	3	89	53	30	53	66	67	62	65	74
Residual.....	329	417	443	471	488	598	607	609	675	715	769	905	1,002
(Includes bonded and military offshore).....	( <sup>1</sup> )	(75)	(86)	(125)	(119)	(115)	(170)	(152)	(154)	(156)	(145)	(151)	(135)
Other products.....	13	28	42	65	110	104	85	96	98	107	109	129	130
(Includes bonded bunkers).....	( <sup>1</sup> )	(5)	(7)	(12)	(14)	(16)	(21)	(20)	(23)	(25)	(30)	(38)	(46)
Total imports.....	850	1,149	1,245	1,302	1,464	1,485	1,461	1,498	1,612	1,679	1,751	1,933	2,065
(Includes bonded bunker and military offshore).....	( <sup>1</sup> )	(80)	(93)	(137)	(133)	(131)	(191)	(172)	(177)	(181)	(175)	(189)	(181)
Total supply.....	5,854	7,719	8,173	8,284	8,100	8,578	8,589	8,832	9,128	9,477	9,682	10,055	10,676
<b>DISTRICT V</b>													
Production.....	976	1,056	1,042	1,011	938	927	914	916	914	926	921	963	1,049
Crude oil.....	898	972	958	931	860	847	836	839	841	854	851	898	984
Natural gas liquids.....	78	84	84	80	78	80	78	77	73	72	70	65	65
Receipts from I-IV:													
Crude oil.....	4			1	41	64	63	68	64	68	59	57	51
Refined.....	11	56	60	68	73	88	96	88	110	114	149	163	177



Receipts from Puerto Rico

													9
<b>Imports:</b>													
Crude oil	93	179	260	185	235	276	305	353	341	388	404	367	
Unfinished				3	10	15	16	23	20	27	27	23	
Residual	2	4	6	4		19	44	39	18	26	29	17	
(Includes bonded and military offshore)				(2)		(19)	(40)	(36)	(16)	(23)	(25)	(15)	
Other products	6	10	8	23	12	8	10	15	20	20	28	41	
(Includes bonded)							(1)	(6)	(8)	(9)	(13)	(21)	
<b>Total imports</b>	<b>101</b>	<b>193</b>	<b>274</b>	<b>215</b>	<b>257</b>	<b>318</b>	<b>375</b>	<b>430</b>	<b>399</b>	<b>461</b>	<b>488</b>	<b>448</b>	
(Includes bonded bunker and military offshore)	( <sup>1</sup> )	( <sup>1</sup> )		(2)		(19)	(41)	(42)	(24)	(32)	(38)	(36)	
<b>Total supply</b>	<b>991</b>	<b>1,213</b>	<b>1,295</b>	<b>1,354</b>	<b>1,267</b>	<b>1,336</b>	<b>1,391</b>	<b>1,447</b>	<b>1,518</b>	<b>1,507</b>	<b>1,590</b>	<b>1,671</b>	<b>1,734</b>

<sup>1</sup> Not available.

Source: Bureau of Mines, Division of Petroleum, Sept. 20, 1967.

Note.—Figures in parentheses are not included in the totals.

TABLE 2.—United States crude oil imports by PAD districts—By countries of origin  
(Thousands of barrels daily)

District, country of origin	1947	1950	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
<b>To the United States:</b>														
Canada.....			46	117	151	83	92	113	183	233	248	278	295	347
Mexico.....	15	34	15	13	7	2		3	10	10	10	10	7	
Dutch West Indies.....	14	2	1											
Trinidad.....				2	3			1						
Bolivia.....														4
Brazil.....						1	2		5	3	6			
Colombia.....	30	45	22	25	23	26	34	40	27	24	23	26	42	40
Ecuador.....			1	1	3									
Peru.....			3	2		1								
Venezuela.....	207	293	386	456	531	433	455	472	427	463	478	476	432	404
Algeria.....								1		4	1	6	9	4
Egypt.....								3	5	4	5	3	2	2
Libya.....										19	19	39	41	69
Nigeria.....													15	11
Aba Dhaba.....												3	14	13
Iran.....			9	20	18	15	25	36	60	49	62	66	78	84
Iraq.....			19	26	12	24	21	17	20	2	1		16	26
Kuwait.....		73	134	139	141	186	162	130	121	112	81	63	55	26
Neutral Zone.....			18	8	6	33	41	45	53	43	44	48	27	19
Qatar.....			15	13	6	4	1	4	10	26	16	20	12	1
Saudi Arabia.....	1	40	80	76	57	74	68	77	62	67	79	97	132	125
Sumatra.....			33	36	65	58	55	73	62	67	58	63	61	50
Borneo.....						13	10							
<b>Total, United States..</b>	<b>267</b>	<b>487</b>	<b>782</b>	<b>934</b>	<b>1,023</b>	<b>953</b>	<b>966</b>	<b>1,015</b>	<b>1,045</b>	<b>1,126</b>	<b>1,131</b>	<b>1,198</b>	<b>1,238</b>	<b>1,225</b>
<b>To district I:</b>														
Canada.....									7	12	17	22	27	40
Mexico.....	14	23	5	6	1	1		3	8	10	9	9	7	
Dutch West Indies.....	14	2												
Trinidad.....				1	1									
Brazil.....						1	2		5	3	6			
Colombia.....	30	45	22	24	23	25	32	37	27	23	22	25	39	40
Ecuador.....												3		
Venezuela.....	206	280	365	411	488	385	406	426	387	417	434	427	392	361
Algeria.....								1		4	1	6	9	4
Egypt.....								3	5	4	5		2	2

Libya.....										17	19	39	41	69
Nigeria.....													15	11
Iran.....			8	16	12	8	4	10	18	21	18	15	32	53
Iraq.....			19	26	12	24	21	17	20	2	1		7	21
Kuwait.....		73	132	104	90	117	114	97	96	74	65	43	20	14
Neutral Zone.....			1	1		32	22	27	37	36	31	36	24	19
Qatar.....			10	9	5					4				
Saudi Arabia.....	1	40	75	70	46	58	44	45	39	42	52	65	93	77
Sumatra.....			1			3		1						
<b>Total, district I.....</b>	<b>265</b>	<b>463</b>	<b>638</b>	<b>668</b>	<b>678</b>	<b>654</b>	<b>645</b>	<b>667</b>	<b>649</b>	<b>669</b>	<b>680</b>	<b>690</b>	<b>708</b>	<b>711</b>
<b>To district II:</b>														
Canada.....			15	50	56	59	56	64	85	95	95	103	113	132
Venezuela.....			6	5	5	11	2							
<b>Total, district II.....</b>			<b>21</b>	<b>55</b>	<b>61</b>	<b>70</b>	<b>58</b>	<b>64</b>	<b>85</b>	<b>95</b>	<b>95</b>	<b>103</b>	<b>113</b>	<b>132</b>
<b>To district III:</b>														
Kuwait.....				19	14	29	13							
Neutral Zone.....			14											
Libya.....										1				
Mexico.....	1	11	10	7	6	1			2					
Venezuela.....	1	13	6	6	4	14	15	8	4	6	1	4	4	1
<b>Total, district III.....</b>	<b>2</b>	<b>24</b>	<b>30</b>	<b>32</b>	<b>24</b>	<b>44</b>	<b>28</b>	<b>8</b>	<b>6</b>	<b>7</b>	<b>5</b>	<b>5</b>	<b>13</b>	<b>1</b>
<b>To district IV: Canada.....</b>										<b>2</b>	<b>10</b>	<b>12</b>	<b>13</b>	<b>13</b>
<b>To District V:</b>														
Canada.....			31	67	95	24	36	49	91	124	126	141	142	162
Dutch West Indies.....			1											
Trinidad.....				1	2			1						
Bolivia.....														4
Colombia.....				1		1	2	3		1	1	1	3	
Ecuador.....			1	1	3									
Peru.....			3	2		1								
Venezuela.....			9	34	34	23	32	38	36	40	40	45	40	42
Libya.....										1				
Aba Dhaba.....												3	14	13
Iran.....			1	4	6	7	21	26	42	28	44	51	46	31
Iraq.....													9	5
Kuwait.....			2	16	37	40	35	33	25	39	16	20	35	12
Neutral Zone.....			3	7	6	1	19	18	16	7	13	12	3	
Qatar.....			5	4	1	4	1	4	10	22	16	20	12	1
Saudi Arabia.....			5	6	11	16	24	32	23	24	27	32	39	48

TABLE 2.—United States crude oil imports by PAD districts—By countries of origin—Continued

[Thousands of barrels daily]

District, country of origin	1947	1950	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
To District V—Continued														
Sumatra.....			32	36	65	55	55	72	62	67	58	63	61	50
Borneo.....						13	10							
Total, district V.....			93	179	260	185	235	276	305	353	341	388	404	368

Source: U.S. Bureau of Mines, Division of Petroleum, September 19, 1967.

TABLE 3.—*U.S. imports of crude petroleum topped crude and unfinished oils*

[In millions of barrels and millions of dollars]

Year	Total imports		From Canada and Mexico	
	Quantity	Value	Quantity	Value
1966.....	532.4	1,202.8	137.6	340.2
1965.....	532.0	1,190.7	120.8	296.0
1964.....	511.7	1,149.3	113.8	278.5
1963.....	479.5	1,087.5	103.5	257.0
1962.....	472.4	1,070.4	95.9	235.2
1961.....	438.5	1,005.9	74.4	182.6
1960.....	421.1	951.2	41.7	98.1
1959.....	404.8	931.5	34.3	82.5
1957.....	387.8	986.1	57.0	153.0
1954.....	250.3	561.3	12.7	26.4

Source: U.S. Bureau of the Census reports on imports for consumption.

TABLE 4.—*U.S. imports of residual oil*

[In millions of barrels and millions of dollars]

Year	Total imports		From Canada and Mexico	
	Quantity	Value	Quantity	Value
1966.....	373.2	738.2	8.0	17.0
1965.....	342.3	703.1	7.8	16.9
1964.....	292.1	595.7	8.5	18.0
1963.....	262.1	536.6	7.9	16.6
1962.....	261.5	546.0	9.3	19.9
1961.....	240.1	521.7	6.3	13.9
1960.....	230.4	482.5	5.4	11.4
1959.....	223.4	454.4	13.0	27.7
1957.....	176.0	465.0	11.7	34.1
1954.....	132.3	240.2	9.8	16.4

Source: U.S. Bureau of the Census reports on imports for consumption.

TABLE 5.—*U.S. imports of finished liquid petroleum products*

[In millions of barrels and millions of dollars]

Year	Total imports		From Canada and Mexico	
	Quantity	Value	Quantity	Value
1966.....	58.4	159.3	0.1	15.4
1965.....	54.3	149.0	5.8	9.4
1964.....	43.3	118.1	4.6	9.5
1963.....	49.1	138.0	2.5	6.8
1962.....	45.2	137.7	3.6	10.6
1961.....	31.9	97.8	2.7	8.6
1960.....	30.3	98.6	2.7	9.5
1959.....	38.0	130.2	1.7	5.8
1957.....	23.1	87.0	2.5	10.4
1954.....	5.7	20.2	.1	.6

Source: U.S. Bureau of the Census reports on imports for consumption.

TABLE 6.—U.S. imports of finished nonliquid petroleum products (primarily waxes and greases)

[In millions of pounds and millions of dollars]

Year	Total imports		From Canada and Mexico	
	Quantity	Value	Quantity	Value
1966.....	17.5	3.5	2.2	0.3
1965.....	15.4	3.1	3.7	.3
1964.....	12.5	3.0	.6	.1
1963.....	10.7	2.3	.9	.1
1962.....	27.3	2.4	.4	( <sup>1</sup> )
1961.....	9.5	2.2	.7	.1
1960.....	22.0	1.7	1.7	.1
1959.....	15.3	2.1	5.4	.2
1957.....	3.9	1.0	.1	( <sup>1</sup> )
1954.....	4.4	1.0	1.0	.1

<sup>1</sup> Negligible

Source: U.S. Bureau of the Census reports on imports for consumption.

TABLE 7.—U.S. imports of solid asphalt

[In thousands of long tons and thousands of dollars]

Year	Total imports		From Canada and Mexico	
	Quantity	Value	Quantity	Value
1966.....	1,028.1	13,870.1	33.5	673.7
1965.....	1,049.7	14,810.0	29.7	567.7
1964.....	995.0	14,100.8	24.3	465.3
1963.....	819.9	11,861.8	12.3	263.3
1962.....	719.1	10,112.0	1.7	46.7
1961.....	837.8	11,551.0		
1960.....	774.7	10,492.2	.1	1.4
1959.....	1,028.8	12,772.4	( <sup>1</sup> )	.5
1957.....	704.6	9,896.7	( <sup>1</sup> )	.3
1954.....	553.3	6,353.0	( <sup>1</sup> )	1.0

<sup>1</sup> Negligible.

Source: U.S. Bureau of the Census reports on imports for consumption.

TABLE 8.—U.S. shipments of petrochemical products, 1954, 1957, 1962-65<sup>1</sup>

[In thousands of dollars]

SIC and product	1954	1957	1962	1963	1964	1965
28150 Intermediates, dyes, crudes.....	778,738	1,003,815	1,152,540	1,195,214	1,277,036	1,417,415
28180 Organic chemicals, not elsewhere classified.....	2,082,231	3,024,882	3,680,009	4,183,750	4,457,094	5,017,810
28210 Plastics materials.....	1,463,460	2,109,271	2,698,397	2,780,036	3,000,109	3,477,575
28220 Synthetic rubber.....	392,194	675,153	822,642	862,276	919,883	958,203
28240 Manmade fibers, noncellulosic.....	561,612	792,527	1,172,924	1,368,616	1,573,193	1,812,536
28950 Carbon black (channel and furnace).....	91,375	127,979	146,766	149,392	158,904	163,754
29115 Liquefied petroleum gases <sup>2</sup> .....	394,826	588,238	751,159	957,020	1,011,604	1,158,006

<sup>1</sup> Petrochemical products as defined by Department of Commerce for purpose of its survey, press release July 14, 1967, G 67-153.<sup>2</sup> Include ethane, propane, propene, butene, butane, propane-butane mixtures, pentane, butadiene, and other liquefied hydrocarbon gases. Items included in oil import control regulations are: ethane, propane, butane, ethylene, propylene, and butylene. These fall in 29115, but 29115 includes items other than those under oil import controls.

Source: U.S. Bureau of the Census.

TABLE 9.—U.S. Foreign Trade in Petrochemical Products,<sup>1</sup> 1954, 1957, 1962-66

(In thousands of dollars)

SIC and product	1954		1957		1962	
	Imports	Exports	Imports	Exports	Imports	Exports
28150 Intermediates, dyes, crudes.....	37,123	196,196	64,355	245,440	72,743	252,492
28180 Organic chemicals, n.e.c.....					16,727	26,557
28410 Detergents, synthetic.....					9,411	2,801
28210 Plastics materials.....	537	74,746	7,339	159,185	6,098	239,694
28220 Synthetic rubber.....	9,791	25,376	4,064	122,886	6,688	169,478
28240 Manmade fibers, non-cellulosic.....	( <sup>2</sup> )	( <sup>2</sup> )	1,721	28,401	8,866	21,816
28950 Carbon black (channel and furnace).....	1,282	36,163	1,341	40,467	49	41,801
29115 Liquefied petroleum gases <sup>3</sup> .....	342	12,040	932	13,545	47,017	67,436

SIC and product	1963		1964	
	Imports	Exports	Imports	Exports
28150 Intermediates, dyes, crudes.....	94,680	298,762	126,731	424,615
28180 Organic chemicals, n.e.c.....	17,839	29,563	21,921	33,246
28410 Detergents, synthetic.....	7,611	2,601	10,308	3,168
28210 Plastics materials.....	15,379	250,104	11,381	317,592
28220 Synthetic rubber.....	9,119	155,518	14,541	179,212
28240 Manmade fibers, noncellulosic.....	5,463	19,689	13,158	36,779
28950 Carbon black (channel and furnace).....	215	35,447	235	31,929
29115 Liquefied petroleum gases <sup>4</sup> .....	34,831	65,438	8,727	79,590

SIC and product	1965		1966	
	Imports	Exports	Imports	Exports
28150 Intermediates, dyes, crudes.....	161,381	668,954	220,272	690,535
28180 Organic chemicals, n.e.c.....	26,838	31,427	35,401	34,738
28410 Detergents, synthetic.....	11,306	2,412	11,742	2,821
28210 Plastics materials.....	18,841	340,133	24,067	378,824
28220 Synthetic rubber.....	19,039	161,186	23,649	175,095
28240 Manmade fibers, noncellulosic.....	31,942	33,346	37,667	38,916
28950 Carbon black (channel and furnace).....	37	26,658	61	28,407
29115 Liquefied petroleum bases <sup>5</sup> .....	9,275	24,977	10,988	26,755

<sup>1</sup> Petrochemical products as defined by Department of Commerce for purpose of its survey, press release, July 14, 1967, G 67-153.

<sup>2</sup> Not available—included with celluloses.

<sup>3</sup> Not separately shown.

<sup>4</sup> Includes gas black.

<sup>5</sup> Includes naphtha.

<sup>6</sup> Approximately comparable to the product class defined for 29115 of "Shipments" table.

Source: Compiled by BDSA, U.S. Department of Commerce, from Bureau of Census data and commodity trade statistics, United Nations, 1962-64.

**ADJUSTING IMPORTS OF PETROLEUM AND PETROLEUM PRODUCTS INTO THE UNITED STATES**

Substantive Provisions of Proclamation 3279, as modified by Proclamations 3290, 3328, 3386, 3389, 3509, 3531, 3541, 3693, 3779, and 3794, and by Executive Order 11051.

**SECTION. 1. (a)** In Districts I-IV, in District V, and in Puerto Rico, no crude oil, unfinished oils, or finished products may be entered for consumption or withdrawn from warehouse for consumption, and no foreign crude oil, unfinished oils, or finished products may be brought into a foreign trade zone in Districts I-IV or in District V for processing within the zone, except (1) by or for the account of a person to whom a license has been issued by the Secretary of the Interior pursuant to an allocation made to such person by the Secretary in accordance with regulations issued by the Secretary, and such entries, withdrawals, and shipments into foreign trade zones may be made only in accordance with the terms of such license, or (2) as authorized by the Secretary pursuant to paragraph (b) of this section, or (3) as to finished products, by or for the account of a department, establishment, or agency of the United States, which shall not be required to have such a license but which shall be subject to the provisions of paragraph (c) of this section, or (4) crude oil, unfinished oils, or finished products which are transported into the United States by pipeline, rail, or other means of overland transportation from the country where they were produced, which country, in the case of unfinished oils or finished products, is also the country of production of the crude oil from which they were processed or manufactured. (Procs. 3279, 3290, 3693.)

(b) The Secretary of the Interior may in his discretion, authorize entries without a license of small quantities of crude oil, unfinished oils, or finished products, including samples for testing or analysis, baggage entries, and informal entries. (Procs. 3279, 3290.)

(c) In Districts I-IV, District V, and in Puerto Rico, on and after April 1, 1959, no department, establishment, or agency of the United States shall import finished products in excess of the respective allocations made to them by the Secretary of the Interior. Such allocations shall be within the maximum levels of imports established in section 2 of this proclamation. (Proc. 3279.)

**SEC. 2. (a)(1)** In Districts I-IV, for a particular allocation period the maximum level of imports, subject to allocation, of crude oil, unfinished oils, and finished products (other than residual fuel oil to be used as fuel) shall be an amount equal to the difference between (i) 12.2 percent of the quantity of crude oil and natural gas liquids which the Secretary estimates will be produced in these districts during the particular allocation period and (ii) the quantity of imports of crude oil, unfinished oils, and finished products excepted by clause (4) of paragraph (a) of section 1 which the Secretary estimates will be imported into these districts during that allocation period plus the quantity estimated by the Secretary by which shipments of unfinished oils and finished products (other than residual fuel oil to be used as fuel) from Puerto Rico to Districts I-IV during that allocation period will exceed the quantity so shipped during a comparable base period in the year 1965. As used in this subparagraph (1), the term "natural gas liquids" means natural gas products and other hydrocarbons such as isopentane, propane, and butane, or mixtures thereof, recovered from natural gas by means other than refining. Within such maximum level, imports of unfinished oils shall not exceed such percentage of the permissible imports of crude oil and unfinished oils as the Secretary may determine and imports of finished products (other than residual fuel oil to be used as fuel) shall not exceed the level of imports of such products into these districts during the calendar year 1957. (Procs. 3279, 3386, 3509, 3541, 3693.)

(2) The maximum level of imports of residual fuel oil to be used as fuel into District I, Districts II-IV, and District V for a particular allocation period shall be the level of imports of that product into those districts during the calendar year 1957 as adjusted by the Secretary as he may determine to be consonant with the objectives of this proclamation. (Procs. 3279, 3389, 3794.)

(b) In District V the maximum level of imports of crude oil and finished products shall be an amount which, together with domestic production and supply and imports excepted by clause (4) of paragraph (a) of section 1 of this proclamation, will approximate total demand in that district as estimated



by the Bureau of Mines for periods fixed by the Secretary and, for the purposes of this limitation, imports of unfinished oils shall be considered to be the equivalent of imports of crude oil on the basis of such ratios as the Secretary may establish. Within this maximum level, imports of finished products shall not exceed the level of imports of such products into this district during the calendar year 1957. Imports of unfinished oils as such (without respect to the requirement of equivalence) shall not exceed such per centum of the permissible imports of crude oil as the Secretary may from time to time determine. (Procs. 3279, 3328)

(c) The Secretary, having taken into account the standards prescribed for allocation of imports of crude oil and unfinished oils into Puerto Rico, any actions taken pursuant to section 4, and shipments from Puerto Rico into Districts I-IV, shall establish for each allocation period a maximum level of imports into Puerto Rico of crude oil and unfinished oils which, in his judgment, is consonant with the objectives of this proclamation. The maximum level of imports of finished products into Puerto Rico for a particular allocation period shall be approximately the level of such imports during all or part of the calendar year 1958 as determined by the Secretary to be consonant with the purposes of this proclamation or such higher level as the Secretary may determine is required to meet a demand in Puerto Rico for finished products that would not otherwise be met. (Procs. 3279, 3509, 3693)

(d) The levels established, and the total demand referred to, in this section do not include free withdrawals by persons pursuant to section 309 of the Tariff Act of 1930, as amended (19 U.S.C. 1309), or petroleum supplies for vessels or aircraft operated by the United States between points referred to in said section 309 (as to vessels or aircraft, respectively) or between any point in the United States or its possessions and any point in a foreign country. (Procs. 3279, 3509, 3794)

Sec. 3. (a) The Secretary of the Interior is hereby authorized to issue regulations for the purpose of implementing this proclamation. Such regulations shall be consistent with the levels established in this proclamation for imports of crude oil, unfinished oils, and finished products into Districts I-IV, into District V, and into Puerto Rico, and shall provide for a system of allocation of the authorized imports of such crude oil, unfinished oils and finished products and for the issuance of licenses pursuant to such system, with such restrictions upon the transfer of allocations and licenses as may be deemed appropriate to further the purposes of this proclamation. (Proc. 3279)

(b)(1) With respect to the allocation of imports of crude oil and unfinished oils into District I-IV and into District V, such regulations shall provide, to the extent possible, for a fair and equitable distribution among persons having refinery capacity in these districts in relation to refinery inputs (excluding inputs of crude oil or unfinished oils imported pursuant to clause (4) of paragraph (a) of Section 1). The Secretary may by regulation also provide for the making of such allocations to persons having petrochemical plants in these districts in relations to inputs to such plants (excluding inputs of crude oil or unfinished oils imported pursuant to clause (4) of paragraph (a) of section 1). Provision may be made in the regulations for the making of such allocations on the basis of graduated scales of inputs. Provision shall be made in the regulations for the gradual reduction of allocations made on the basis of the last allocations of imports of crude oil under the Voluntary Oil Import Program, except that provision shall be made for a more rapid reduction of those allocations based on allocations under the Voluntary Oil Import Program which reflected imports of crude oil in the category now covered by clause (4) of paragraph (a) of section 1. (Procs. 3279, 3290, 3509, 3693.)

(2) Such regulations shall provide for the allocation of imports of crude oil and unfinished oils into Puerto Rico among persons having refinery capacity in Puerto Rico in the calendar year 1964 on the basis of estimated requirements, acceptable to the Secretary, of each such person for crude oil and unfinished oils. The regulations shall provide also that if, during a period comprising the same number of months as an allocation period and ending three months before the beginning of the allocation period, any such person ships to Districts I-IV unfinished oils or finished products (other than residual fuel oil to be used as fuel) or sells unfinished oils or finished products (other than residual fuel oil to be used as fuel) which are shipped to Districts I-IV in excess of the volume

of unfinished oils or finished products (other than residual fuel oil to be used as fuel) which he so shipped or which he sold and were so shipped during the corresponding base period in the years 1964 and 1965 or in the year 1965, as the case may be, the person's allocation for the next allocation period shall be reduced by the amount of the excess. In addition the Secretary may provide by regulation for the making, in instances in which the Secretary determines that such action would not impair the accomplishment of the objectives of this proclamation, of allocations of imports of crude oil and unfinished oils into Puerto Rico to persons as feedstocks for facilities which will be established or for the operations of facilities which are established and which in the judgment of the Secretary will promote substantial expansion of employment in Puerto Rico through industrial development, and such regulations shall provide for the imposition of such conditions and restrictions upon such allocations as the Secretary may deem necessary to assure that any imports so allocated are used for the purposes for which an allocation is made and that the holder of such an allocation fulfills commitments made in connection with the making of the allocation. (Procs. 3279, 3290, 3509, 3693.)

(3) Except for crude oil or unfinished oils imported pursuant to special relief granted pursuant to section 4, such regulations shall require that imported crude oil and unfinished oils be processed in the licensee's refinery or petrochemical plant, except that exchanges for domestic crude or unfinished oils may be made if otherwise lawful, if effected on a current basis and reported in advance to the Secretary, and if the domestic crude or unfinished oils are processed in the licensee's refinery or petrochemical plant. (Procs. 3279, 3290, 3509, 3693.)

(4) With respect to the allocation of imports of finished products, other than residual fuel oil to be used as fuel, into Districts I-IV, District V, and Puerto Rico, such regulations shall, to the extent possible, provide (i) for a fair and equitable distribution of imports of such finished products among persons who have been importers of such finished products into the respective districts or Puerto Rico during the respective base periods specified in section 2 of this proclamation, and (ii) for the granting and adjustment of allocations of imports of such finished products in accordance with procedures established pursuant to section 4 of this proclamation. (Procs. 3279, 3328, 3389.)

(5) With respect to the allocation of imports of residual fuel oil to be used as fuel into Districts II-IV, District V, and Puerto Rico, such regulations shall, to the extent possible, provided for a fair and equitable distribution of imports of residual fuel oil to be used as fuel among persons who were importers of that product into the respective districts or Puerto Rico during the respective base periods specified in section 2 of this Proclamation. In addition, in District V, and Puerto Rico, the Secretary by regulation may, to the extent possible, provide for a fair and equitable distribution of imports of residual fuel oil to be used as fuel, the maximum sulfur content of which is acceptable to the Secretary (i) among persons who are in the business in the respective districts or Puerto Rico of selling residual fuel oil to be used as fuel and who have had inputs of that product to deep-water terminals located in the respective districts or Puerto Rico, and (ii) among persons who are in the business in the respective districts or Puerto Rico of selling residual fuel oil to be used as fuel and have throughput agreements (warehouse agreements) with deep-water terminal operators. With respect to the allocation of imports into District I of residual fuel oil to be used as fuel, such regulations shall, to the extent possible, provide for a fair and equitable distribution of imports of residual fuel oil to be used as fuel (i) among persons who are importers of that product into such district during the calendar year 1957, (ii) among persons who are in the business in District I of selling residual fuel oil to be used as fuel and who have had inputs of that product to deep-water terminals located in District I, and (iii) among persons who are in the business in District I of selling residual fuel oil to be used as fuel and have throughput agreements (warehouse agreements) with deep-water terminal operators. With respect to the allocation of imports of residual fuel oil to be used as fuel into District I, Districts II-IV, District V, and Puerto Rico, such regulations shall also provide, to the extent possible, for the granting and adjustment of allocations of imports of residual fuel oil to be used as fuel in accordance with procedures established pursuant to section 4 of this proclamation. (Procs. 3389, 3509, 3794.)

(c) Such regulations may provide for the revocation or suspension by the Secretary of any allocation or license on grounds relating to the national security, or the violation of the terms of this proclamation, or of any regulation or license issued pursuant to this proclamation. (Proc. 3279.)

(d) The Secretary of the Interior shall keep under review the supply-demand situation with respect to asphalt in District I, Districts II-IV, District V, and Puerto Rico, and, as he determines to be consonant with the objectives of this proclamation, he may in his discretion (1) establish, without respect to the levels of imports prescribed in section 2, a maximum level of imports of asphalt for District I, or Districts II-IV, or District V, of Puerto Rico and, notwithstanding the provisions of subparagraph (4) of paragraph (b) of this section 3, establish a special system of allocation of such imports, or (2) permit the entry for consumption or the withdrawal from warehouse for consumption of asphalt in District I, or Districts II-IV, or District V, or Puerto Rico, without allocations or licenses, notwithstanding the provisions of section 1. (Proc. 3779.)

(e) Notwithstanding the levels established in section 2 of this proclamation and the provisions of paragraph (b) of this section, the Secretary may provide by regulation for additional allocations of imports of crude oil and unfinished oils to persons in Districts I-IV and District V who manufacture in the United States residual fuel oil to be used as fuel, the maximum sulphur content of which is acceptable to the Secretary, in consultation with the Secretary of Health, Education and Welfare. These allocations to each of such persons shall not exceed the amount of such residual fuel oil produced by that person. (Proc. 3794.)

SEC. 4. (a) The Secretary of the Interior is authorized to provide for the establishment and operation of an Appeals Board to consider petitions by persons affected by the regulations issued pursuant to Section 3 of this proclamation. The Appeals Board shall be comprised of a representative each from the Departments of the Interior, Defense, and Commerce to be designated respectively by the heads of such Departments. (Procs. 3279, 3531.)

(b) The Appeals Board may be empowered, within the limits of the maximum levels of imports established in section 2 of this proclamation (1) to modify, on the grounds of exceptional hardship or error, any allocation made to any person under such regulations; (2) to grant allocations of crude oil and unfinished oils in special circumstances to persons with importing histories who do not qualify for allocations under such regulations; (3) to grant allocations of finished products on the ground of exceptional hardship to persons who do not qualify for allocations under such regulations; and (4) to review the revocation or suspension of any allocation or license. The Secretary may provide that the Board may take such action on petitions as it deems appropriate and that the decisions by the Appeals Board shall be final. (Procs. 3279, 3328.)

SEC. 5. Persons who apply for allocations of crude oil, unfinished oils, or finished products and persons to whom such allocations have been made shall furnish to the Secretary of the Interior such information and shall make such reports as he may require, by regulation or otherwise, in the discharge of his responsibilities under this proclamation. (Proc. 3279.)

SEC. 6. (a) The Director of the Office of Emergency Planning shall maintain a constant surveillance of imports of petroleum and its primary derivatives in respect of the national security and, after consultation with the Secretaries of State, Defense, Treasury, the Interior, Commerce, and Labor, he shall inform the President of any circumstances which, in the Director's opinion might indicate the need for further Presidential action under section 2 of the act of July 1, 1954, as amended. In the event prices of crude oil or its products or derivatives should be increased after the effective date of this proclamation, such surveillance shall include a determination as to whether such increase or increases are necessary to accomplish the national security objectives of the act of July 1, 1954, as amended, and of this proclamation. (Proc. 3279; E.O. 11051.)

(b) The Special Committee to Investigate Crude Oil Imports is hereby discharged of its responsibilities. (Proc. 3279.)

SEC. 7. The Secretary of the Interior may delegate, and provide for successive redelegation of, the authority conferred upon him by this proclamation. All departments and agencies of the Executive branch of the Government

shall cooperate with and assist the Secretary of the Interior in carrying out the purposes of this proclamation. (Proc. 3279.)

SEC. 8. Executive Order 10761 of March 27, 1958, entitled "Government Purchases of Crude Petroleum and Petroleum Products" (23 F.R. 2067) is hereby revoked as of April 1, 1959. (Proc. 3279.)

SEC. 9. As used in this proclamation:

(a) "Person" includes an individual, a corporation, firm, or other business organization or legal entity, and an agency of a state, territorial, or local government, but does not include a department, establishment, or agency of the United States; (Proc. 3279.)

(b) "District I" means the States of Maine, New Hampshire, Vermont, Massachusetts, Connecticut, Rhode Island, New York, New Jersey, Pennsylvania, Maryland, Delaware, West Virginia, Virginia, North Carolina, South Carolina, Georgia, and Florida, and the District of Columbia. (Proc. 3389.)

(c) "District II-IV" means all of the States of the United States except those States within District I and District V. (Proc. 3389.)

(d) "Districts I-IV" means the District of Columbia and all of the States of the United States except those States within District V (Procs. 3279, 3389);

(e) "District V" means the States of Arizona, Nevada, California, Oregon, Washington, Alaska, and Hawaii (Procs. 3279, 3328, 3389.);

(f) "Crude oil" means crude petroleum as it is produced at the wellhead and liquids (under atmospheric conditions) that have been recovered from mixtures of hydrocarbons which existed in a vaporous phase in a reservoir and that are not natural gas products (Procs. 3279, 3389, 3509.);

(g) "Finished Products" means any one or more of the following petroleum oils, or a mixture or combination of such oils, which are to be used without further processing except blending by mechanical means (Procs. 3279, 3389.):

(1) Liquefied gases—hydrocarbon gases such as ethane, propane, propylene, butylene, and butanes (but not methane) which are recovered from natural gas or produced in the refining of petroleum and which, to be maintained in a liquid state at ambient temperatures, must be kept under greater than atmospheric pressures (Procs. 3279, 3693.);

(2) gasoline—a refined petroleum distillate which, by its composition, is suitable for use as a carburent in internal combustion engines (Proc. 3279.);

(3) jet fuel—a refined petroleum distillate used to fuel jet propulsion engines (Proc. 3279.);

(4) naphtha—a refined petroleum distillate falling within a distillation range overlapping the higher gasoline and the lower kerosenes (Proc. 3279.);

(5) fuel oil—a liquid or liquefiable petroleum product burned for lighting or for the generation of heat or power and derived directly or indirectly from crude oil, such as kerosene, range oil, distillate fuel oils, gas oil, diesel fuel, topped crude oil, residues (Proc. 3279.);

(6) lubricating oil—a refined petroleum distillate or specially treated petroleum residue used to lessen friction between surfaces (Proc. 3279.);

(7) Residual fuel oil—topped crude oil or viscous residuum which has a viscosity of not less than 45 seconds Saybolt universal at 100° F. and crude oil which has a viscosity of not less than 45 seconds Saybolt universal at 100° F. minimum viscosity and which is to be used as fuel without further processing other than by blending by mechanical means (Procs. 3279, 3794);

(8) asphalt—a solid or semi-solid cementitious material which gradually liquefies when heated, in which the predominating constituents are bitumens, and which is obtained in refining crude oil (Proc. 3279.);

(9) 'natural gas products' means liquids (under atmospheric conditions), including natural gasoline, which are recovered by a process of absorption, adsorption, compression, refrigeration, cycling, or a combination of such processes, from mixtures of hydrocarbons that existed in a vaporous phase in a reservoir and which, when recovered and without processing in a refinery, otherwise fall within any of the definitions of products contained in clauses (2) through (5), inclusive, of this paragraph (g) (Proc. 3509).

(h) "Unfinished Oils" means one or more of the petroleum oils listed in paragraph (e) of this section, or a mixture or combination of such oils which are to be further processed other than by blending by mechanical means. (Procs. 3279, 3389).

**SAFEGUARDING NATIONAL SECURITY—SECTION 232, TRADE EXPANSION ACT OF 1962, AND ITS LEGISLATIVE HISTORY**

National security provisions in section 232 of the 1962 Trade Expansion Act read as follows:

**Sec. 232. Safeguarding National Security.**

(a) No action shall be taken pursuant to section 201(a) or pursuant to section 350 of the Tariff Act of 1930 to decrease or eliminate the duty or other import restriction on any article if the President determines that such reduction or elimination would threaten to impair the national security.

(b) Upon request of the head of any department or agency, upon application of an interested party, or upon his own motion, the Director of the Office of Emergency Planning (hereinafter in this section referred to as the "Director") shall immediately make an appropriate investigation, in the course of which he shall seek information and advice from other appropriate departments and agencies, to determine the effects on the national security of imports of the article which is the subject of such request, application, or motion. If, as a result of such investigation, the Director is of the opinion that the said article is being imported into the United States in such quantities or under such circumstances as to threaten to impair the national security, he shall promptly so advise the President, and, unless the President determines that the article is not being imported into the United States in such quantities or under such circumstances as to threaten to impair the national security as set forth in this section, he shall take such action, and for such time, as he deems necessary to adjust the imports of such article and its derivatives so that such imports will not so threaten to impair the national security.

(c) For the purposes of this section, the Director and the President shall, in the light of the requirements of national security and without excluding other relevant factors, give consideration to domestic production needed for projected national defense requirements, the capacity of domestic industries to meet such requirements, existing and anticipated availabilities of the human resources, products, raw materials, and other supplies and services essential to the national defense, the requirements of growth of such industries and such supplies and services including the investment, exploration, and development necessary to assure such growth, and the importation of goods in terms of their quantities, availabilities, character, and use as those affect such industries and the capacity of the United States to meet national security requirements. In the administration of this section, the Director and the President shall further recognize the close relation of the economic welfare of the Nation to our national security, and shall take into consideration the impact of foreign competition on the economic welfare of individual domestic industries; and any substantial unemployment, decrease in revenues of government, loss of skills or investment, or other serious effects resulting from the displacement of any domestic products by excessive imports shall be considered, without excluding other factors, in determining whether such weakening of our internal economy may impair the national security.

(d) A report shall be made and published upon the disposition of each request, application, or motion under subsection (b). The Director shall publish procedural regulations to give effect to the authority conferred on him by subsection (b).

**LEGISLATIVE HISTORY**

Amongst the numerous laws designed to preserve national security through the control of imports and exports is the national security amendment. This became a part of the statutory framework of the trade agreements legislation in 1954.

*1954 legislation*

Section 2 of the Trade Agreements Extension Act of 1954 provided that no action was to be taken "to decrease the duty on any article" if the President found that such reduction "would threaten domestic production needed for

projected national defense requirements".<sup>1</sup> This amendment was added on the Senate floor after the one-page one-section 1954 Trade Extension Act<sup>2</sup> had passed the House and been approved by the Senate Finance Committee without amendment.

The section 2 amendment was proposed by Senator Symington and passed the Senate the following day. In the Congressional Record, the Senator briefly expressed his reasons for offering the amendment:<sup>3</sup>

I plan to offer an amendment, which in effect would require testing tariff decreases against defense requirements.

I believe it should be mandatory for the administration to make certain that no tariff should be reduced, whenever such reduction would threaten continued domestic production necessary to meet our projected defense requirements.

I refer to articles identifiable as necessary for national defense.

In commenting on the favorable amendment, Senator George noted that there would be no objection to the amendment because the President already had the broad power the amendment provided, but such a statement of it would pinpoint it.<sup>4</sup>

The House subsequently modified the Senate security amendment to clarify and improve it.<sup>5</sup> In doing so it insured that an article which is not important for defense, but is a prime part of a defense-essential industry, would be included in the provision. The rewording also insured that the President could exercise discretion in applying the provision.

In the Senate debate, prior to their acceptance of the House modification of the national security amendment, certain ramifications of the new provision were brought out.<sup>6</sup> The wide discretionary power of the President and the fact that an authority other than price could now be the determinator of imports was noted, as was the absence of any definite standards.

During the initial consideration by the House of the 1954 Trade Extension Act, various trade bills were proposed which included national security provisions. One such bill, H.R. 9178, introduced by Representative Van Zandt of Pennsylvania, connected the expansive oil and other products' imports to a need for a national security provision in the legislation.<sup>7</sup>

#### *1955 legislation*

In 1955 the law was amended by adding a new subsection providing procedure for investigation and action by the President in furthering the policy and purpose of the original section. Upon the advice of the Director of the Office of Defense Mobilization that any article was being imported in quantities so as to threaten to impair the national security, the President could investigate and subsequently take action deemed necessary to adjust the imports to a level that would not threaten national security.<sup>8</sup>

This amendment to section 2 of the 1954 Trade Extension Act was made in the Senate Finance Committee. No alterations of the 1954 security amendment

<sup>1</sup> Act of July 1, 1954, ch. 445, sec. 2, 68 Stat. 360:

"Sec. 2. No action shall be taken pursuant to such section 350 to decrease the duty on any article if the President finds that such reduction would threaten domestic production needed for projected national defense requirements."

<sup>2</sup> H.R. 9474; H. Rept. No. 1777, 83d Cong., 2d sess. (1954); S. Rept. No. 1605, 83d Cong., 2d sess. (1954).

<sup>3</sup> 100 Congressional Record 8599 (1954).

<sup>4</sup> 100 Congressional Record 8873 (1954).

<sup>5</sup> 100 Congressional Record 9114-9115 (1954).

<sup>6</sup> 100 Congressional Record 9141 (1954).

<sup>7</sup> 100 Congressional Record A3678 (daily ed. May 19, 1954, appendix, remarks by Representative Van Zandt).

<sup>8</sup> Act of June 21, 1955, ch. 169, sec. 7, 69 Stat. 166. The additional subsection is as follows:

"(b) In order to further the policy and purpose of this section, whenever the Director of the Office of Defense Mobilization has reason to believe that any article is being imported into the United States in such quantities as to threaten to impair the national security, he shall so advise the President, and if the President agrees that there is reason for such belief, the President shall cause an immediate investigation to be made to determine the facts. If, on the basis of such investigation, and the report to him of the findings and recommendations made in connection therewith, the President finds that the article is being imported into the United States in such quantities as to threaten to impair the national security, he shall take such action as he deems necessary to adjust the imports of such article to a level that will not threaten to impair the national security."

were made in the House bill. However, the Report of the Minority of the House Ways and Means Committee on H.R. 1 presents similar views on national security to those expressed by the Senate Finance Committee.<sup>9</sup> These views reflected a fear that American manufacturers and producers of raw materials whose products competed with imports would be discouraged by such imports from maintaining or increasing their output. Particular concern was expressed for the effect on certain products:

Preservation and expansion of domestic sources of essential raw materials are also vital to our Nation's security. Yet, our capacity to produce coal, oil, lead, zinc, tungsten, manganese, and a variety of other raw materials, has been damaged by imports.<sup>10</sup>

Other areas of needed protection that were commented on were: the chemical industry, electrical apparatus, and the machine tool industry. The minority report also noted the lack of standards or procedures to guide the President in implementing section 2 of the 1954 Act, and asserted that inadequate consideration was given to proposed national security amendments.<sup>11</sup>

The Senate Finance Committee report<sup>12</sup> stated that in lieu of specific action on the several proposals dealing with specific commodities the section 7 amendment was proposed for adoption. In doing so it asserted:

The committee believes that this amendment will provide a means for assistance to the various national defense industries which would have been affected by the individual amendments presented.

Of major consideration in adopting this legislation was a report before Congress by the President's Advisory Committee on Energy, Supplies, and Resources Policy, which pointed out the importance of a strong domestic petroleum industry.<sup>13</sup> The serious situation in the lead, zinc, and fluorspar industries was also mentioned and it was noted that Congress could adopt legislation to aid these "essential industries" if protective action was not forthcoming.<sup>14</sup>

In the conference committee report accompanying H.R. 1 the conferees emphasized that the amendment was not intended to diminish or impair the Presidential authority under other laws.<sup>15</sup> It was also noted that the authority granted in this provision was independent of any contained in any other law. Thus, the broad grant of authority conferred upon the President to control imports in the national security interest was duly emphasized.

#### *1957 subcommittee consideration of the legislation*

Subsequent to the enactment of this 1955 amendment, a voluntary restraint was undertaken by the oil importers in June 1956 on the import of their products. This restraint was ineffective and thus the national security provision was invoked to curtail oil imports.<sup>16</sup> A discussion of the usage of this legislation was presented before the Subcommittee on Customs, Tariffs, and Reciprocal Trade Agreements in 1957.<sup>17</sup> There it was stated by the Director of the Office of Defense Mobilization that no procedural rules for investigations and no criteria for governing recommendations had been formulated or were contemplated. He also asserted that formal notice of investigations undertaken was not always given and that no investigation was instituted unless the domestic industry filed a complaint.<sup>18</sup> These acknowledged deficiencies in due process and constitutional delegation of legislative authority became the subject of the 1958 Trade Extension Act national security amendments.

The subcommittee report also noted the possibility that the national security amendment could become a substitute for the escape clause and thus provide an easier vehicle for domestic industries to obtain protection, as well

<sup>9</sup> H.R. Rept. No. 50, 84th Cong., 1st sess. 30-31 (1955).

<sup>10</sup> *Ibid.*

<sup>11</sup> *Ibid.* at 31.

<sup>12</sup> S. Rept. No. 232, 84th Cong., 1st sess. 4 (1955).

<sup>13</sup> *Ibid.*

<sup>14</sup> *Ibid.* at 5.

<sup>15</sup> Conf. Rept. No. 745, 84th Cong., 1st sess., 6-7 (1955).

<sup>16</sup> Presidential Proclamation No. 3279, 24 Fed. Reg. 1781 (Mar. 10, 1959), which has been modified but is still in effect. This is the only case in which affirmative action was taken under the national security provision.

<sup>17</sup> Subcommittee Report on Customs, Tariffs, and Reciprocal Trade Agreements to the Committee on Ways and Means of the House, 100-101 (1957).

<sup>18</sup> *Ibid.* at 101.

as quota limits on competitive imports.<sup>19</sup> In investigations the Director of ODM was not obliged to consider injury from imports, as required under the escape clause.

### 1958 legislation

In considering the 1958 Trade Extension Act,<sup>2</sup> considerable attention was given to the national security provisions in the hearings before the House Ways and Means Committee.<sup>21</sup> Witnesses encouraged amendments to provide for speedier investigations as well as clarified and specific standards. This committee's report stated that the amendments proposed would resolve any inadequacies under the previous legislation. The report clarified one of the problems brought up in the 1957 subcommittee report<sup>22</sup> by asserting that the national security amendment was not an alternative to the escape clause. Rather, its purpose was stated to be different since it provided those best able to judge defense needs with a way to take needed action to avoid a threat to national security through imports. It further noted that whereas serious injury is a primary consideration in escape-clause actions, it may also be a factor in particular national security cases, although a remedy for domestic industry injury is not the object per se in such national security amendment actions.

Other differences between the escape clause and national security procedures were brought out by this report of the Committee on Ways and Means on H.R. 12591.<sup>23</sup> The national security provisions apply to all imports whether or not they are the subject of trade agreement concessions. In the choice of remedies for national security cases, the President was not limited to actions allowed under the authority delegated to him in the trade agreements legislation. However, the report noted he was limited to actions which would adjust imports. In considering any Presidential action in national security cases the committee emphasized:

\* \* \* [T]hat any action, large or small, for a short or long time, can be taken only if warranted by national security considerations. The interest to be safeguarded is the security of the Nation, not the output or profitability of any plant or industry except as these may be essential to national security.

The results of the 1958 House Committee on Ways and Means investigative work into the national security amendment was a complete revocation of the then existing statutory language.<sup>24</sup> The new wording,<sup>25</sup> however, was only intended to provide greater clarity, and the necessary procedural requisites.<sup>26</sup> These amendments, thus, were to:

- (1) Enumerate and expand the list of ways by which a national security investigation can be started.
- (2) Require only an investigation by the Director of ODM and not an additional one by the President upon receiving the Director's report.
- (3) Consider not only the quantities of imports as to their impairment of national security but also circumstances under which goods are entering, including their character and use.
- (4) Specify that the President could take action for as little or as long a period of time as needed.
- (5) Enumerate some factors to consider in arriving at a determination in an investigation.
- (6) Require the Director of ODM to publish procedural regulations and provide for public hearings, when appropriate.
- (7) Require a report to be made and published upon disposition of each case.

<sup>19</sup> *Ibid.* at 102.

<sup>20</sup> Act of Aug. 20, 1958, Public Law 85-686, sec. 8, 72 Stat. 676.

<sup>21</sup> H. Rept. 1761, 85th Cong., 2d sess., 13 (1958).

<sup>22</sup> Subcommittee Report on Customs, Tariffs, and Reciprocal Trade Agreements, *supra*, note 17 at 100-101 (1957).

<sup>23</sup> H. Rept. 1761, 85th Cong., 2d sess., 14 (1958).

<sup>24</sup> *Ibid.* at 41, 42.

<sup>25</sup> The 1958 statutory provision is nearly identical to the 1962 statute, sec. 232, quoted on the first page of the appendix. The only additional section contained in the 1958 act is one requiring a report to Congress in 1959 on the administration of the national security amendment.

<sup>26</sup> H. Rept. 1761, *supra*, note 23 at 14, 15.



(8) Provide for consultation and coordination with other Government agencies when considering cases and in preparing a report to Congress by February 1959 on the administration of the national security amendment.

In the individual and minority views contained in the committee report on H.R. 12591, there is comment that the specific permissible tariff or quota action should be stated in the statute.<sup>27</sup> Representative Frank Ikard's supplemental views emphasize a need for affirmative action for oil imports and the inadequacy of the national security amendment in meeting this. His statement contains a reprint of the affirmative report of the President's Special Committee To Investigate Crude Oil Imports.<sup>28</sup>

The Finance Committee accepted the House provisions for the national security amendment, but amended it for the "express purpose of strengthening and increasing its affect.iveness."<sup>29</sup> The Senate's amendments:

(1) Reversed the language so that unless the President concluded that products were *not* being imported so as to threaten national security he must take action to adjust imports.

(2) Directed the President to administer the provisions so as to consider the effect on the national security of a weakening of the general economy by excessive imports of competitive products.

(3) Provided that adjustments be made in the derivatives of the raw materials or products concerned, as well as the products themselves, when national security is threatened.

In conference the House conferees accepted these Senate amendments to H.R. 12591 with one alteration, which the Senate agreed to. This alteration was the insertion of "substantial" before the enumerated requisites (i.e., unemployment, loss of revenue, etc.) indicative of a "weakened general economy".<sup>30</sup>

#### *1962 legislation*

The next consideration of the national security amendment took place in the 1962 Trade Expansion Act.<sup>31</sup> There the administration bill, H.R. 9900, retained the national security clause, but by generalized language left out several of the procedures, which were subsequently written into the clean bill, H.R. 11970.<sup>32</sup> In the report of the Ways and Means Committee on H.R. 11970 it stated that section 232 (national security amendment) "is identical to, and continues in effect, the provisions of section 2 of the Trade Agreements Act approved July 1, 1954, as amended by section 8 of the Trade Agreements Extension Act of 1958".<sup>33</sup>

The Senate agreement with this view is brought out in the Finance Committee report<sup>34</sup> where it states:

The bill retains the national security provisions of the present act governing the authority of the President to take action to adjust the level of imports when he finds they threaten to impair the national security.

Thus the present national security amendment is essentially the language contained in the 1958 Trade Extension Act provisions. The 1958 statutory revisions were primarily a clarification and an inclusion of the procedural directives and requisites needed to abate any constitutional deficiencies of the previous legislation. While the 1955 statute contained the national security amendment commenced in the 1954 act, the 1955 legislation was the first expansive expression of the intent of the act and of a means for implementing it.

<sup>27</sup> *Ibid.* at 85, 86.

<sup>28</sup> *Ibid.* at 43-54.

<sup>29</sup> S. Rept. 1838, 85th Cong., second sess., 2, 5, 12 (1958).

<sup>30</sup> Conf. Rept. No. 2502, 85th Cong., 2d sess., 3, 7, 8 (1958).

<sup>31</sup> 19 U.S.C. sec. 1801 etc. (1964). The pertinent provision, sec. 1862, was enacted as quoted on the first page of this appendix.

<sup>32</sup> An example is the language providing that hearings and investigative advice be provided by "appropriate agencies" rather than the previous statutory language specifying the "Office of Emergency Planning" for this assistance. (H.R. 9900, sec. 232 [1962]; Summary of Comm. Decisions on H.R. 9900, as of May 23, 1962).

<sup>33</sup> H.R. Rept. No. 1818, 87th Cong., 2d sess., 41 (1962).

<sup>34</sup> S. Rept. No. 2059, 87th Cong., 2d sess., 9, (1962).



# TEXTILE QUOTA<sup>1</sup>

Calendar No. 489

90TH CONGRESS  
1st Session

## H. R. 2155

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IN THE SENATE OF THE UNITED STATES

August 15, 1967

Ordered to lie on the table and to be printed

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### AMENDMENT

Intended to be proposed by Mr. HOLLINGS to H.R. 2155, an Act to amend the Tariff Schedules of the United States with respect to the classification of Chinese gooseberries, viz: On page , line , insert the following:

1 The total quantity of textile articles (whether made of  
2 natural or manmade fibers, or any combination or blends  
3 thereof), including manmade staple fiber, filaments, and fila-  
4 ment yarn, wool tops, and spun yarn, fabric, apparel, house-  
5 hold furnishings, and other finished textile articles of natural  
6 or manmade fibers or combinations or blends thereof, which  
7 may be entered, or withdrawn from warehouse, for con-  
8 sumption during any calendar year shall not exceed the  
9 average annual quantity of such articles entered, or with-  
10 drawn from warehouse, for consumption during the six

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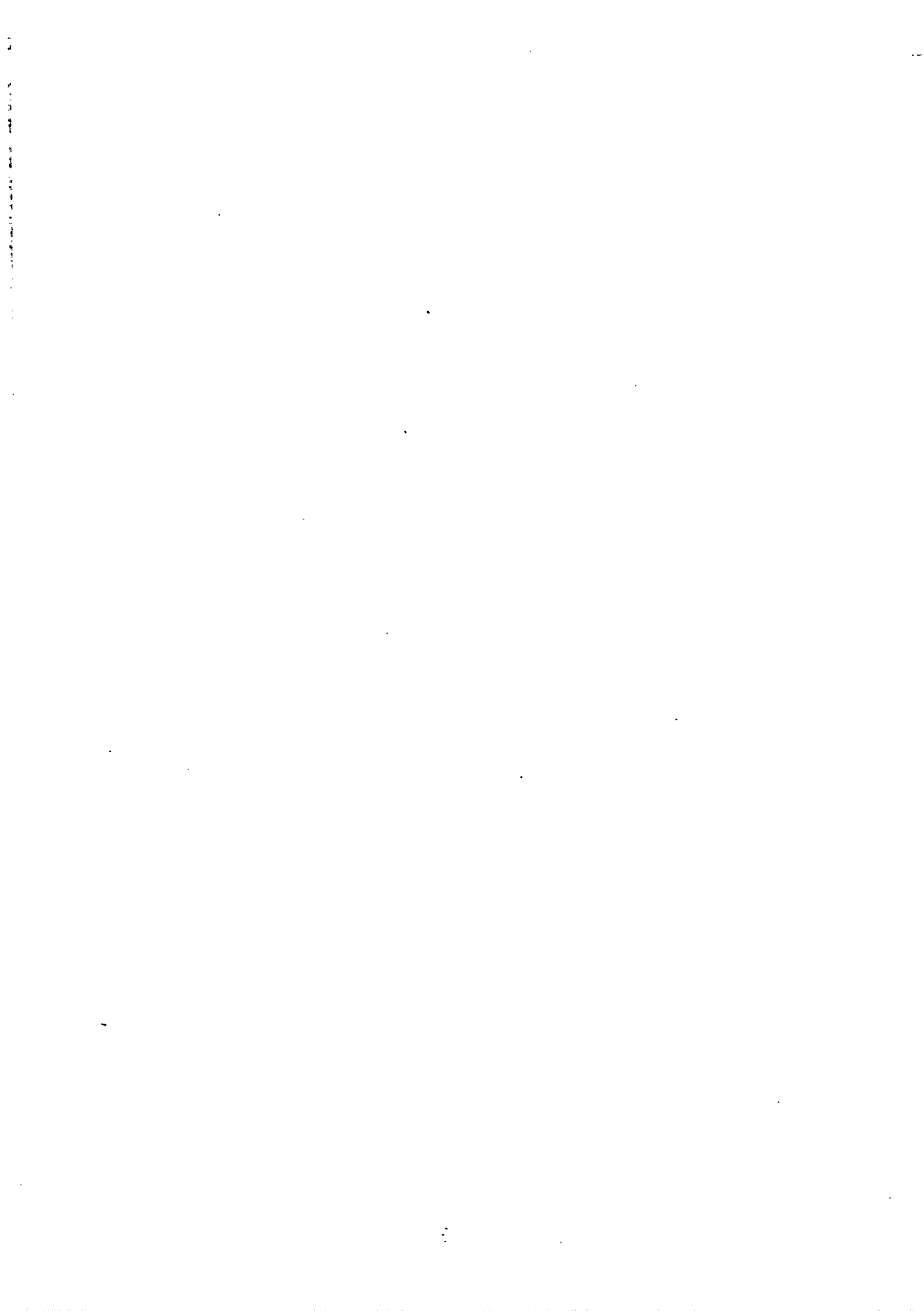
<sup>1</sup> The amendments intended to be proposed by Senator Hollings to H.R. 2155 and H.R. 4765 are identical. They are a modified version of Senator Hollings' bill, S. 1796.

## 2

1 calendar years 1961-1966: *Provided*, That, commencing  
2 with the calendar year beginning January 1, 1968, the total  
3 quantity of textile articles which may be entered or with-  
4 drawn from warehouse, for consumption for each ensuing  
5 calendar year shall be increased or decreased by an amount  
6 proportionate to the increase or decrease (if more than 5  
7 per centum) in the total United States consumption of such  
8 textile articles during the preceding calendar year in com-  
9 parison with the average annual consumption for the six-  
10 year period 1961-1966 as determined by the Secretary of  
11 Commerce: *Provided further*, That the portion of any in-  
12 crease in the quantity of any such textile article which may  
13 be entered, or withdrawn from warehouse, for consumption  
14 during any quarter of the calendar year shall not exceed  
15 the proportionate per centum share which the total quantity  
16 of imports of textile articles accounted for during the like  
17 period of the calendar year ended December 31, 1966. The  
18 quantities of any textile article which may be entered, or  
19 withdrawn from warehouse, for consumption during the  
20 balance of the calendar year in which this Act becomes  
21 effective shall be equal to that proportionate per centum  
22 share of the average annual imports of such article for  
23 the years 1961-1966 which the number of days remaining  
24 in the calendar year bears to the full year. The Secretary  
25 of Commerce shall determine and allocate the allowable

;

1 quantities of textile articles which may be entered, or  
2 withdrawn from warehouse, for consumption among supply-  
3 ing countries by category of product on the basis of the  
4 shares such countries supplied by category of product to  
5 the United States market during a representative period,  
6 except that due account may be given to special factors  
7 which have affected or may affect the trade in any category  
8 of such articles. The Secretary of Commerce shall certify  
9 such allocations to the Secretary of the Treasury. Notwith-  
10 standing the foregoing, in the case of textile articles originat-  
11 ing in any country which has entered, or hereafter enters,  
12 into an agreement with the United States governing the  
13 amount of textile articles which may be imported into the  
14 United States from such country, the President by proclama-  
15 tion may increase, decrease, or otherwise limit the quantity  
16 of textile articles from such country which may be entered,  
17 or withdrawn from warehouse, for consumption in con-  
18 formance with such agreement. All determinations by the  
19 President and the Secretary of Commerce under this section  
20 shall be final. This section shall become effective 180 days  
21 after enactment of this Act.



## Textile Quotas

(H.R. 2155, H.R. 4765—SENATE AMENDMENTS; S. 1796)<sup>1</sup>*Purpose of the amendment(s)*

The amendment intended to be proposed in the Senate to H.R. 2155 and H.R. 4765 (derived from S. 1796) apparently contemplates that each textile "article" or "category," with certain exceptions, would be subject to an import quota.<sup>2</sup> The measure would limit the total quantity of imported textile articles which could be entered in 1968 or any subsequent calendar year to not more than the average annual quantity of such articles entered during the 6 calendar years 1961-66.

For each calendar year beginning with 1969, provision is made for the import quotas on textile articles to be increased or decreased by an amount proportionate to the increase or decrease (if more than 5 percent) in the total U.S. consumption of such textile articles during the preceding calendar year as compared with the average annual consumption for the 6-year period 1961-66. Any increased quota for an article or category would have to be allocated on a quarterly basis during the calendar year in accordance with a ratio based upon the quarterly and the total imports of textile articles in the calendar year 1966.

The Secretary of Commerce would be authorized to determine each of the import quotas and to allocate it among supplying countries on the basis of the shares such countries supplied to the U.S. market during a representative period, taking into account any special factors affecting trade.

The exception from the proposed quotas of textile articles the imports of which into the United States are limited in conformance with an agreement between the United States and the supplying foreign country recognizes the outstanding Arrangement Regarding International Trade in Cotton Textiles (LTA) and is apparently designed to encourage additional similar arrangements for other textile products. An explanation of the LTA is appended at the end of this part.

*Tariff treatment of textile products*

The textile products involved in the proposed amendment are numerous and for the most part are described and subject to the rates of duty set forth in schedule 3 and in certain provisions of part 1 of schedule 7 of the Tariff Schedules of the United States. Virtually all of these products are dutiable at reduced rates of duty reflecting concessions granted by the United States in the General Agreement on Tariffs and Trade (GATT), and additional rate concessions were granted on many of them in the recently concluded Kennedy Round of trade-agreement negotiations. The duty reductions resulting from these latter concessions will be staged over a 4-year period; the first stage will probably become effective January 1, 1968.

*Additional information*

The tables that follow deal with various phases of textile operations, including imports, exports, domestic production, and, where possible, the ratios of imports to domestic consumption.

Table 1 shows the dollar value of imports for consumption of textile fibers and manufactures between 1962 and 1966. During that period the value of all textile imports listed increased from \$1.4 to \$1.9 billion. There were some products, however, which registered sharper import growth than others, and some products in which imports have declined. The largest growth items are manmade fibers, textile yarn, and thread; and woven textile fabrics.

<sup>1</sup> On October 4, 1967, the President requested that the Tariff Commission make an investigation, pursuant to section 332(g) of the Tariff Act of 1930, of the economic condition of the U.S. textile and apparel industries. The Tariff Commission was requested to complete its report by January 15, 1968.

<sup>2</sup> The import quotas would not apply to:

- (a) Unprocessed natural textile fibers such as raw cotton, jute, wool, or silk;
- (b) Any textile article entitled to entry free of duty; and
- (c) Textile articles the imports of which into the United States are limited in conformance with an agreement between the United States and the supplying foreign country.

While the growth of imports of manmade fiber textiles has been sharp, they still are a rather small percentage of domestic consumption; 3 percent in 1966 (see table 2).

Cotton and wool yarn imports (tables 3 and 4) have also increased rapidly (especially cotton yarn in 1966), and reached 7.9 and 6.6 percent, respectively, of domestic consumption in 1966.

Imports of woven fabrics of manmade fibers and wool (tables 5 and 6) show a sharp increase between 1961 and 1966, reaching 4.4 and 11.8 percent of domestic consumption, respectively, in 1966.

Tables 7 and 8 show a rapid increase in imports of knit outerwear of manmade fibers. Other tables are included to round out the import picture.



TABLE 1.—Textile fibers and manufactures of textile fibers: U.S. imports for consumption, 1962-66

Description	Value (in thousands of dollars)				
	1962	1963	1964	1965	1966
Grand total, textile fibers, yarns, fabrics, made-up articles and related products, clothing (except fur clothing), and knit articles.....	1, 427, 175	1, 512, 938	1, 537, 135	1, 765, 028	1, 936, 286
Subtotal, textile fibers (not manufactured into yarn, thread or fabrics) and their waste.....	410, 750	440, 249	403, 844	432, 649	435, 868
Silk.....	27, 174	27, 764	23, 189	21, 229	23, 475
Wool and other animal hair.....	252, 126	275, 802	252, 553	278, 481	276, 942
Cotton.....	36, 959	34, 140	31, 307	26, 734	28, 287
Jute, raw, waste, and processed.....	13, 676	13, 129	10, 319	7, 709	10, 461
Fibers, vegetable, not elsewhere specified.....	42, 520	42, 956	39, 102	27, 332	22, 149
Manmade fibers and their waste, except glass.....	23, 364	31, 879	39, 765	52, 119	63, 085
Waste materials from textile fabrics, including rags.....	14, 931	14, 579	14, 609	19, 045	11, 469
Subtotal, textile yarn, fabrics, made-up articles and related products.....	653, 835	679, 466	683, 156	795, 232	901, 269
Textile yarn and thread.....	58, 373	57, 187	53, 277	65, 480	103, 174
Cotton fabrics, woven, not including narrow or special fabrics.....	111, 227	111, 007	104, 998	133, 667	156, 713
Textile fabrics, woven, not including narrow or special fabrics, other than cotton.....	314, 318	346, 267	348, 511	420, 738	446, 120
Tulle, lace, embroidery, ribbons, trimmings, and other small wares.....	15, 917	16, 520	14, 464	16, 597	19, 008
Special textile fabrics and related products.....	55, 916	66, 595	75, 211	69, 001	68, 009
Made-up articles wholly or chiefly textile materials, not elsewhere specified.....	42, 944	37, 140	32, 323	35, 314	46, 843
Floor coverings, <sup>1</sup> tapestries and articles of vegetable plaiting materials.....	57, 140	44, 741	54, 372	54, 435	61, 402
Subtotal, clothing (except fur); elastic or rubberized knit fabric; knit house furnishings and articles.....	362, 590	393, 223	450, 135	537, 147	599, 149

<sup>1</sup> Includes hard-surface floor coverings.

Source: Compiled from official statistics of the U.S. Department of Commerce.

TABLE 2.—*Man-made fiber textiles: Ratio of imports to apparent domestic consumption,<sup>1</sup> 1961-66*

[Millions of pounds of fiber]

Item	1961	1962	1963	1964	1965	1966
Mill consumption.....	2,060.7	2,418.5	2,787.8	3,174.3	3,624.4	3,997.7
Less exports.....	86.4	90.5	97.1	108.5	136.0	146.9
Consumption of domestic production.....	1,974.3	2,328.0	2,690.7	3,065.8	3,488.4	3,850.8
Plus imports.....	23.5	30.6	36.2	50.0	79.0	117.6
Apparent domestic consumption.....	1,997.8	2,358.6	2,726.9	3,115.8	3,567.4	3,968.4
Ratio of imports to consumption (percent).....	1.2	1.3	1.3	1.6	2.2	3.0

<sup>1</sup> Based on fiber equivalents.  
Source: Textile Organon.

TABLE 3.—*Cotton yarn, for sale: Ratio of imports to apparent domestic consumption, 1961-66*

[1,000 pounds]

Item	1961	1962	1963	1964	1965	1966
Production <sup>1</sup> .....	804,553	845,570	832,825	902,845	977,299	1,049,269
Less exports.....	7,326	6,672	5,492	6,694	6,251	5,736
Consumption of domestic production.....	797,227	838,898	827,333	896,151	971,048	1,043,533
Plus imports.....	13,905	28,453	23,164	16,246	21,434	89,369
Apparent domestic consumption.....	811,132	867,351	850,497	912,397	992,482	1,132,902
Ratio of imports to domestic consumption (percent).....	1.7	3.3	2.7	1.8	2.2	7.9

<sup>1</sup> Including yarn produced on commission.  
Source: Compiled from official statistics of the U.S. Department of Commerce.

TABLE 4.—*Wool yarn, for sale: Ratio of imports to apparent domestic consumption, 1961-66*

[1,000 pounds]

Item	1961	1962	1963	1964	1965	1966
Production <sup>1</sup> .....	162,473	167,583	167,388	159,558	189,160	177,891
Less exports.....	232	221	229	228	185	273
Consumption of domestic production.....	162,241	167,362	167,159	159,330	188,975	177,618
Plus imports <sup>2</sup> .....	5,429	8,892	9,802	7,809	10,890	12,481
Apparent domestic consumption.....	167,670	176,254	176,961	167,139	199,865	190,099
Ratio of imports to domestic consumption (percent).....	3.2	5.0	5.5	4.7	5.4	6.6

<sup>1</sup> Including yarn produced on commission.

<sup>2</sup> Including angora rabbit hair yarn.

Source: Compiled from official statistics of the U.S. Department of Commerce.

TABLE 5.—*Woven fabrics of manmade fibers: U.S. production, imports for consumption, exports of domestic merchandise, and apparent consumption, 1961-66*

(Millions of square yards)

Item	1961	1962	1963	1964	1965	1966
Domestic production <sup>1</sup> .....	3, 239	3, 719	4, 146	4, 798	5, 323	5, 708
Less exports.....	137	137	153	181	147	154
Consumption of domestic production.....	3, 102	3, 582	3, 993	4, 617	5, 176	5, 554
Plus imports.....	40	64	76	87	161	255
Apparent domestic consumption.....	3, 142	3, 646	4, 069	4, 704	5, 337	5, 809
Ratio of imports to apparent consumption (percent).....	1.3	1.3	1.9	1.8	3.0	4.4

<sup>1</sup> Converted from linear yards to square yards by using a factor of 1.38 square yards per linear yard.

Source: Compiled from official statistics of the U.S. Department of Commerce, except as noted.

TABLE 6.—*Woven fabrics of wool: U.S. production, imports for consumption, exports of domestic merchandise, and apparent consumption, 1961-66*

Year	Production <sup>1</sup>	Imports <sup>2</sup>	Exports <sup>3</sup>	Apparent consumption	Ratio of imports to consumption
	1,000 sq. yds.	1,000 sq. yds.	1,000 sq. yds.	1,000 sq. yds.	Percent
1961.....	467, 835	42, 662	661	509, 836	8.4
1962.....	503, 067	50, 210	790	552, 487	9.1
1963.....	457, 478	47, 815	882	504, 411	9.5
1964.....	413, 028	47, 423	970	459, 481	10.3
1965.....	430, 748	62, 309	1, 061	491, 996	12.7
1966.....	418, 464	55, 704	916	473, 252	11.8

<sup>1</sup> Apparel fabrics principally wool, reused wool, or processed wool by weight. Converted from linear yards, as reported by the Bureau of the Census, to square yards assuming a 60-inch width per linear yard (1.67 times linear yards equals square yards).

<sup>2</sup> Fabrics wholly or in chief value of wool. It is estimated that 95 percent or more of these fabrics are apparel fabrics and are principally wool by weight.

<sup>3</sup> Fabrics in chief weight wool and/or fine animal hair.

Source: Compiled from official statistics of the U.S. Department of Commerce.

TABLE 7.—*Knit outerwear<sup>1</sup> of manmade fibers: Ratio of imports to apparent domestic consumption, 1961-66*

(In thousands of pounds)

Item	1961	1962	1963	1964	1965	1966
Domestic production <sup>2</sup> .....	84, 000	87, 000	82, 000	92, 000	105, 000	( <sup>3</sup> )
Less exports.....	1, 515	708	631	558	1, 202	1, 216
Consumption of domestic production.....	82, 485	86, 292	81, 369	91, 442	103, 798	( <sup>3</sup> )
Plus imports.....	668	1, 440	2, 192	4, 381	10, 303	15,893
Apparent domestic consumption.....	83, 153	87, 732	83, 561	95, 823	114, 101	( <sup>3</sup> )
Ratio of imports to consumption (percent).....	.8	1.6	2.6	4.6	9.0	( <sup>3</sup> )

<sup>1</sup> Excludes hosiery, neckties, scarves, mufflers, shawls, headwear and footwear except infants', and gloves.

<sup>2</sup> Partially estimated, based on mill consumption of fibers.

<sup>3</sup> Not available.

<sup>4</sup> Japan accounted for 55 percent; Hong Kong, 14 percent; and Taiwan, 9 percent.

Source: Compiled from official statistics of the U.S. Department of Commerce, except as noted.

TABLE 8.—Selected wearing apparel of manmade fibers: U.S. imports for consumption, 1961-66

Item	1961	1962	1963	1964	1965	1966
	Quantity (thousands of pounds)					
Knit outerwear <sup>1</sup> .....	668	1, 440	2, 192	4, 381	10, 303	<sup>2</sup> 15, 893
	Quantity (thousands of dozens)					
Men's and boys' shirts, not knit.....	( <sup>3</sup> )	119	110	200	452	<sup>4</sup> 1, 497
Blouses, not knit.....	( <sup>3</sup> )	51	58	262	535	<sup>5</sup> 708
Dresses, not knit.....	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	57	75	<sup>6</sup> 163
	Value (thousands of dollars)					
Knit outerwear <sup>1</sup> .....	2, 353	6, 966	10, 162	16, 170	34, 719	53, 858
Men's and boys' shirts, not knit.....	( <sup>3</sup> )	1, 108	1, 117	2, 339	4, 051	16, 014
Blouses, not knit.....	( <sup>3</sup> )	393	574	1, 931	3, 101	4, 474
Dresses, not knit.....	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	2, 314	2, 564	3, 787

<sup>1</sup> Excludes hosiery, neckties, scarves, mufflers, shawls, headwear and footwear except infants', and gloves.

<sup>2</sup> About 55 percent from Japan, 14 percent from Hong Kong, and 9 percent from Taiwan.

<sup>3</sup> Not available.

<sup>4</sup> About 44 percent from Hong Kong and 37 percent from Japan.

<sup>5</sup> About 61 percent from Japan and 23 percent from Hong Kong.

<sup>6</sup> About 58 percent from Japan and 12 percent from Hong Kong.

Source: Compiled from official statistics of the U.S. Department of Commerce.

TABLE 9.—Yarns of continuous manmade fibers and yarns of glass (filament yarns): U.S. production, imports for consumption, exports of domestic merchandise, and apparent consumption, 1961-66

(In millions of pounds)

Item	1961	1962	1963	1964	1965	1966
Domestic production <sup>1</sup> .....	1, 224. 5	1, 475. 2	1, 523. 7	1, 734. 5	1, 945. 5	<sup>2</sup> 2, 111. 5
Less exports.....	83. 0	109. 2	97. 2	115. 1	96. 9	95. 3
Consumption of domestic production.....	1, 141. 5	1, 346. 0	1, 426. 5	1, 619. 4	1, 848. 6	2, 016. 2
Plus imports.....	5. 2	7. 4	6. 5	8. 2	13. 8	15. 0
Apparent domestic consumption.....	1, 146. 7	1, 353. 4	1, 433. 0	1, 627. 6	1, 862. 4	2, 031. 2
Ratio of imports to domestic consumption (percent).....	. 5	. 5	. 5	. 5	. 7	. 7

<sup>1</sup> Partly estimated, based on "Textile Organon" data.

<sup>2</sup> Preliminary.

Source: Compiled from official statistics of the U.S. Department of Commerce, except as noted.

TABLE 10.—*Yarns of noncontinuous manmade fibers (spun yarns): U.S. production for sale, imports for consumption, exports of domestic merchandise and apparent consumption, 1961-66*

[In millions of pounds]

Item	1961	1962	1963	1964	1965	1966
Domestic production <sup>1</sup> .....	230.5	306.5	360.0	418.3	464.1	<sup>2</sup> 509.2
Less exports.....	2.2	2.3	1.9	2.7	2.4	1.4
Consumption of domestic production.....	228.3	304.2	358.1	415.6	461.7	507.8
Plus imports.....	.5	.4	.9	.6	.3	2.1
Apparent domestic consumption.....	228.8	304.6	359.0	416.2	462.0	509.9
Ratio of imports to domestic consumption (percent).....	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )

<sup>1</sup> Includes yarns produced on commission.

<sup>2</sup> Preliminary.

<sup>3</sup> Less than 0.05 percent.

Source: Compiled from official statistics of the U.S. Department of Commerce.

TABLE 11.—*Furnishings of manmade fibers (excluding floor coverings and bedding): U.S. imports for consumption, 1964-66*

Year	Quantity	Value
	<i>1,000 pounds</i>	<i>1,000 dollars</i>
1964.....	548	1,161
1965.....	680	1,666
1966.....	<sup>1</sup> 1,063	<sup>1</sup> 2,303

<sup>1</sup> Three-fourths of 1966 imports were from Japan.

Source: Compiled from official statistics of the U.S. Department of Commerce.

TABLE 12.—*Hosiery of manmade fibers: Ratio of imports to apparent domestic consumption, 1961-66*

[1,000 dozen pairs]

Item	1961	1962	1963	1964	1965	1966
Production <sup>1</sup> .....	94,500	97,500	102,200	113,200	127,900	147,500
Less exports.....	10,038	981	1,120	922	687	777
Consumption of domestic production.....	93,462	96,519	101,080	112,278	127,213	146,723
Plus imports.....	38	144	164	558	558	<sup>2</sup> 652
Apparent domestic consumption.....	93,500	96,663	101,244	112,836	127,771	147,375
Ratio of imports to domestic consumption (percent).....	( <sup>3</sup> )	.1	.2	.5	.4	.4

<sup>1</sup> Partly estimated from statistics compiled by the National Association of Hosiery Manufacturers.

<sup>2</sup> Two-thirds of 1966 imports were from Yugoslavia.

<sup>3</sup> Less than one-tenth of 1 percent.

Source: Compiled from official statistics of the U.S. Department of Commerce, except as noted.

TABLE 13.—Underwear: U.S. imports for consumption, by type, 1964-66

Type	Quantity			Value		
	1964	1965	1966	1964	1965	1966
	Thousand pounds	Thousand pounds	Thousand pounds	Thousand dollars	Thousand dollars	Thousand dollars
Of lace or net and/or ornamented.....	77	182	192	436	815	563
Not of lace or net and not ornamented, total.....	457	621	851	867	1,078	1,204
<b>Knit, of vegetable fibers:</b>						
Valued not over \$4 per pound.....	116	188	165	164	217	214
Valued over \$4 per pound.....	20	20	13	100	121	88
<b>Not knit, of cotton:</b>						
Valued not over 75 cents per separate piece.....	213	301	580	191	309	586
Valued over 75 cents per separate piece.....	5	4	2	22	18	11
Not knit, of vegetable fibers except cotton.....	2	( <sup>1</sup> )	—	1	1	—
<b>Knit, of wool:</b>						
Valued not over \$4 per pound.....	47	45	39	175	170	146
Valued over \$4 per pound.....	( <sup>2</sup> )	( <sup>2</sup> )	—	( <sup>2</sup> )	( <sup>2</sup> )	—
<b>Knit, of silk:</b>						
Valued not over \$4 per pound.....	( <sup>2</sup> )	( <sup>2</sup> )	1	8	11	13
Valued over \$4 per pound.....	( <sup>2</sup> )	( <sup>2</sup> )	—	( <sup>2</sup> )	2	1
<b>Knit, of manmade fibers:</b>						
Valued not over \$4 per pound.....	52	59	45	188	214	122
Valued over \$4 per pound.....	2	2	6	16	12	23
Of textile materials, not elsewhere enumerated.....	—	( <sup>1</sup> )	—	—	( <sup>2</sup> )	—
<b>Total.....</b>	<b>534</b>	<b>803</b>	<b>1,043</b>	<b>1,303</b>	<b>1,893</b>	<b>1,767</b>

<sup>1</sup> Less than 500 lb.<sup>2</sup> Less than \$500.

Source: Compiled from official statistics of the U.S. Department of Commerce.

TABLE 14.—Underwear: U.S. imports for consumption, by principal sources, 1962-66

Country	1962 <sup>1</sup>	1963 <sup>1</sup>	1964	1965	1966
	Quantity (1,000 pounds)				
Republic of the Philippines.....	42	88	68	130	97
Taiwan.....	26	15	29	172	322
Hong Kong.....	31	2	4	38	142
Jamaica.....	( <sup>2</sup> )	22	( <sup>3</sup> )	91	155
Republic of Korea.....			194	137	99
Spain.....	206	64	27	82	89
All other.....	80	174	212	153	139
<b>Total.....</b>	<b>385</b>	<b>365</b>	<b>534</b>	<b>803</b>	<b>1,043</b>
	Value (1,000 dollars)				
Republic of the Philippines.....	199	513	384	664	389
Taiwan.....	23	16	26	130	355
Hong Kong.....	38	4	14	65	211
Jamaica.....	6	28	( <sup>3</sup> )	83	133
Republic of Korea.....			168	146	113
Spain.....	170	53	33	93	110
All other.....	292	562	678	712	456
<b>Total.....</b>	<b>728</b>	<b>1,176</b>	<b>1,303</b>	<b>1,893</b>	<b>1,767</b>

<sup>1</sup> Excludes imports of underwear, not knit, of vegetable fibers except cotton, of wool, and of silk.

<sup>2</sup> Less than 500 pounds.

<sup>3</sup> Less than \$500.

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table 15.—Index of industrial production, 1961-66

(1957-59=100)

Industrial group	1961	1962	1963	1964	1965	1966 <sup>1</sup>
Total industrial production.....	109.7	118.3	124.3	132.3	143.4	156.3
All manufacturers.....	109.6	118.7	124.9	133.1	145.0	158.7
Textile mill products.....	107.1	115.3	116.9	122.9	134.9	142.3
Apparel products.....	112.1	118.9	125.6	134.1	145.1	150.3

<sup>1</sup> Preliminary.

Source: U.S. Federal Reserve System.

## Appendix

### Arrangement Regarding International Trade in Cotton Textiles

**COTTON TEXTILES.**—Section 204 of the Agricultural Act of 1956, as amended, authorizes the President, whenever he determines it to be appropriate, to negotiate with representatives of foreign governments in an effort to obtain agreements limiting the export from such countries and the importation into the United States of any agricultural commodity or product manufactured therefrom or textile or textile product. He is authorized to issue regulations governing the entry or withdrawal from warehouse of any such commodity, product, textiles, or textile products to carry out any such agreement. In addition, if a multilateral agreement exists among countries accounting for a significant part of world trade in the articles concerned, the President may also issue regulations controlling trade in products of countries not parties to the agreement.

Pursuant to this authority imports of cotton manufactures have been subject to restraint since 1962 under the provisions of the Long-Term Arrangement Regarding International Trade in Cotton Textiles (LTA), negotiated under the sponsorship of the General Agreement on Tariffs and Trade (GATT). The LTA is a multilateral agreement among some 30 nations having a substantial interest in international trade in cotton textiles. Prior to the inception of the LTA, Japan had (since 1957) voluntarily controlled its exports to the United States of a wide range of cotton textile items, and Italy had controlled its exports of cotton velveteen to the United States. However, shipments of cotton textiles to the United States were neither comprehensively nor equitably controlled by these early efforts. The overall purpose of the LTA was to guarantee to all textile-producing nations a share of the markets of the major importing nations, including the United States, without disrupting the market for any particular category of products.

An initial short-term arrangement (STA) controlled cotton textile trade from October 1, 1961, through September 30, 1962. The LTA became effective on October 1, 1962, initially for a period of 5 years; it was later extended for 3 additional years. Under the LTA, countries experiencing domestic market disruption resulting from cotton textile imports can control the level of such imports by implementing the provisions of article 3 of the LTA. An importing country can request an exporting country to limit shipments of the cotton textiles which are causing disruption in the requesting country. If the exporting country does not accede to the request within 60 days, the importing country can then impose an import quota on the specified products. A quota cannot be less than the level determined by procedures specified in the agreement; annual increases in the quota (usually 5 percent) are provided for if the restraints remain in force for additional 12-month periods. Exports of participating countries cannot be restrained more severely than exports of nonparticipants.

Article 4 of the LTA permits mutually acceptable bilateral trade agreements which regulate cotton textile trade on terms not inconsistent with the basic objectives of the LTA. During the existence of the LTA, there has been a shift in emphasis away from the use of article 3 restraint actions on the part of the United States and toward an increased use of bilateral trade agreements. For example, in the first 12 months of the LTA (Oct. 1, 1962, through Sept. 30, 1963) the United States invoked the article 3 unilateral restraint provisions 115 times, while only four bilateral agreements involving the United States were in effect. During the second year of the LTA (Oct. 1, 1963, through Sept. 30, 1964), the number of article 3 restraints decreased to 67, while bilateral agreements involving the United States effective at the close of the year increased to 13. Since then there have been an insignificant number of restrictions under the provisions of article 3 while bilateral cotton textile agreements involving the United States had come into effect with 22 governments by mid-1967. (See table 1.) Imports of cotton textiles from all



of these countries accounted for about 90 percent of total imports of such products during 1966.

In the administration of the LTA, imported cotton textiles have been classified under 64 separate categories. Table 2 lists these categories together with the index of the imports for each category during the STA year and each LTA year as compared with the level for fiscal year 1961. Table 3 shows total imports of cotton textile items for calendar years 1958 through 1966. Despite the restraints of the LTA, imports of cotton textiles have increased markedly, from 1.1 billion equivalent square yards during 1960 to 1.8 billion during 1966, an increase of 64 percent. However, total restraint levels are, in most cases, subdivided among all or most of the 64 various categories, thus reducing the tendency of harmful concentration of shipments of similar type articles.

TABLE 1.—Long-term arrangement regarding international trade in cotton textiles (LTA): Status of quantitative limitations on U.S. import trade, as of July 1, 1967

Country of origin	Product categories involved <sup>1</sup> (see table for description)	Current limitations on import trade		Limitation controlled by <sup>2</sup> —	
		12-month period (except as noted) beginning—	Aggregate quantity (million equivalent square yards)		
<b>Controls under authority of article 3 of LTA:</b>					
Brazil.....	1, 2, 3, 4.....	Nov. 30, 1966 <sup>3</sup>	4 55.2	} United States.	
	9.....	Oct. 28, 1966	.6		
	19.....	July 27, 1966	4.9		
	22, 26.....	June 9, 1967	6.9		
	45.....	Aug. 30, 1966	1.7		
	19, <sup>4</sup> 26, <sup>5</sup> 31, 34, 60.....	Dec. 27, 1966	7.7		
	46.....	Feb. 23, 1967	.4		
Malaysia.....	15, 50, 51.....	Mar. 21, 1967	.6	} Do.	
	9, 18.....	Apr. 28, 1967	.8		
	22.....	May 24, 1967	.2		
	<b>Bilateral agreements under authority of article 4 of LTA: <sup>7</sup></b>				
	Colombia.....	All.....	July 1, 1966		<sup>8</sup> 25.2
Greece.....	All.....	Sept. 1, 1966	6.4	Greece and United States.	
Hong Kong.....	All.....	Oct. 1, 1966	338.6	Hong Kong.	
India.....	All.....	Oct. 1, 1966	79.0	India.	
Israel.....	All.....	Oct. 1, 1966	<sup>9</sup> 23.0	Israel.	
Italy.....	All.....	Jan. 1, 1967	1.8	Italy.	
Jamaica.....	All.....	Oct. 1, 1966	21.2	Jamaica.	
Japan.....	All <sup>10</sup> .....	Jan. 1, 1967	342.8	Japan.	
Korea.....	All.....	Jan. 1, 1967	<sup>11</sup> 28.7	Korea and United States.	
Malta.....	All.....	Jan. 1, 1967	12.7	Malta and United States.	
Mexico.....	All.....	May 1, 1967	75.0	Mexico and United States.	
Nansei-Nanpo Islands.....	All.....	July 1, 1967	<sup>12</sup> 12.0	Nansei-Nanpo Islands.	
Pakistan.....	All.....	July 1, 1967	63.8	Pakistan and United States.	
Philippines.....	All.....	Jan. 1, 1967	52.4	Philippines and United States.	
Poland.....	All.....	Mar. 1, 1967	5.0	Poland and United States.	
Portugal.....	All.....	Jan. 1, 1967	102.3	Portugal and United States.	

Republic of China (Taiwan)-----	All-----	Oct. 1, 1966	60.4	Republic of China (Taiwan) and United States.
Singapore-----	All-----	Apr. 1, 1967	31.5	Singapore.
Spain-----	All-----	Jan. 1, 1967	36.4	Spain.
Turkey-----	All-----	July 1, 1967	3.2	Turkey.
United Arab Republic-----	All-----	Oct. 1, 1966	51.0	United Arab Republic.
Yugoslavia-----	All-----	Jan. 1, 1967	16.6	Yugoslavia and United States.

<sup>1</sup> Under the provisions of the LTA, all categories from all countries are subject to limitation whenever market disruption exists; categories listed are those on which limitations were actually in force as of July 1967. In those cases where an aggregate limitation applies to all categories from a country, smaller limitations apply to items within each category.

<sup>2</sup> U.S. Bureau of Customs controls imports in some cases, while foreign governments control exports in others.

<sup>3</sup> Period ends December 15, 1967.

<sup>4</sup> Including an additional 6,000,000 pounds of yarn allowed for this 12-month period only.

<sup>5</sup> Duck only.

<sup>6</sup> Shop towels only.

<sup>7</sup> Many of the bilateral agreements for countries listed superseded numerous restraints under article 3 of the LTA. The aggregate quantities shown for the current year are authorized to be increased by 5 percent in each of the succeeding years during which the agreement is effective.

<sup>8</sup> In addition, Colombia was permitted to export the equivalent of 11,600,000 square yards of specified types of fabric and yarn.

<sup>9</sup> In addition, Israel was permitted to export the equivalent of 5,500,000 square yards of yarn during the 7-month period beginning June 1, 1966.

<sup>10</sup> Not all items in all 64 categories are under restriction.

<sup>11</sup> An amendment to the agreement provided that 1,900,000 square yards of specified items shipped between Jan. 1, 1966, and Apr. 1, 1967, were not to be included in the limitations.

<sup>12</sup> Including an additional 1,000,000 square yards allowed for this 12-month period only.

TABLE 2.—Cotton textile categories used in the long-term arrangements regarding international trade in cotton textiles: Indexes of U.S. imports, July 1, 1960, through Sept. 30, 1966

[July 1, 1960, to June 30, 1961 equal 100]

Category No.	Description	July 1, 1960, through June 30, 1961	Oct. 1, 1961, through Sept. 30, 1962	Oct. 1, 1962, through Sept. 30, 1963	Oct. 1, 1963, through Sept. 30, 1964	Oct. 1, 1964, through Sept. 30, 1965	Oct. 1, 1965, through Sept. 30, 1966
1	Cotton yarn, carded, singles, not ornamented, etc.	100	235.7	208.1	191.8	151.8	600.4
2	Cotton yarn, plied, carded, not ornamented, etc.	100	150.9	206.5	98.5	68.9	731.1
3	Cotton yarn, singles, combed, not ornamented, etc.	100	221.3	109.9	65.0	34.2	806.7
4	Cotton yarn, plied, combed, not ornamented, etc.	100	409.2	202.9	198.6	151.4	1,998.8
5	Ginghams, carded yarn	100	184.3	123.0	103.0	203.1	168.2
6	Ginghams, combed yarn	100	120.7	100.9	73.1	79.5	97.1
7	Velveteens	100	100.5	88.1	107.4	92.9	98.1
8	Corduroy	100	147.3	375.7	472.3	646.7	937.4
9	Sheeting, carded yarn	100	146.3	168.9	131.7	142.0	158.8
10	Sheeting, combed yarn	100	35.4	5.7		10.4	180.8
11	Lawns, carded yarn	100	( <sup>0</sup> )	( <sup>0</sup> )	( <sup>0</sup> )	( <sup>0</sup> )	( <sup>0</sup> )
12	Lawns, combed yarn	100	( <sup>0</sup> )	( <sup>0</sup> )	( <sup>0</sup> )	( <sup>0</sup> )	( <sup>0</sup> )
13	Voiles, carded yarn	100	( <sup>0</sup> )	( <sup>0</sup> )	( <sup>0</sup> )	( <sup>0</sup> )	( <sup>0</sup> )
14	Voiles, combed yarn	100	( <sup>0</sup> )	( <sup>0</sup> )	( <sup>0</sup> )	( <sup>0</sup> )	( <sup>0</sup> )
15	Poplin and broadcloth, carded yarn	100	159.9	88.9	73.3	107.3	246.1
16	Poplin and broadcloth, combed yarn	100	391.6	200.9	226.1	305.5	337.8
17	Typewriter ribbon cloth	100	147.5	121.6	48.6	53.8	56.0
18	Print cloth type shirting, 80 by 80 type, carded yarn	100	189.4	630.7	2,664.8	4,543.2	3,891.4
19	Print cloth type shirting, other than 80 by 80 type, carded yarn	100	2,117.7	6,194.9	6,502.3	18,047.1	20,857.5
20	Shirting, carded yarn	100	781.9	609.0	178.1	189.5	315.6
21	Shirting, combed yarn	100	222.7	178.8	115.9	30.7	31.3
22	Twill and sateen, carded yarn	100	142.0	222.9	195.3	299.3	331.7
23	Twill and sateen, combed yarn	100	160.7	134.1	199.1	222.4	692.7
24	Yarn-dyed fabrics, except ginghams, carded yarn	100	81.2	197.3	136.6	284.1	117.2
25	Yarn-dyed fabrics, except ginghams, combed yarn	100	119.1	124.8	99.1	81.2	118.8
26	Fabrics, n.e.s., carded yarn	100	99.3	124.9	101.1	138.9	191.0
27	Fabrics, n.e.s., combed yarn	100	84.5	54.4	74.4	78.9	217.7
28	Pillowcases, plain, carded yarn	100	280.9	150.6	150.6	254.4	353.5
29	Pillowcases, plain, combed yarn	100	24.3	6.2	29.4	95.2	121.7
30	Dish towels	100	140.8	80.6	90.8	127.3	127.1
31	Towels, other than dish towels	100	201.3	148.6	191.8	228.4	271.9
32	Handkerchiefs	100	105.5	100.5	101.0	87.4	100.9
33	Table damasks and manufactures of	100	92.2	78.2	71.8	83.9	83.7

34	Sheets, carded yarn.....	100	691.7	471.9	590.6	705.2	1,280.7
35	Sheets, combed yarn.....	100	28.0	22.8	40.1	53.7	75.4
36	Bedspreads.....	100	107.3	84.1	85.1	73.7	94.5
37	Braided and woven elastics.....	100	141.3	186.4	167.2	193.0	369.0
38	Fishing nets.....	100	53.9	60.5	32.1	29.2	20.8
39	Gloves and mittens.....	100	87.8	60.5	67.2	48.7	54.2
40	Hose and half hose.....	100	80.1	80.6	37.7	34.4	25.9
41	Men's and boys' all white T shirts, knit or crocheted.....	100	100.6	90.3	126.0	153.7	146.4
42	Other T shirts.....	100	65.7	121.2	118.5	124.0	139.1
43	Knitshirts, other than T shirts and sweatshirts (including infants).....	100	115.4	132.8	106.5	145.2	217.2
44	Sweaters and cardigan.....	100	85.3	88.2	146.0	243.0	234.5
45	Men's and boys' shirts, dress, not knit or crocheted.....	100	147.5	183.6	221.1	246.9	257.9
46	Men's and boys' shirts, sport, not knit or crocheted.....	100	112.2	138.3	138.1	136.8	170.7
47	Men's and boys' shirts, work, not knit or crocheted.....	100	271.3	545.7	584.9	321.8	227.5
48	Raincoats, three-quarter length or over.....	100	188.4	114.7	91.7	126.2	136.7
49	All other coats.....	100	102.2	168.4	183.2	193.0	385.6
50	Men's and boys' trousers, slacks and shorts (outer), not knit or crocheted.....	100	165.9	155.6	140.9	149.3	157.9
51	Women's, misses' and children's trousers, slacks, shorts (outer), not knit or crocheted.....	100	175.0	199.4	184.0	174.2	186.5
52	Blouses, and blouses combined with skirts, trousers, or shorts.....	100	132.1	124.5	136.4	151.1	146.4
53	Women's, misses', children's and infants' dresses (including nurses' and other uniform dresses), not knit or crocheted.....	100	146.7	203.3	230.8	227.6	204.6
54	Playsuits, sunsuits, washsuits, creepers, rompers, etc. (except blouse and shorts; blouse and trousers; or blouse, shorts, and skirt sets).....	100	88.7	54.4	30.0	33.3	360.6
55	Dressing gowns, including bathrobes and beachrobes, lounging gowns, dusters, and housecoats, not knit or crocheted.....	100	86.4	97.1	112.9	152.2	160.6
56	Men's and boys' undershirts, (not T shirts).....	100	132.7	98.6	49.5	105.0	156.3
57	Men's and boys' briefs and undershorts.....	100	185.1	116.4	270.6	438.2	576.0
58	Drawers, shorts and briefs (except men's and boys' briefs), knit or crocheted.....	100	1,169.8	9.8	8.2	6.6	35.9
59	All other underwear, not knit or crocheted.....	100	40.4	192.1	150.3	118.3	104.5
60	Nightwear and pajamas.....	100	113.2	130.2	148.8	160.5	210.9
61	Brassieres and other body supporting garments.....	100	114.6	103.8	108.0	93.5	94.7
62	Other knitted or crocheted clothing.....	100	228.0	202.9	151.2	171.6	435.2
63	Other clothing, not knit or crocheted.....	100	77.9	62.9	118.0	215.6	242.2
64	All other cotton textile items.....	100	119.4	113.8	99.8	124.9	155.4

<sup>1</sup> Statistics included under categories 26 and 27.

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table 3.—Textiles, wholly or in chief value of cotton: U.S. general imports,<sup>1</sup> by country of origin, 1958 through 1966

[In millions of equivalent square yards]

Country of origin	1958	1959	1960	1961	1962	1963	1964	1965	1966
<b>North America:</b>									
Canada.....	0.9	1.1	1.1	2.1	1.6	1.1	2.9	17.2	16.2
Mexico.....	1.8	3.0	3.7	3.8	9.2	5.9	6.7	14.0	152.7
Jamaica.....	.2	.3	5.1	8.8	13.5	16.1	15.7	15.3	16.4
Other.....	.2	.6	.7	.7	1.5	3.0	3.4	1.3	4.2
<b>Total.....</b>	<b>3.1</b>	<b>5.0</b>	<b>10.6</b>	<b>15.4</b>	<b>25.8</b>	<b>26.1</b>	<b>28.7</b>	<b>47.8</b>	<b>189.5</b>
<b>South America:</b>									
Colombia.....	( <sup>2</sup> )			2.8	14.5	8.7	16.1	26.0	34.2
Brazil.....	2.1	1.5	8.6	.4	.1	3.1	5.8	57.7	95.6
Other.....	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	3.5	7.1	( <sup>2</sup> )	1.3
<b>Total.....</b>	<b>2.1</b>	<b>1.5</b>	<b>8.6</b>	<b>3.2</b>	<b>14.6</b>	<b>15.3</b>	<b>29.0</b>	<b>83.7</b>	<b>131.1</b>
<b>Western Europe:</b>									
Norway.....	.1	.1	.1	.1	.2	.1	.1	.1	1.1
Denmark.....	.6	.4	1.0	1.2	1.0	1.0	1.0	1.1	2.5
United Kingdom.....	14.8	18.5	13.5	10.7	11.7	11.0	11.7	13.0	14.5
Netherlands.....	4.2	4.6	6.2	5.1	5.5	5.6	3.8	4.0	12.6
Belgium.....	19.9	23.6	23.8	18.9	25.2	25.9	27.9	34.5	42.6
France.....	3.1	14.7	38.0	22.3	26.8	7.2	5.0	6.2	7.6
West Germany.....	9.4	13.2	14.7	13.2	15.0	16.4	18.4	17.4	32.1
Austria.....	2.5	2.6	2.8	2.4	2.7	2.2	1.6	1.9	1.9
Switzerland.....	6.2	8.6	11.7	8.4	9.1	5.9	5.4	8.5	18.4
Spain.....	1.2	10.1	61.2	14.0	18.7	34.1	19.4	24.0	44.2
Portugal.....	1.1	4.2	65.6	51.5	101.5	62.7	48.2	45.0	112.8
Malta.....	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	.2	1.7	10.8
Italy.....	14.9	17.0	19.6	18.5	19.9	14.1	14.3	13.9	19.0
Yugoslavia.....	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	.6	14.6	16.5	15.3	8.9	13.4
Greece.....	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	4.1	7.4	2.7	2.4	18.9
Other.....	.2	.2	.8	.5	.4	.5	.4	2.9	2.5
<b>Total.....</b>	<b>78.2</b>	<b>117.8</b>	<b>259.0</b>	<b>167.4</b>	<b>256.4</b>	<b>210.6</b>	<b>175.4</b>	<b>185.5</b>	<b>354.9</b>
<b>Asia and Oceania:</b>									
Turkey.....	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )		2.1	.8	( <sup>2</sup> )	( <sup>2</sup> )
Syria.....			.7	( <sup>2</sup> )	( <sup>2</sup> )	.2		( <sup>2</sup> )	( <sup>2</sup> )
Iran.....		( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	.1	.6
Israel.....	.9	1.3	2.1	5.1	12.3	11.7	7.7	6.9	24.8
India.....	3.2	28.1	52.7	11.5	35.5	67.4	46.0	81.7	81.4
Pakistan.....	.4	8.6	16.1	8.0	15.3	36.1	24.0	40.6	58.7
Thailand.....	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	.1	.2
Philippines.....	19.0	24.7	38.3	40.8	44.3	41.0	38.1	36.8	41.4
South Korea.....	4.8	8.3	13.7	5.0	10.8	34.9	33.5	25.5	24.0
Hong Kong.....	67.9	206.3	289.7	183.0	269.4	257.8	264.2	293.8	353.4
Taiwan.....	.2	11.1	23.4	22.9	84.8	35.7	46.7	52.3	61.6
Japan.....	309.0	315.5	273.3	243.0	351.2	304.8	323.6	404.2	412.0
Nansei Nanpo Islands.....	1.4	3.7	9.4	4.4	8.7	14.2	8.7	11.0	9.8
Malaysia.....							1.7	1.6	24.0
Singapore.....								21.5	39.7
Other.....	( <sup>2</sup> )	.1	( <sup>2</sup> )	( <sup>2</sup> )	.6	.1	.2	.3	.7
<b>Total.....</b>	<b>406.8</b>	<b>607.7</b>	<b>719.4</b>	<b>523.7</b>	<b>832.9</b>	<b>806.0</b>	<b>795.2</b>	<b>976.4</b>	<b>1,132.3</b>
<b>Africa:</b>									
Nigeria.....	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )			.3
South Africa.....				.2	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
United Arab Republic.....	.9	2.0	54.9	9.9	31.6	41.7	26.5	17.8	10.7
Other.....	.3	.4	.5	.3	.3	.4	.4	.3	.5
<b>Total.....</b>	<b>1.2</b>	<b>2.4</b>	<b>55.4</b>	<b>10.4</b>	<b>31.9</b>	<b>42.1</b>	<b>26.9</b>	<b>18.1</b>	<b>11.5</b>
<b>Other areas.....</b>	<b>.1</b>	<b>.1</b>	<b>.5</b>	<b>.1</b>	<b>3.1</b>	<b>1.0</b>	<b>2.3</b>	<b>1.2</b>	<b>3.4</b>
<b>Grand total.....</b>	<b>491.5</b>	<b>734.6</b>	<b>1,053.6</b>	<b>720.2</b>	<b>1,164.7</b>	<b>1,101.2</b>	<b>1,057.5</b>	<b>1,312.8</b>	<b>1,822.8</b>

<sup>1</sup> Includes merchandise released from customs custody immediately upon arrival plus merchandise entered into bonded storage warehouses immediately upon arrival.

<sup>2</sup> Less than 50,000 square yards.

Source: Compiled from official statistics of the U.S. Department of Commerce.

## STEEL QUOTAS

90TH CONGRESS  
1ST SESSION

# S. 2537

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### IN THE SENATE OF THE UNITED STATES

OCTOBER 16, 1967

Mr. HARTKE (for himself, Mr. DIRKSEN, Mr. ALLOTT, Mr. BATH, Mr. BENNETT, Mr. BIBLE, Mr. BOGGS, Mr. BREWSTER, Mr. BYRD of West Virginia, Mr. CARLSON, Mr. CLARK, Mr. COTTON, Mr. CURTIS, Mr. DOMINICE, Mr. EASTLAND, Mr. FANNIN, Mr. HANSEN, Mr. HILL, Mr. HOLLINGS, Mr. HRUSKA, Mr. JORDAN of Idaho, Mr. LAUSCHE, Mr. MILLER, Mr. MONTOYA, Mr. MUNDT, Mr. MURPHY, Mr. PROUTY, Mr. RANDOLPH, Mr. RIBICOFF, Mr. SCOTT, Mr. SMITH, Mr. SPARKMAN, Mr. THURMOND, Mr. TOWER, Mr. YOUNG of North Dakota, and Mr. YOUNG of Ohio) introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To provide for orderly trade in iron and steel mill products.

- 1     *Be it enacted by the Senate and House of Representa-*  
2     *tives of the United States of America in Congress assembled,*  
3     That this Act may be cited as the "Iron and Steel Orderly  
4     Trade Act of 1967".

- 5     SEC. 2. The Congress finds that increased imports of pig  
6     iron and steel mill products have adversely affected the  
7     United States balance of payments, contributed substantially  
8     to reduced employment opportunities for United States work-

## 2

1 ers in the domestic iron and steel industry, and captured such  
2 an increasing share of the market for pig iron and steel mill  
3 products in the United States as to threaten the soundness of  
4 the domestic iron and steel industry and therefore the na-  
5 tional security.

6 It is, therefore, declared to be the policy of the Congress  
7 that access to the United States market for foreign-produced  
8 pig iron and steel mill products should be on an equitable  
9 basis to insure orderly trade in pig iron and steel mill  
10 products, alleviate United States balance-of-payments prob-  
11 lems, provide an opportunity for a strong and expanding  
12 United States iron and steel industry, and prevent further  
13 disruption of United States markets and unemployment of  
14 United States iron and steel workers.

15 SEC. 3. As used in this Act—

16 (1) The term "category" means a seven-digit item  
17 number which appears in the Tariff Schedules of the United  
18 States Annotated (1965) published by the United States  
19 Tariff Commission as in effect on the date of enactment of  
20 this Act and which is—

21 (A) within the range beginning with item 608.-  
22 1500 and ending with item 610.5260 (except that an  
23 item within such range which is specified in section 7  
24 shall be included in the term "category" only as pro-  
25 vided in such section 7); or



## 3

1 (B) one of the following item numbers:

607.1500  
607.1800  
642.0200  
642.3500  
642.9000  
642.9100  
642.9600  
642.9700  
646.2500  
646.2620  
646.2640  
690.2500  
690.3000

2 (2) The term "imports" refers to United States imports  
3 in any category or categories within the meaning of para-  
4 graph (1).

5 (3) The term "consumption" means, with respect to  
6 any category or with respect to all categories, the sum of  
7 United States mill shipments plus imports minus United  
8 States exports.

9 (4) The term "year" means calendar year.

10 SEC. 4. The President may, after consultation with all  
11 nations having an interest in supplying pig iron and steel  
12 mill products to the United States, negotiate multilateral or  
13 bilateral agreements establishing, for periods beginning on  
14 or after the date of the enactment of this Act, annual quantita-  
15 tive limitations on United States imports of such products  
16 subject to the following provisions:

17 (1) Total imports for each year shall not exceed an  
18 amount determined by applying to the average annual

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1 consumption during the three years immediately pre-  
2 ceding the year in which the limitation is to be effective  
3 a percentage equal to the percentage of average annual  
4 consumption represented by imports during the years  
5 1964 through 1966, inclusive.

6 (2) The percentage of total imports in any year  
7 represented by imports in a particular category shall  
8 not exceed the percentage of total imports during the  
9 years 1964 through 1965, inclusive, represented by im-  
10 ports in that category.

11 (3) The percentage of total imports in any year  
12 represented by imports from a particular nation shall not  
13 exceed the percentage of total imports during the years  
14 1964 through 1966, inclusive, represented by imports  
15 from that nation.

16 SEC. 5. For periods after the one hundred and eightieth  
17 day after the date of the enactment of this Act, the Presi-  
18 dent shall, within the overall limits set forth in paragraph  
19 (2) of section 4, by proclamation restrict annual imports  
20 from each nation which is at any time on or after such one  
21 hundred and eightieth day not a party to an agreement then  
22 limiting current imports negotiated pursuant to section 4 to  
23 an amount determined by applying the percentage of con-  
24 sumption represented by imports from that nation during  
25 the years 1959 through 1966, inclusive, to the average an-

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1 nual consumption during the three years immediately pre-  
2 ceding the year in which the restriction is to apply.

3 SEC. 6. Within the overall limitations imposed under  
4 section 4, the President may adjust the share of United States  
5 imports in any category which may be supplied by any na-  
6 tion. In making this adjustment the President shall be guided  
7 principally by historical import patterns, but may modify  
8 such patterns to accommodate interests of developing nations  
9 or other changing conditions of international trade.

10 SEC. 7. If imports in any year in any of the following  
11 item numbers appearing in the Tariff Schedules of the United  
12 States Annotated (1965) published by the United States  
13 Tariff Commission as in effect on the date of the enactment  
14 of this Act reach 120 percent of imports in that items num-  
15 ber during the year immediately prior to the year in which  
16 this Act is enacted, then such item number shall be consid-  
17 ered a category under paragraph (1) of section 3, and this  
18 Act shall take effect with respect to such category on the 1st  
19 day of January following the year in which the 120 percent  
20 level was reached:

608.1000	610.8020	642.9300	652.9400
608.2500	610.8040	646.2000	652.9500
608.2700	642.0800	646.2700	652.9600
609.1200	642.1020	646.2800	653.0200
609.1300	642.1040	646.3000	653.0300
609.1500	642.1200	646.4000	680.4000
609.8400	642.1400	646.5400	688.3000
609.8600	642.1620	646.5600	688.3500
609.8800	642.1800	652.9000	688.4000
609.9000	642.8000	652.9200	

## 6

1       SEC. 8. (1) The amount of imports in any category in  
2 either half of any year shall not exceed 60 percent of the total  
3 permissible amount of import in that category for that year.

4       (2) Should any limitation imposed under this Act take  
5 effect on any day other than January 1 of a year, such limi-  
6 tation shall apply pro rata during the remaining portion of  
7 such year.

8       SEC. 9. (1) Import limitations established under this  
9 Act shall be administered by the Secretary of Commerce.  
10 The Secretary may issue such regulations as may be neces-  
11 sary or appropriate to carry out the purposes of this Act.

12       (2) Whenever the Secretary of Commerce determines  
13 it to be necessary to avoid disruption of regional markets,  
14 he shall provide by regulation that the proportionate share  
15 of total imports and imports in any category from any  
16 nation entering through any port of entry in or near such  
17 regional markets shall not exceed the proportionate share  
18 of such imports entering through such port during the ap-  
19 plicable base period. The Secretary shall conduct the review  
20 required to make such a determination at least annually.

21       (3) Upon the expiration of five years after the date of  
22 the enactment of this Act, the Secretary of Commerce shall  
23 submit a report to the Congress as to the effects of the import  
24 limitations established under this Act on (1) the economic  
25 soundness of the iron and steel industry and employment

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1 opportunities in such industry, (2) the general economy,  
2 (3) the United States balance of payments, and (4) the  
3 national security, together with his recommendations as to  
4 whether such import limitations should be continued, modi-  
5 fied, or revoked. Before making such report, the Secretary  
6 shall conduct a hearing at which all interested parties shall  
7 have an opportunity to be heard.



## Steel Quotas

(S. 2537)

### *Purpose of the bill*

S. 2537 would provide for the imposition of quotas on imports of pig iron and so-called steel mill products, and also for separate quotas on imports of certain more advanced steel products. In each case, the import quotas would be (a) imposed by "categories" of products, as defined in terms of the Tariff Schedules of the United States Annotated (TSUSA), (b) established on a calendar year basis, and (c) allocated among supplying foreign countries. The import quotas would presumably be computed on a weight basis. The program would be administered by the Secretary of Commerce.

Under the bill, not more than 60 percent of the annual quota for any category of products could be admitted in either half of the quota year. In addition the Secretary would be empowered to allocate the import quotas by U.S. ports of entry if he determined such action to be necessary to avoid disruption of regional markets.

The provisions of the bill would become permanent legislation but provision would be made for the Secretary of Commerce to submit to the Congress 5 years after enactment a report, based upon public hearings, as to the effect of the import quotas, and recommendations as to whether they should be continued, modified, or revoked.

*Proposed import quotas for pig iron and steel mill products.*— Under the bill, the amounts of the import quotas for pig iron and steel mill products<sup>1</sup> would depend upon the existence or nonexistence of agreements between the United States and the supplying foreign countries. If, during the first 180 days after enactment, agreements are entered into with supplying foreign countries, the total annual aggregate imports of such products from such countries would be limited to not more than 9.6 percent<sup>2</sup> of average annual U.S. consumption for the 3-year period preceding each quota year. Country quotas would be established for each TSUSA product category on the basis of each country's participation in the U.S. market during calendar years 1964-66. On the other hand, the import quotas for the products of any country not a party to such an agreement at any time on and after 180 days following enactment would virtually always be a smaller percentage<sup>3</sup> of average annual U.S. consumption for the 3-year period preceding each quota year.

The President would be authorized to adjust the share of imports for any country to accommodate developing nations or other changing conditions of international trade.

*Proposed import quotas on advanced steel products.*— In connection with imports of certain TSUSA categories of more advanced steel products,<sup>4</sup> the bill

<sup>1</sup> For the purposes of the bill, the steel mill products are those within the TSUSA descriptions for ingots, blooms, billets, slabs, and sheet bars; bars; wire rods; plates, sheets, and strip (except those in nonrectangular shape); wire; angles, shapes, and sections (except those drilled, or otherwise advanced and those cold formed and weighing not more than 0.29 pounds per foot); sheet piling; rails, joint bars, and tie plates; railway wheels and axles; pipes and tubes (except cast iron); barbed wire; certain galvanized woven wire fencing; bale ties made from wire; covered wire (except electrical); and certain nails made from round wire.

<sup>2</sup> The ratio of average annual imports of pig iron and steel mill products during 1964-66 to average annual U.S. consumption during the same period. The ratio, of course, is an average ratio; hence the actual percentage for any product category for any country might be higher or lower than 9.6 percent. U.S. consumption, for the purposes of the bill, would be computed on the basis of domestic mill shipments, plus imports, less exports.

<sup>3</sup> Smaller than would apply under an agreement. The percentage would be the ratio of the average annual imports of such products from such country during the calendar years 1959-66 to average annual U.S. consumption during the same period. Average annual imports during the base period 1959-66 is, almost without exception, considerably less for each category than average annual imports during the base period 1964-66.

<sup>4</sup> The more advanced steel products are those within certain TSUSA descriptions for grit and shot; rough forgings; plates, sheets, and strip in nonrectangular shape; angles, shapes, and sections drilled or otherwise advanced and those cold formed and weighing not more than 0.29 pounds per foot; pipe and tube fittings (except cast iron); wire rope and strand; wire reinforcing fabric; bale ties made from strip; staples in strip form; cut nails; bolts, nuts, and rivets; fabricated structures and parts thereof; fence and sign posts; forged steel grinding balls; electrical conduit and fittings; and certain nonenumerated electrical articles.

would provide for calendar year quotas to be established if and when during any calendar year imports in any product category reach 120 percent of the imports thereof during the calendar year immediately preceding the year of enactment. In such event, the import quota thereafter imposed for each such product category involved would be determined in the same manner as would be the quotas on imports of pig iron and steel mill products.

*Tariff treatment*

Pig iron and steel mill products, on which quotas would be imposed immediately are covered in the Tariff Schedules of the United States by the item numbers listed below together with the current rates of duty applicable to most favored nations (col. 1), rate of duty applicable to products of countries designated by the President to be under Communist domination (col. 2), and the full concession rate of duty negotiated in the recent Kennedy round of tariff negotiations if applicable:



*Rates of duty*

	Column 1	Column 2	Kennedy Round
<b>Pig iron:</b>			
607.15.....	20¢ per ton.....	\$1.125 per ton.....	Free.
607.18.....	56.25¢ per ton <sup>1</sup> .....	\$1.125 per ton <sup>1</sup> .....	28¢ per ton. <sup>1</sup>
<b>Ingots, blooms, billets, slabs, and sheet bars of iron or steel:</b>			
608.15.....	8.5% ad val.....	20% ad val.....	6% ad val.
608.16.....	10.5% ad val.....	20% ad val.....	6% ad val.
608.18.....	14.5% ad val. <sup>1</sup> .....	28% ad val. <sup>1</sup> .....	8% ad val. <sup>1</sup>
<b>Wrought iron bars:</b>			
608.30.....	0.5¢ per lb.....	1.5¢ per lb.....	0.5¢ per lb.
608.32.....	0.5¢ per lb. +4% ad val. <sup>1</sup> .....	1.5¢ per lb. +8% ad val. <sup>1</sup> .....	0.5¢ per lb. +2% ad val. <sup>1</sup>
<b>Deformed reinforcing bars of steel:</b>			
608.40.....	8.5% ad val.....	20% ad val.....	7.5% ad val.
608.41.....	12.5% ad val.....	20% ad val.....	7.5% ad val.
608.42.....	16.5% ad val. <sup>1</sup> .....	28% ad val. <sup>1</sup> .....	9.5% ad val. <sup>1</sup>
<b>Steel bars (except deformed reinforcing bars):</b>			
608.45.....	7% ad val.....	20% ad val.....	7% ad val.
608.46.....	10.5% ad val.....	20% ad val.....	8% ad val.
608.48.....	0.1¢ per lb. +10.5% ad val.....	0.2¢ per lb. +20% ad val.....	8.5% ad val.
608.50.....	0.0625¢ per lb. +10.5% ad val.....	0.125¢ per lb. +20% ad val.....	10.5% ad val. <sup>1</sup>
608.52.....	14.5% ad val. <sup>1</sup> .....	28% ad val. <sup>1</sup> .....	10.5% ad val. <sup>1</sup>
<b>Hollow drill steel:</b>			
608.60.....	0.375¢ per lb. +10% ad val.....	0.75¢ per lb. +20% ad val.....	0.18¢ per lb. +5% ad val.
608.61.....	10.7% ad val.....	22% ad val.....	7.5% ad val.
608.62.....	14.7% ad val. <sup>1</sup> .....	30% ad val. <sup>1</sup> .....	9.5% ad val. <sup>1</sup>
<b>Wire rods:</b>			
608.70.....	0.1¢ per lb.....	0.3¢ per lb.....	
608.71.....	0.25¢ per lb.....	0.6¢ per lb.....	
608.73.....	0.2¢ per lb.....	0.6¢ per lb.....	
608.75.....	0.375¢ per lb.....	0.85¢ per lb.....	
608.76.....	0.25¢ per lb. +4% ad val. <sup>1</sup> .....	0.6¢ per lb. +8% ad val. <sup>1</sup> .....	(?)
608.78.....	0.375¢ per lb. +4% ad val. <sup>1</sup> .....	0.85¢ per lb. +8% ad val. <sup>1</sup> .....	(?)

See footnote at end of table.

Rates of duty—Continued

	Column 1	Column 2	Kennedy Round
<b>Plates and sheets:</b>			
608.81	10% ad val.	20% ad val.	9% ad val.
608.82	8% ad val.	20% ad val.	
608.84	8% ad val.	20% ad val.	7.5% ad val.
608.85	12% ad val. <sup>1</sup>	28% ad val. <sup>1</sup>	9.5% ad val. <sup>1</sup>
608.87	0.1¢ per lb. + 8% ad val.	0.2¢ per lb. + 20% ad val.	8% ad val.
608.88	0.1¢ per lb. + 12% ad val. <sup>1</sup>	0.2¢ per lb. + 28% ad val. <sup>1</sup>	10% ad val. <sup>1</sup>
608.90	24% ad val.	30% ad val.	12% ad val.
608.92	0.8¢ per lb.	1¢ per lb.	8% ad val.
608.93	1¢ per lb.	1¢ per lb.	0.9¢ per lb.
608.95	0.1¢ per lb. + 8% ad val.	0.2¢ per lb. + 20% ad val.	9% ad val.
608.96	0.1¢ per lb. + 12% ad val. <sup>1</sup>	0.2¢ per lb. + 28% ad val. <sup>1</sup>	11% ad val. <sup>1</sup>
<b>Strip:</b>			
609.02	6% ad val.	25% ad val.	
609.03	8.5% ad val.	25% ad val.	
609.04	9.5% ad val.	25% ad val.	
609.06	10% ad val. <sup>1</sup>	33% ad val. <sup>1</sup>	8% ad val. <sup>1</sup>
609.07	12.5% ad val. <sup>1</sup>	33% ad val. <sup>1</sup>	10.5% ad val. <sup>1</sup>
609.08	13.5% ad val. <sup>1</sup>	33% ad val. <sup>1</sup>	11.5% ad val. <sup>1</sup>
<b>Plates, sheets, &amp; strip, electroplated:</b>			
609.17	19% ad val.	45% ad val.	9.5% ad val.
<b>Wire, flat:</b>			
609.20	6% ad val.	25% ad val.	
609.21	8.5% ad val.	25% ad val.	8% ad val.
609.22	10% ad val.	25% ad val.	8% ad val.
609.25	0.1¢ per lb. +	0.2¢ per lb. +	0.05¢ per lb. +
	6% ad val.	25% ad val.	6% ad val.
609.26	0.1¢ per lb. +	0.2¢ per lb. +	0.05¢ per lb. +
	8.5% ad val.	25% ad val.	8% ad val.
609.27	0.1¢ per lb. +	0.2¢ per lb. +	0.05¢ per lb. +
	10% ad val.	25% ad val.	8% ad val.
609.30	10% ad val. <sup>1</sup>	33% ad val. <sup>1</sup>	8% ad val. <sup>1</sup>
609.31	12.5% ad val. <sup>1</sup>	33% ad val. <sup>1</sup>	10% ad val. <sup>1</sup>
609.32	14% ad val. <sup>1</sup>	33% ad val. <sup>1</sup>	10% ad val. <sup>1</sup>
609.35	0.1¢ per lb. +	0.2¢ per lb. +	0.05¢ per lb. +
	10% ad val. <sup>1</sup>	33% ad val. <sup>1</sup>	8% ad val. <sup>1</sup>
609.36	0.1¢ per lb. +	0.2¢ per lb. +	0.05¢ per lb. +
	12.5% ad val. <sup>1</sup>	33% ad val. <sup>1</sup>	10% ad val. <sup>1</sup>

609.37	0.1¢ per lb. + 14% ad val. <sup>1</sup>	0.2¢ per lb. + 33% ad val. <sup>1</sup>	0.05¢ per lb. + 10% ad val. <sup>1</sup>
<b>Wire, round:</b>			
609.40	8.5% ad val.	25% ad val.	
609.41	0.3¢ per lb.	1.25¢ per lb.	
609.43	8.5% ad val.	25% ad val.	
609.45	12.5% ad val. <sup>1</sup>	33% ad val. <sup>1</sup>	10.5% ad val. <sup>1</sup>
<b>Wire, except round and flat:</b>			
609.70	12.5% ad val.	25% ad val.	9% ad val.
609.72	0.1¢ per lb. +12.5% ad val.	0.2¢ per lb. +25% ad val.	0.05¢ per lb. +9% ad val.
609.75	16.5% ad val. <sup>1</sup>	33% ad val. <sup>1</sup>	11% ad val. <sup>1</sup>
609.76	0.1¢ per lb. +16.5% ad val. <sup>1</sup>	0.2¢ per lb. +33% ad val. <sup>1</sup>	0.05¢ per lb. +11% ad val. <sup>1</sup>
<b>Angles, shapes and sections:</b>			
609.80	0.1¢ per lb.	0.2¢ per lb.	
609.82	0.1¢ per lb. +4% ad val. <sup>1</sup>	0.2¢ per lb. +8% ad val. <sup>1</sup>	0.1¢ per lb. +2% ad val. <sup>1</sup>
<b>Sheet piling:</b>			
609.96	0.1¢ per lb.	0.2¢ per lb.	
609.98	0.1¢ per lb. +4% ad val. <sup>1</sup>	0.2¢ per lb. +8% ad val. <sup>1</sup>	0.1¢ per lb. +2% ad val. <sup>1</sup>
<b>Rails, joints bars, and tie plates:</b>			
610.20	0.05¢ per lb.	0.1¢ per lb.	
610.21	0.05¢ per lb. +4% ad val. <sup>1</sup>	0.1¢ per lb. +8% ad val. <sup>1</sup>	(?)
610.25	0.125¢ per lb.	0.25¢ per lb.	
610.26	0.125¢ per lb. +4% ad val. <sup>1</sup>	0.25¢ per lb. +8% ad val. <sup>1</sup>	(?)
<b>Pipes and tubes (except cast iron):</b>			
610.30	0.875 per lb.	1.75¢ per lb.	
610.31	0.625¢ per lb.	1.25¢ per lb.	
610.32	0.3¢ per lb.	0.75¢ per lb.	
610.35	0.875¢ per lb. +4% ad val. <sup>1</sup>	1.75¢ per lb. +8% ad val. <sup>1</sup>	(?)
610.36	0.625¢ per lb. +4% ad val. <sup>1</sup>	1.25¢ per lb. +8% ad val. <sup>1</sup>	(?)
610.37	0.3¢ per lb. +4% ad val. <sup>1</sup>	0.75¢ per lb. +8% ad val. <sup>1</sup>	(?)
610.39	0.1¢ per lb.	0.2¢ per lb.	
610.40	0.1¢ per lb. +4% ad val. <sup>1</sup>	0.2¢ per lb. +8% ad val. <sup>1</sup>	(?)
610.42	7.5% ad val.	20% ad val.	
610.43	11.5% ad val. <sup>1</sup>	28% ad val. <sup>1</sup>	11% ad val. <sup>1</sup>
610.45	12% ad val.	25% ad val.	11% ad val.
610.46	16% ad val. <sup>1</sup>	33% ad val. <sup>1</sup>	13% ad val. <sup>1</sup>
610.48	11% ad val.	22% ad val.	
610.49	10.5% ad val.	25% ad val.	
610.51	15.5% ad val. <sup>1</sup>	30% ad val. <sup>1</sup>	13% ad val. <sup>1</sup>
610.52	14.5% ad val. <sup>1</sup>	35% ad val. <sup>1</sup>	13% ad val. <sup>1</sup>
<b>Barbed wire:</b>			
642.02	Free	Free	
<b>Galvanized wire fencing:</b>			
642.35	0.25¢ per lb.	0.5¢ per lb.	0.1¢ per lb.

See footnote at end of table.

## Rates of duty—Continued

	Column 1	Column 2	Kennedy Round
Bale ties made from wire:			
642.90.....	Free.....	Free.....	
642.91.....	19% ad val.....	45% ad val.....	9.5% ad val.
Milliners' wire:			
642.96.....	0.25¢ per lb.....	0.5¢ per lb.....	
642.97.....	15% ad val.....	35% ad val.....	8.5% ad val.
Brads, nails, spikes, etc.:			
646.25.....	0.5¢ per lb.....	0.75¢ per lb.....	
646.26.....	0.2¢ per lb.....	0.4¢ per lb.....	0.1¢ per lb.
Railroad axles and parts:			
690.25.....	0.3¢ per lb.....	0.6¢ per lb.....	0.1¢ per lb.
Railroad wheels and parts:			
690.30.....	0.4¢ per lb.....	1¢ per lb.....	Free.

<sup>1</sup> Plus additional specific duties applicable to the content of certain alloying metals provided in items 607.01 through 607.04.

<sup>2</sup> Concession only with respect to additional specific duties (see footnote 1).

For most TSUS items covered by the provisions of S. 2537, the recently concluded Kennedy Round tariff negotiations resulted in rate reductions substantially less than those authorized by the Trade Expansion Act of 1962. The duty applicable to the common grades of pig iron (607.15) was eliminated. Of the 94 rates applicable to so-called steel mill products only eight were reduced by the full authority and 30 remained unchanged. Imports of pig iron and steel mill products in 1966 on which any concession was made in the Kennedy Round amounted to about \$782 million.

The following TSUS item numbers cover the more advanced products of steel which would be subject to quota limitations under the proposed provisions if annual imports were to reach 120 percent of those during the year in which S. 2537 was enacted:

*Rates of duty*

	Column 1	Column 2	Kennedy Round
<b>Grit and shot:</b>			
608.10.....	0.3¢ per lb.....	0.75¢ per lb.....	
<b>Forgings:</b>			
608.25.....	10.5% ad val.....	25% ad val.....	6% ad val.
608.27.....	14.5% ad val. <sup>1</sup> .....	33% ad val. <sup>1</sup> .....	8% ad val. <sup>1</sup>
<b>Plates, sheets, strip, nonrectangular:</b>			
609.12.....	8% ad val.....	20% ad val.....	
609.13.....	9.5% ad val.....	20% ad val.....	8% ad val.
609.15.....	13% ad val. <sup>1</sup> .....	28% ad val. <sup>1</sup> .....	10% ad val. <sup>1</sup>
<b>Angles, shapes, and sections:</b>			
609.84.....	7.5% ad val.....	20% ad val.....	6.5% ad val.
609.86.....	11.5% ad val. <sup>1</sup> .....	28% ad val. <sup>1</sup> .....	8.5% ad val. <sup>1</sup>
609.88.....	8.5% ad val.....	20% ad val.....	7.5% ad val.
609.90.....	12.5% ad val. <sup>1</sup> .....	28% ad val. <sup>1</sup> .....	9.5% ad val. <sup>1</sup>
<b>Fittings other than cast iron:</b>			
610.80.....	19% ad val.....	45% ad val.....	11% ad val.
<b>Strand, ropes, cables and cordage:</b>			
642.08.....	20% ad val.....	45% ad val.....	10% ad val.
642.10.....	15% ad val.....	35% ad val.....	7.5% ad val.
642.12.....	1.1¢ per lb.....	4.5¢ per lb.....	0.5¢ per lb.
642.14.....	13.5% ad val.....	45% ad val.....	6.5% ad val.
642.16.....	8.5% ad val.....	35% ad val.....	4% ad val.
642.18.....	15% ad val.....	35% ad val.....	7.5% ad val.
<b>Cloth, gauze, fabric, etc., not cut, etc., not woven (reinforcing fabric):</b>			
642.80.....	19 percent ad valorem.....	45 percent ad valorem.....	9.5 percent ad valorem.
<b>Bale ties made from strip:</b>			
642.93.....	0.05 cents per pound.....	0.25 cent per pound.....	0.02 cent per pound.
<b>Staples in strip form:</b>			
646.20.....	1 cent per pound.....	2 cents per pound.....	0.5 cent per pound.
<b>Nails, etc.:</b>			
646.27.....	8 percent ad valorem.....	15 percent ad valorem.....	4 percent ad valorem.
646.28.....	0.2 cent per pound.....	0.4 cent per pound.....	0.1 cent per pound.
646.30.....	1.2 cents per pound.....	1.5 cents per pound.....	
<b>Rivets, not brightened, not lathed, and not machined:</b>			
646.40.....	0.5 cent per pound.....	1 cent per pound.....	0.2 cent per pound.
<b>Bolts and bolts and their nuts: 646.54</b>	0.5¢ per lb.....	1¢ per lb.....	0.2¢ per lb.
<b>Nuts: 646.56</b>	0.3¢ per lb.....	0.6¢ per lb.....	0.1¢ per lb.

Stainless steel door and window frames: 652.90	15% ad val.	35% ad val.	8.5% ad val.
Door and window frames of iron or steel except stainless: 652.92	10% ad val.	25% ad val.	6% ad val.
Columns, pillars, etc., not cast iron: 652.94	7.5% ad val.	20% ad val.	3.5% ad val.
Columns, pillars, etc. of stainless steel: 652.95	12.5% ad val.	30% ad val.	6% ad val.
Columns, pillars, etc. of alloy steel except stainless: 652.96	11.5% ad val.	28% ad val.	5.5% ad val.
Fence posts: 653.02	7.5% ad val.	20% ad val.	3.5% ad val.
653.03	11.5% ad val.	28% ad val.	5.5% ad val.
Forged steel grinding balls: 680.40	12% ad val.	27.5% ad val.	6% ad val.
Conduit pipes and tubes: 688.30	10% ad val.	30% ad val.	
Conduit fittings: 688.35	19% ad val.	45% ad val.	10% ad val.
Electrical articles and parts, n.s.p.f.: 688.40	11.5% ad val.	35% ad val.	5.5% ad val.

<sup>1</sup> Plus additional specific duties applicable to the content of certain alloying metals provided in items 607.01 through 607.04.

<sup>2</sup> Concession only with respect to additional specific duties (see footnote 1).

Of the 37 rates of duty applicable to the items shown above 21 were reduced in the Kennedy round by the full authority and four remained unchanged. Imports in 1966 of these more advanced products of steel on which concessions were made were valued at \$128 million.

#### ADDITIONAL INFORMATION

The following tables provide information on U.S. iron and steel mill products.

Table 1 shows the quantity and value of U.S. exports and imports of steel mill products, and certain other products, since 1958, while tables 2, 3, and 4 show a commodity breakdown of U.S. trade in steel mill products between 1957 and 1966. Imports as a percent of domestic consumption is shown, by commodity, in tables 5 and 6. Table 7 provides data on the country origin of U.S. imports of steel mill products since 1962. Finally, tables 8, 9, and 10 provide data on U.S. trade in pig iron.

TABLE 1.—U.S. total exports and imports of steel products <sup>1</sup>

	Quantity (thousands of net tons)		Value (millions of dollars)	
	Exports	Imports	Exports	Imports
1958.....	3,212	1,837	753	230
1959.....	1,983	4,627	498	578
1960.....	3,224	3,570	727	506
1961.....	2,295	3,309	547	<sup>2</sup> 421
1962.....	2,428	4,312	565	<sup>2</sup> 534
1963.....	2,556	5,665	627	684
1964.....	3,735	6,711	780	815
1965.....	2,837	10,749	721	1,268
1966.....	2,027	11,166	635	1,313

<sup>1</sup> Steel mill products plus other steel products as defined by American Iron and Steel Institute.

<sup>2</sup> Revised.

Source: American Iron and Steel Institute.



TABLE 2.—U.S. imports of steel mill products, 1957-66  
 [Thousand net tons]

Product category	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1966 as multiple of 1957 <sup>1</sup>
Wire rods.....	54	181	448	408	451	645	801	953	1, 284	1, 150	21
Other semifinished.....	8	18	92	68	180	174	265	345	283	224	28
Structural shapes and piling.....	268	151	507	317	293	374	558	638	929	947	3½
Plates.....	22	20	291	212	37	150	275	462	774	951	43
Reinforcing bars.....	160	473	852	516	583	607	545	411	568	673	4
Other bars and tool steel.....	103	176	487	325	324	388	535	762	1, 074	1, 045	10
Pipe and tubing.....	191	200	553	480	521	655	778	790	930	1, 058	5½
Drawn wire.....	85	153	276	235	203	275	317	397	437	458	5½
Wire nails and staples.....	135	197	305	232	245	271	298	297	314	275	2
Barbed wire.....	63	59	78	53	82	67	90	72	75	77	1
Woven wire fence.....	18	23	45	28	31	42	51	43	41	53	3
Sheet and strip.....	41	50	386	436	171	383	82	1, 167	3, 507	3, 682	90
Rails and accessories (including wheels and axles).....	5	5	10	10	23	12	14	14	24	26	5
Tin mill products.....	( <sup>2</sup> )	( <sup>2</sup> )	67	39	19	56	94	88	145	134	1, 268
All steel mill products <sup>3</sup> .....	1, 155	1, 707	4, 396	3, 350	3, 164	4, 100	5, 446	6, 440	10, 383	10, 753	9½

<sup>1</sup> Rounded to nearest ½.

<sup>2</sup> 106 tons in 1957 and 183 tons in 1958.

<sup>3</sup> Detail may not add exactly to totals because of rounding.



TABLE 4.—U.S. imports of steel mill products by product groups, 1957-66

[In thousands of net tons]

Steel mill products	1957		1958		1959		1960		1961	
	Net tons	Percent of total	Net tons	Percent of total	Net tons	Percent of total	Net tons	Percent of total	Net tons	Percent of total
Semifinished products.....	62	5.4	199	11.7	540	12.4	477	14.2	631	19.9
Shapes and plates.....	291	25.2	171	10.0	798	18.3	529	15.8	330	10.4
Rails and accessories.....	5	.5	5	.2	10	.2	10	.3	23	.7
Bars and tool steel.....	263	22.7	649	38.0	1,339	30.6	840	25.0	906	28.7
Pipe and tubing.....	191	16.5	200	11.7	533	12.2	480	14.3	521	16.5
Wire and wire products.....	301	26.1	432	25.3	703	16.1	547	16.3	562	17.8
Tin mill products.....	0	0	0	0	67	1.5	39	1.2	19	.6
Sheet and strip.....	41	3.6	50	2.9	386	8.8	436	13.0	171	5.4
<b>Total.....</b>	<b>1,154</b>	<b>100.0</b>	<b>1,707</b>	<b>100.0</b>	<b>4,396</b>	<b>100.0</b>	<b>3,358</b>	<b>100.0</b>	<b>3,163</b>	<b>100.0</b>

Steel mill products	1962		1963		1964		1965		1966	
	Net tons	Percent of total	Net tons	Percent of total	Net tons	Percent of total	Net tons	Percent of total	Net tons	Percent of total
Semifinished products.....	819	20.0	1,066	19.6	1,298	20.2	1,566	15.1	1,374	12.8
Shapes and plates.....	525	12.8	833	15.3	1,110	17.2	1,703	16.4	1,898	17.7
Rails and accessories.....	12	.3	12	.2	14	.2	24	.2	26	.2
Bars and tool steel.....	995	24.3	1,081	19.8	1,174	18.2	1,641	15.8	1,718	16.0
Pipe and tubing.....	665	16.0	778	14.3	790	12.3	930	9.0	1,058	9.8
Wire and wire products.....	665	16.0	755	13.9	809	12.6	866	8.3	862	8.0
Tin mill products.....	56	1.4	94	1.7	88	1.4	145	1.4	134	1.2
Sheet and strip.....	383	9.4	827	15.2	1,167	18.1	3,507	33.8	3,683	34.3
<b>Total.....</b>	<b>4,100</b>	<b>100.0</b>	<b>5,446</b>	<b>100.0</b>	<b>6,450</b>	<b>100.0</b>	<b>10,382</b>	<b>100.0</b>	<b>10,753</b>	<b>100.0</b>

Source: U.S. Department of Commerce.

TABLE 5.—Imports of steel mill products as percent of domestic consumption, 1957-66

[In percent <sup>1</sup>]

Steel mill product	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
Semifinished products.....	1.9	7.9	16.0	15.1	21.1	24.8	27.4	28.2	29.0	28.5
Shapes and plates.....	1.8	1.8	7.4	4.6	3.1	4.7	6.4	7.2	9.5	10.8
Rails and accessories.....	.2	.6	.9	.9	3.1	1.3	1.2	1.0	1.6	1.5
Bars and tool steel.....	2.3	7.0	11.3	7.4	8.3	8.4	8.5	8.2	10.3	10.6
Pipe and tubing.....	1.9	3.2	6.4	6.5	7.1	8.7	10.3	9.1	9.9	10.6
Wire and wire products.....	8.3	12.5	17.4	15.7	15.7	17.6	19.9	21.0	20.1	20.0
Tin mill products.....			1.2	.7	.3	1.0	1.7	1.5	2.2	2.4
Sheets and strip.....	.2	.2	1.4	1.6	.7	1.4	2.6	3.4	8.9	9.5
Total.....	1.5	2.9	6.1	4.7	4.7	5.6	6.9	7.3	10.3	10.9

<sup>1</sup> Based on data in tons.

Source: U.S. Department of Commerce.

TABLE 6.—Market penetration of imported steel mill products, 1957-66

Product category	Imports as percent of apparent domestic consumption <sup>1</sup>									
	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
Wire rods.....	5.4	17.1	31.5	31.0	32.7	39.2	42.7	45.1	49.3	45.9
Other semifinished.....	.4	1.3	4.7	3.7	11.1	10.5	13.2	13.8	10.1	9.6
Structural shapes and piling.....	3.7	3.6	10.8	6.0	6.1	7.6	9.8	9.9	12.4	12.5
Plates.....	.3	.4	4.8	3.4	.6	2.4	3.7	5.3	7.4	9.5
Reinforcing bars.....	6.8	19.0	28.3	19.0	19.4	20.4	17.1	11.5	15.4	17.2
Other bars and tool steel.....	1.1	2.6	5.5	3.8	4.1	4.4	5.7	7.2	8.7	8.6
Pipe and tubing.....	1.9	3.2	6.4	6.5	7.1	8.7	10.3	9.1	9.9	10.6
Drawn wire.....	3.2	6.0	9.1	8.6	7.5	9.7	11.1	13.5	13.0	13.9
Wire nails and staples.....	23.4	32.3	44.0	42.3	42.8	46.1	48.9	48.8	50.0	45.8
Barbed wire.....	52.2	51.9	61.9	52.8	53.0	47.7	50.7	47.9	41.6	31.4
Woven wire fence.....	8.2	12.8	24.2	21.4	20.5	26.9	30.1	27.9	27.4	29.8
Sheets and strip.....	.2	.2	1.4	1.5	.7	1.4	2.7	3.4	8.9	9.5
Rails and accessories (including wheels and axes).....	.3	.6	.9	.9	3.0	1.3	1.1	1.0	1.6	1.5
Tin mill products.....	( <sup>2</sup> )	( <sup>2</sup> )	1.2	.7	.3	1.0	1.7	1.5	2.2	2.4
All steel mill products.....	1.5	2.9	6.1	4.7	4.7	5.6	6.9	7.3	10.3	10.9

<sup>1</sup> Apparent domestic consumption = Shipments by U.S. mills + Imports - exports.<sup>2</sup> Less than 1/10 of 1 percent.

TABLE 7.—U.S. imports—Steel mill products by countries of origin

	1966		1965		1964		1963		1962	
	Net tons	Percent	Net tons	Percent	Net tons	Percent	Net tons	Percent	Net tons	Percent
European Coal and Steel Community.....	3, 840, 958	35. 7	4, 191, 327	40. 4	2, 584, 543	40. 1	2, 245, 278	41. 2	2, 086, 513	50. 9
Belgium-Luxembourg.....	1, 612, 256	15. 0	1, 751, 068	16. 9	1, 384, 014	21. 5	1, 279, 326	23. 5	1, 246, 367	30. 4
France.....	764, 417	7. 1	858, 238	8. 3	440, 305	6. 8	358, 805	6. 6	299, 247	7. 3
West Germany.....	1, 220, 180	11. 3	1, 178, 293	11. 3	676, 352	10. 5	539, 438	9. 9	460, 343	11. 2
Netherlands.....	73, 988	. 7	132, 712	1. 3	48, 735	. 8	47, 417	. 8	51, 296	1. 3
Italy.....	170, 117	1. 6	271, 016	2. 6	35, 137	. 5	20, 292	. 4	29, 260	. 7
United Kingdom.....	748, 410	7. 0	720, 148	6. 9	285, 393	4. 4	349, 431	6. 4	249, 954	6. 1
Norway.....	14, 755	. 1	27, 520	. 3	23, 140	. 4	15, 311	. 3	13, 303	. 3
Sweden.....	75, 282	. 7	65, 118	. 6	66, 018	1. 0	56, 969	1. 0	54, 783	1. 3
Yugoslavia.....	10, 421	. 1	16, 230	. 2	16, 339	. 3	23, 684	. 4	24, 113	. 6
Poland.....	86, 538	. 8	83, 719	. 8	63, 434	1. 0	11, 648	. 2	5, 461	. 1
Canada.....	691, 671	6. 4	644, 393	6. 2	692, 076	10. 7	582, 932	10. 7	367, 168	9. 0
Mexico.....	118, 124	1. 1	123, 599	1. 2	97, 403	1. 5	128, 530	2. 4	27, 565	. 7
Argentina.....	27, 252	. 3	18, 142	. 2	60, 782	1. 0	44, 879	. 8	104	-----
Republic of South Africa.....	36, 509	. 3	28	-----	26, 431	. 4	112, 885	2. 1	46, 151	1. 1
Japan.....	4, 850, 997	45. 1	4, 417, 641	42. 5	2, 446, 373	38. 0	1, 802, 552	33. 1	1, 070, 744	26. 1
Australia.....	147, 002	1. 4	28, 578	. 3	34, 425	. 5	38, 142	. 7	113, 574	2. 8
Other.....	105, 103	1. 0	46, 578	. 4	43, 278	. 7	34, 065	. 7	40, 606	1. 0
Total.....	10,753,022	100. 0	10,383,021	100. 0	6, 439, 635	100. 0	5, 446, 326	100. 0	4, 100, 039	100. 0

Source: Department of Commerce, Census Bureau.

TABLE 8.—U.S. imports: Pig iron by countries of origin, 1957–66

[In net tons]

Country	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
European Coal and Steel Community .....	34	15, 059	78, 304	6, 369	719	56, 340	87, 435	51, 412	66, 285	86, 049
Belgium-Luxembourg .....				4, 408					2, 065	1, 793
France .....				386	719	56, 340	87, 435	51, 412	64, 220	79, 750
West Germany .....	34	13, 933	43, 226	386	719	56, 340	87, 435	51, 412	64, 220	79, 750
Netherlands .....		1, 126	35, 078	1, 575						4, 506
Italy .....										
United Kingdom .....			52			94	8		6, 595	58
Norway .....		334	168			3, 584	3, 319	101	666	
Sweden .....	3, 135	1, 615	1, 071	1, 445	1, 201	1, 416	10, 146	9, 969	11, 203	
Yugoslavia .....										
Poland .....										
Canada .....	221, 166	182, 128	437, 096	281, 593	349, 403	386, 232	387, 449	395, 202	485, 089	393, 593
Mexico .....										
Argentina .....			70, 519	7, 543	4, 096	5, 031	77, 100	68, 620	12, 868	133, 824
Republic of South Africa .....			10, 674							
Japan .....			4, 168	3, 913	2, 252	4, 216	22, 997	352	801	13, 241
Australia .....	1, 052	2, 740	99, 723	29, 984	19, 509	43, 096	56, 880	210, 816	298, 588	559, 975
Other .....		7, 868								
<b>Total .....</b>	<b>225, 387</b>	<b>209, 744</b>	<b>701, 775</b>	<b>330, 847</b>	<b>377, 180</b>	<b>500, 009</b>	<b>645, 334</b>	<b>736, 472</b>	<b>882, 095</b>	<b>1, 186, 740</b>

<sup>1</sup> Of this, 390,900 tons came from East Germany, the U.S.S.R., Rumania, and Czechoslovakia.

Source: U.S. Tariff Commission.

TABLE 9.—*Market penetration of imported pig iron, 1957-66*

Product category	Imports as percent of apparent domestic consumption <sup>1</sup>									
	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
Pig iron.....	3.8	5	11.5	7.8	9.8	14.1	17.2	17.3	18.6	24.2

<sup>1</sup> Apparent domestic consumption equals shipments from U.S. furnaces plus imports, minus exports.

Source: U.S. Tariff Commission.



TABLE 10.—*U.S. exports of pig iron, 1957-66*

(In thousands of net tons)

<i>Year</i>	<i>Quantity</i>
1957.....	880
1958.....	103
1959.....	10
1960.....	112
1961.....	416
1962.....	155
1963.....	71
1964.....	176
1965.....	28
1966.....	12

Source: U.S. Tariff Commission.



# MEAT QUOTA

90th CONGRESS  
1st Session

## S. 1588

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### IN THE SENATE OF THE UNITED STATES

APRIL 20, 1967

Mr. HRUSKA (for himself, Mr. CURTIS, Mr. AIKEN, Mr. ALDOTT, Mr. BENNETT, Mr. BURDICK, Mr. CARLSON, Mr. CHURCH, Mr. DIRKSEN, Mr. DOMINICK, Mr. EASTLAND, Mr. FANNIN, Mr. HANSEN, Mr. HARRIS, Mr. HATFIELD, Mr. HICKENLOOPER, Mr. HOLLAND, Mr. JORDAN of Idaho, Mr. LAUCHE, Mr. MANFIELD, Mr. MCGEE, Mr. MCGOVERN, Mr. METCALF, Mr. MILLER, Mr. MONROE, Mr. MONTANA, Mr. MOSS, Mr. MURKIN, Mr. PEARSON, Mr. STENNIS, Mr. TOWER, Mr. YARBROUGH, and Mr. YOUNG of North Dakota) introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To revise the quota-control system on the importation of certain meat and meat products.

- 1 *Be it enacted by the Senate and House of Representa-*
- 2 *tives of the United States of America in Congress assembled,*
- 3 That (a) it is the policy of the Congress that the aggregate
- 4 quantity of the articles specified in items 106.10 (relating to
- 5 fresh, chilled, or frozen meat) and 106.20 (relating to fresh,
- 6 chilled, or frozen meat of goats and sheep (except lambs))
- 7 of the Tariff Schedules of the United States which may be

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1 imported into the United States in any calendar year begin-  
2 ning after December 31, 1967, should not exceed 585,500,-  
3 000 pounds; except that this quantity shall be increased or  
4 decreased for any calendar year by the same percentage that  
5 estimated average annual domestic commercial production of  
6 these articles in that calendar year and the two preceding  
7 calendar years increases or decreases in comparison with the  
8 average annual domestic commercial production of these  
9 articles during the years 1958 through 1962, inclusive.

10 (b) Before the beginning of each calendar year after  
11 1967, the Secretary of Agriculture shall estimate and publish  
12 the aggregate quantity prescribed for such calendar year by  
13 subsection (a).

14 (c) (1) The President shall by proclamation limit the  
15 total quantity of the articles described in subsection (a)  
16 which may be entered, or withdrawn from warehouse, for  
17 consumption during each quarter of any calendar year to  
18 one-fourth the aggregate quantity estimated for such cal-  
19 endar year by the Secretary of Agriculture pursuant to  
20 subsection (b).

21 (2) The Secretary of Agriculture shall allocate the  
22 total quantity proclaimed under paragraph (1), and any  
23 increase in such quantity pursuant to subsection (d),  
24 among supplying countries on the basis of the shares such  
25 countries supplied to the United States market during a rep-

## 3

1 representative period of the articles described in subsection (a),  
2 except that due account may be given to special factors  
3 which have affected or may affect the trade in such articles.  
4 The Secretary of Agriculture shall certify such allocations to  
5 the Secretary of the Treasury.

6 (d) The President may suspend any proclamation made  
7 under subsection (c), or increase the total quantity pro-  
8 claimed under such subsection, if he determines and pro-  
9 claims that—

10 (1) such action is required by overriding economic  
11 or national security interests of the United States,  
12 giving special weight to the importance to the Nation  
13 of the economic well-being of the domestic livestock  
14 industry;

15 (2) the supply of articles of the kind described in  
16 subsection (a) will be inadequate to meet domestic  
17 demand at reasonable prices; or

18 (3) trade agreements entered into after the date  
19 of the enactment of this Act ensure that the policy  
20 set forth in subsection (a) will be carried out.

21 Any such suspension shall be for such period, and any such  
22 increase shall be in such amount, as the President deter-  
23 mines and proclaims to be necessary to carry out the purposes  
24 of this subsection.

25 (e) The Secretary of Agriculture shall issue such regu-

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1 lations as he determines to be necessary to prevent circum-  
2 vention of the purposes of this section.

3       **SEC. 2.** (a) Whenever the President determines that  
4 the imposition of quotas on the quantity of any article enu-  
5 merated in subpart B of part 2 of schedule 1 of the Tariff  
6 Schedules of the United States (relating to meats other than  
7 bird meat), other than the articles enumerated in items  
8 106.10 and 106.20, is necessary in order to prevent unwar-  
9 ranted increases in the quantity of such article imported  
10 into the United States, he is authorized—

11           (1) to determine the total quantity of such article  
12 which may be imported into the United States during  
13 such period or periods as he may specify, and

14           (2) to limit, by proclamation, the total quantity  
15 of such article which may be entered, or withdrawn  
16 from warehouse, for consumption during such period  
17 or periods to the total quantity so determined.

18       (b) The President may suspend any proclamation made  
19 under subsection (a) and may increase or decrease the total  
20 quantity proclaimed with respect to any article under such  
21 subsection.

22       **SEC. 3.** Prior to the beginning of each calendar quarter  
23 the Secretary of Defense shall certify to the Secretary of  
24 Agriculture an estimate of the quantity in pounds of meat to  
25 be accepted for delivery during such quarter, procured from

## 5

1 appropriated funds by the Defense Department from foreign  
2 sources, of any of the articles with respect to which quanti-  
3 tative limitations have been imposed on imports under the  
4 provisions hereof. The quotas established pursuant to sec-  
5 tion 1 or section 2 hereof shall be diminished by the amount  
6 of such meat to be accepted for delivery as estimated by  
7 the Secretary of Defense.

8     SEC. 4. All determinations by the President, the Secre-  
9 tary of Defense, and the Secretary of Agriculture under this  
10 Act shall be final.

11     SEC. 5. Effective January 1, 1968, section 2 of the Act  
12 entitled "An Act to provide for the free importation of cer-  
13 tain wild animals, and to provide for the imposition of quotas  
14 on certain meat and meat products," approved August 22,  
15 1964 (Public Law 88-482), is repealed.





## MEAT QUOTA

(S. 1588) <sup>1</sup>

### *Purpose of the bill*

S. 1588 would provide new more restrictive quota controls for imported meats to replace the existing quota provisions in effect since January 1, 1965, under section 2 of Public Law 88-482. The bill would become effective January 1, 1968.

Under Public Law 88-482, imports of fresh, chilled, or frozen beef, veal, mutton, and goat meat provided for in items 106.10 and 106.20 in subpart B of part 2 of the Tariff Schedules of the United States (TSUS) are not to exceed 725.4 million pounds or such quantity adjusted up or down in a manner directly proportional to changes in U.S. commercial production measured against the average annual production during 1959-63. S. 1588 would reduce the import base from 725.4 million pounds to 585.5 million pounds, and would change the base period of average annual production from 1959-63 to 1958-62.<sup>2</sup> Further, the annual import quota would be reduced by the quantity of meat expected to be received during the quota period by the Department of Defense from foreign sources. The net effect of these changes can be seen in the following tabulation (in pounds, product weight):

Year	Basic quantity adjusted for changes in commercial production under Public Law 88-482	Basic quantity under S. 1588 (estimated) adjusted for changes in commercial production	Adjusted basic quantity minus Department of Defense receipts
1965.....	848, 700, 000	712, 800, 000	(1)
1966.....	890, 100, 000	758, 800, 000	(1)
1967.....	904, 600, 000	757, 300, 000	(1)

<sup>1</sup> Published data relating to Department of Defense receipts are not available. It is believed that the adjusted basic quantity would not be changed substantially for the years shown if such receipts were subtracted.

<sup>2</sup> On Apr. 19, 1967 the Senate passed an amendment to H.R. 3950. The amendment, introduced by Senator McGovern was different from S. 1588 (introduced the next day and cosponsored by Senator McGovern) in three respects: (1) Domestic consumption rather than domestic commercial production would be used as the basis of the import quotas, (2) lamb meat, fresh, chilled, or frozen would be subject to mandatory controls rather than optional control, and (3) the quota applicable to a given type of meat would be diminished by the quantity purchased by the Department of Defense rather than by the estimated quantity to be procured from foreign sources. The amendment was subsequently deleted from H.R. 6950.

<sup>3</sup> Under the amendment proposed by Senator McGovern, domestic consumption is used as the basis of the import quota (rather than domestic commercial production as is provided for in Public Law 88-482 and S. 1588). As shown in the following tabulation, domestic consumption has been somewhat larger than domestic commercial production in recent years (in millions of pounds, carcass equivalent):

Year	Beef		Veal		Lamb and mutton	
	Domestic consumption	Domestic commercial production	Domestic consumption	Domestic commercial production	Domestic consumption	Domestic commercial production
1964.....	18, 879	18, 037	990	928	715	703
1965.....	19, 032	18, 325	992	936	651	639
1966 <sup>1</sup> .....	20, 108	<sup>2</sup> 19, 493	881	<sup>2</sup> 862	650	<sup>2</sup> 639

<sup>1</sup> Preliminary.

<sup>2</sup> Data for 1966 not comparable with previous years due to changes in definition between commercial and farm slaughter.

Under Public Law 88-482, the President shall, by proclamation, establish a quota when he has been informed by the Secretary of Agriculture that imports are expected to equal or exceed 110 percent of the adjusted basic quantity. Under S. 1588, the amount permitted to enter the United States would be only 100 percent of that quantity. Furthermore, under S. 1588, the President would be required to proclaim quotas for each calendar year, whether or not imports were expected to exceed such quota. The effect of these changes, together with the aforementioned reduction in the basic quota, can be seen in the following tabulation (in pounds, product weight):

Year	Imports permitted prior to "triggering" Public Law 88-482	Adjusted basic quantity under S. 1588 (estimated)	Difference
1965.....	933, 569, 999	712, 800, 000	220, 769, 999
1966.....	979, 109, 999	756, 800, 000	222, 309, 999
1967.....	995, 059, 999	757, 300, 000	237, 759, 999

Public Law 88-482 does not require the allocation of an annual quota to specified importers nor does it impose limitations on the share of the quota that may enter during a given part of the year. S. 1588, however, specifies that the President shall limit the quantity during each quarter of any calendar year to one-fourth the aggregate quantity for such year. Had the quotas pursuant to S. 1588 been in effect since January 1, 1965, they would have compared to actual imports as follows (in pounds, product weight):

Time period	Quota under S. 1588	U.S. imports for consumption	Imports in excess of quota
1965:			
January to March.....	178, 200, 000	131, 333, 775	-----
April to June.....	178, 200, 000	126, 795, 007	-----
July to September.....	178, 200, 000	180, 636, 831	2, 436, 831
October to December.....	178, 200, 000	175, 439, 124	-----
12-month total.....	712, 800, 000	614, 204, 737	( <sup>1</sup> )
1966:			
January to March.....	189, 200, 000	161, 157, 097	-----
April to June.....	189, 200, 000	215, 509, 855	26, 309, 855
July to September.....	189, 200, 000	239, 907, 945	50, 707, 945
October to December.....	189, 200, 000	206, 860, 627	17, 660, 627
12-month total.....	756, 800, 000	823, 435, 524	( <sup>1</sup> )
1967:			
January to March.....	189, 325, 000	197, 755, 313	8, 430, 313
April to June.....	189, 325, 000	179, 850, 367	-----
July to September.....	189, 325, 000	<sup>2</sup> 275, 000, 000	85, 675, 000

<sup>1</sup> Inasmuch as the quota would be administered on a quarterly basis, the total of any imports, in excess of quotas, is not necessarily the same as the 12-month difference between the quota and actual imports.

<sup>2</sup> Estimated.

In general, imports have been heaviest in the third quarter of the calendar year. Both the existing and proposed legislation require the quotas to be allocated among supplying countries on the basis of the shares such countries supplied to the U.S. market during a representative period.

Public Law 88-482 does not specifically limit imports of meats other than those classifiable under items 106.10 and 106.20 of the TSUS. S. 1588, however, permits the President to establish quotas on any other meats enumerated in subpart B of part 2 of schedule 1 of the TSUS. Trade in most of the other meats in this subpart was relatively small and has not increased materially in recent years.

#### *Tariff treatment*

Meat (other than bird meat) whether fresh, chilled, frozen, prepared, or preserved is provided for in subpart 2B of schedule 1 of the TSUS (a copy of which is appended). Rates of duty in column 1 apply to all countries except those designated as being under Communist control. (Imports from these Communist countries are dutiable at the rates given in col. 2.) Most of the column 1 rates have been reduced (from the level established in 1930) pursuant to concessions granted by the United States in bilateral trade agreements and in the GATT. At the present time the rates of duty on only three items, 106.65, 107.10, and 107.35 have not been reduced or bound by concessions.

In the sixth round of trade negotiations (the Kennedy Round) recently concluded, the United States gave no concession on the two TSUS items presently under control—106.10 and 106.20; a reduction on lamb (106.30) was agreed to. It did agree to a binding of the existing rate on 107.35 and a reduction of the rate on 107.10. In addition it gave concessions on items 106.30, 106.40, 106.50, 106.60, 106.80, 106.85, 107.20, 107.25, 107.50, 107.65, 107.70, 107.75, and 107.80. These concessions are mainly for a 50-percent reduction of the column 1 rates of duty to be reduced in five stages. The first stage is expected to become effective January 1, 1968.

#### *Additional information*

Data relating to domestic production, imports, and prices of the principal types of meats follow. Also appended are data relating to production and exports of beef and veal from Australia, the principal source of U.S. imports. Tables 3 and 4 include data on imports under Public Law 88-482 since its enactment. Table 5 shows U.S. imports of the items, other than 106.10 and 106.20, in subpart 2B of schedule 1 of the TSUS.

**TARIFF SCHEDULES OF THE UNITED STATES ANNOTATED (1985)**  
**Schedule 1.—Animal and vegetable products—Continued**  
**PART 2.—MEATS**

Item	Statistical suffix	Articles	Units of quantity	Rates of duty	
				1	2
<b>SUBPART B.—MEATS OTHER THAN BIRD MEAT</b>					
Subpart B headnote:					
1. For the purposes of this subpart—					
(a) The term "fresh, chilled, or frozen" covers meats even though completely detendonized and deboned, but does not cover meats which have been prepared or preserved; and					
(b) the term "prepared or preserved" covers meats even if in a fresh, chilled, or frozen state if such meats have been ground or comminuted, diced or cut into sizes for stew meat or similar uses, rolled and skewered, or specially processed into fancy cuts, special shapes, or otherwise made ready for particular uses by the retail consumer; and also covers meats which have been subjected to processes such as drying, curing, smoking, cooking, seasoning, flavoring, or to any combination of such processes.					
106. 10	(1)	Meats (except meat offal), fresh, chilled, or frozen, of all animals (except birds):			
		Cattle-----		3¢ per lb.	6¢ per lb.
		<i>Beef, with bone:</i>			
	20	<i>Fresh or chilled</i> -----	Lb.		
	40	<i>Frozen</i> -----	Lb.		
	60	<i>Beef, without bone</i> -----	Lb.		
	80	<i>Other (veal)</i> -----	Lb.		
106. 20	(1)	Goats and sheep (except lambs)-----		2.5¢ per lb.	5¢ per lb.
	20	<i>Mutton</i> -----	Lb.		
	40	<i>Goat meat</i> -----	Lb.		
106. 30	00	Lambs-----	Lb.	3.5¢ per lb.	7¢ per lb.
106. 40		Swine-----		1.25¢ per lb.	2.5¢ per lb.
	20	<i>Fresh or chilled</i> -----	Lb.		
	40	<i>Frozen</i> -----	Lb.		
		Game animals:			
	00	Deer (except reindeer)-----	Lb.	1.5¢ per lb.	6¢ per lb.
106. 55	00	Other-----	Lb.	2.5¢ per lb.	6¢ per lb.
106. 60	00	Frogs-----	Lb.	5% ad val.	10% ad val.
106. 65	00	Horses (except meat packed in immediate containers weighing with their contents less than 10 pounds each)-----	Lb.	Free	Free
		Other:			
	00	Valued not over 30 cents per pound-----	Lb.	3¢ per lb.	6¢ per lb.
106. 75	00	Valued over 30 cents per pound-----	Lb.	10% ad val.	20% ad val.
		Edible meat offal, fresh, chilled, or frozen, of all animals (except birds):			
106. 80	00	Valued not over 20 cents per pound-----	Lb.	1¢ per lb.	6¢ per lb.
106. 85	00	Valued over 20 cents per pound-----	Lb.	5% ad val.	30% ad va.

		Sausages, whether or not in airtight containers:			
		Pork:			
107. 10	00	Fresh.....	Lb.....	3.25¢ per lb.	3.25¢ per lb.
107. 11		If product of Cuba.....	.....	2.6¢ per lb.(a)	
107. 15	00	Other.....	Lb.....	1.625¢ per lb.	3.25¢ per lb.
107. 20	00	Beef, in airtight containers.....	Lb.....	15% ad val.	30% ad val.
107. 25		Other:			
	20	Beef.....	Lb.....	10% ad val.	20% ad val.
	40	Other.....	Lb.....		
		Pork, prepared or preserved (except sausages):			
107. 30		Not boned and cooked and packed in airtight containers.....		2¢ per lb.	3.25¢ per lb.
	20	Hams and shoulders.....	Lb.....		
	40	Bacon.....	Lb.....		
	60	Other.....	Lb.....		
107. 35		Boned and cooked and packed in airtight containers.....		3¢ per lb.	3¢ per lb.
	20	Hams and shoulders.....	Lb.....		
	40	Bacon.....	Lb.....		
	60	Other.....	Lb.....		
107. 26		If products of Cuba and other than bacon, hams, or shoulders.....		2.6¢ per lb. (a)	
		Beef and veal, prepared or preserved (except sausages):			
		Beef or veal, cured or pickled:			
107. 40	00	Valued not over 30 cents per pound.....	Lb.....	3¢ per lb.	4.5¢ per lb.
107. 45	00	Valued over 30 cents per pound.....	Lb.....	10% ad val.	30% ad val.
107. 50		Beef in airtight containers.....		15% ad val.	30% ad val.
		Corned beef:			
	20	In containers holding not more than 2 pounds.....	Lb.....		
	40	In containers holding more than 2 pounds.....	Lb.....		
		Other:			
	60	In containers holding not more than 2 pounds.....	Lb.....		
	80	In containers holding more than 2 pounds.....	Lb.....		
		Other:			
107. 55	00	Valued not over 30 cents per pound.....	Lb.....	3¢ per lb.	6¢ per lb.
107. 60		Valued over 30 cents per pound.....		10% ad val.	20% ad val.
	20	Prepared, whether fresh, chilled or frozen, but not otherwise preserved.....	Lb.....		
	40	Other.....	Lb.....		
		Other meats and edible meat offal, prepared or preserved:			
107. 65	00	Frog meat.....	Lb.....	12% ad val.	20% ad val.
107. 66		If product of Cuba.....		8% ad val. (a)	
		Other:			
107. 70	00	Valued not over 30 cents per pound.....	Lb.....	3¢ per pound	6¢ per lb.
107. 75	00	Valued over 30 cents per pound.....	Lb.....	10% ad val.	20% ad val.
107. 80	00	Extract of meat, including fluid.....	Lb.....	3.75¢ per lb.	15¢ per lb.

(a) - Suspended. See general headnote 3(b).

\* Meats covered by the tariff descriptions in items 106.10 and 106.20 may be made subject to an absolute quota by Presidential proclamation should the annual ratio of imports to domestic production increase over the analogous weighted average annual ratio for the period 1959 through 1963, inclusive. For more precise details see Public Law 88-482, TD 56253.

TABLE 1.—*Beef, veal, mutton, goat meat, and lamb: U.S. commercial production, imports for consumption, and selected prices, 1964-67*

[Production in million pounds carcass weight; imports in million pounds product weight; prices in dollars per 100 pounds liveweight]

Item	1964	1965	1966 <sup>1</sup>	1967 <sup>1</sup>
<b>Beef:</b>				
U.S. production:				
January to March.....	4,227	4,472	4,724	4,961
April to June.....	4,615	4,384	4,784	5,106
July to September.....	4,558	4,711	5,002	.....
October to December.....	4,637	4,758	4,949	.....
12-month total <sup>2</sup> .....	18,037	18,325	19,459	.....
U.S. imports:				
January to March.....	181	123	143	181
April to June.....	194	116	186	161
July to September.....	166	166	222	.....
October to December.....	146	160	189	.....
12-month total <sup>2</sup> .....	688	565	741	.....
Prices (choice steers, Chicago, 1,100 to 1,300 pounds.):				
January to March.....	\$21.83	\$24.43	\$28.01	( <sup>3</sup> )
April to June.....	21.30	26.98	27.03	( <sup>3</sup> )
July to September.....	25.00	27.21	25.77	.....
October to December.....	24.51	26.76	24.78	.....
12-month average <sup>2</sup> .....	23.16	26.34	26.40	.....
Prices (canner cows, Chicago):				
January to March.....	11.79	11.68	15.72	( <sup>3</sup> )
April to June.....	12.67	12.82	17.63	( <sup>3</sup> )
July to September.....	11.98	12.64	16.62	.....
October to December.....	10.31	11.73	14.71	.....
12-month average <sup>2</sup> .....	11.69	12.22	16.17	.....
<b>Veal:</b>				
U.S. production:				
January to March.....	210	228	224	192
April to June.....	206	213	205	176
July to September.....	256	252	223	.....
October to December.....	256	243	211	.....
12-month total <sup>2</sup> .....	928	936	863	.....
U.S. imports:				
January to March.....	4	4	4	4
April to June.....	5	5	6	5
July to September.....	3	3	4	.....
October to December.....	5	7	7	.....
12-month total <sup>2</sup> .....	17	19	22	.....
Prices (choice calves, St. Louis National Stockyards):				
January to March.....	\$32.29	\$29.19	\$34.59	( <sup>3</sup> )
April to June.....	26.00	27.39	32.52	( <sup>3</sup> )
July to September.....	23.47	24.98	28.66	.....
October to December.....	24.04	27.13	32.17	.....
12-month average <sup>2</sup> .....	26.45	27.17	31.98	.....

See footnotes at end of table.

TABLE 1.—Beef, veal, mutton, goat meat, and lamb: U.S. commercial production, imports for consumption, and selected prices, 1964-67—Continued

[Production in million pounds carcass weight; imports in million pounds product weight; prices in dollars per 100 pounds liveweight]

Item	1964	1965	1966 <sup>1</sup>	1967 <sup>1</sup>
<b>Mutton and goat meat:</b>				
U.S. production (estimated at 8 percent of lamb and mutton):				
January to March.....	15	13	12	14
April to June.....	14	12	13	12
July to September.....	14	13	13	-----
October to December.....	14	13	13	-----
12 month total <sup>2</sup> .....	57	52	51	-----
U.S. imports:				
January to March.....	15	4	14	13
April to June.....	12	6	23	14
July to September.....	3	11	14	-----
October to December.....	4	9	10	-----
12-month total <sup>2</sup> .....	34	30	61	-----
Prices (slaughter sheep, Chicago):				
January to March.....	\$6.92	\$6.50	\$7.50	( <sup>3</sup> )
April to June.....	6.17	5.83	7.67	( <sup>3</sup> )
July to September.....	5.54	6.75	6.17	-----
October to December.....	5.92	6.58	6.50	-----
12-month average <sup>2</sup> .....	6.14	6.42	6.96	-----
<b>Lamb:</b>				
U.S. production (estimated at 92 percent of lamb and mutton):				
January to March.....	170	149	143	163
April to June.....	156	143	152	136
July to September.....	156	149	149	-----
October to December.....	164	147	144	-----
12-month total <sup>2</sup> .....	647	588	588	-----
U.S. imports:				
January to March.....	4	2	5	2
April to June.....	3	3	6	2
July to September.....	3	3	3	-----
October to December.....	2	4	2	-----
12-month total <sup>2</sup> .....	10	13	15	-----
Prices (slaughter lamb, Chicago):				
January to March.....	\$20.96	\$23.71	\$27.63	( <sup>3</sup> )
April to June.....	23.33	25.25	25.71	( <sup>3</sup> )
July to September.....	23.13	23.83	24.17	-----
October to December.....	20.29	24.38	22.50	-----
12-month average <sup>2</sup> .....	21.93	24.29	25.00	-----

<sup>1</sup> Preliminary.<sup>2</sup> From unrounded data.<sup>3</sup> Not available.

Source: Production and prices compiled from official statistics of the U.S. Department of Agriculture, except as noted; imports compiled from official statistics of the U.S. Department of Commerce.

TABLE 2.—*Beef and veal: Australian production, exports, and exports to United States as percent of exports*

Year (July-June)	Production	Exports		Exports to United States as percent of:	
		Total	To United States	Total exports	Production
	<i>Thousand tons</i>	<i>Thousand tons</i>	<i>Thousand tons</i>		
1961-62.....	791.1	201.2	146.8	73	19
1962-63.....	913.9	260.8	211.5	81	23
1963-64.....	985.5	281.3	218.4	78	22
1964-65.....	1,010.1	316.0	141.7	45	14
1965-66.....	931.4	278.5	164.0	59	18
1966-67.....	867.5	245.6	178.1	73	21

Source: Intelligence Bulletin, the Commonwealth Economic Committee, U.S. Department of Agriculture-FAS; and Meat Producer and Exporter.

TABLE 3.—*Meats subject to Public Law 88-482: Quotas, forecast of imports, U.S. imports for consumption, and imports as a percent of quota, 1960-67*

Year	Quota determination	Imports forecast		Actual imports	Actual imports as a percent of quota
		Initial	Final		
	<i>Million pounds product weight</i>	<i>Million pounds product weight</i>	<i>Million pounds product weight</i>	<i>Million pounds product weight</i>	
1960.....				451	
1961.....				614	
1962.....				925	
1963.....				1,049	
1964.....				739	
1965.....	848.7	732	630	614	72
1966.....	890.1	700	800	824	93
1967.....	904.6	960	860		

Source: Quotas and import forecasts from the Federal Register; import data compiled from official statistics of the U.S. Department of Commerce.

TABLE 4.—*Percentage distribution of annual imports of quota-type meats, by quarters, 1960-66*

Year	Calendar quarter			
	1st	2d	3d	4th
1960.....	22	27	34	17
1961.....	17	25	30	28
1962.....	24	18	30	28
1963.....	23	21	31	25
1964.....	27	29	23	21
1965.....	21	21	29	29
1966.....	20	26	29	25

Source: Compiled from official statistics of the U.S. Department of Commerce.



TABLE 5.—Meats, other than bird meat (except beef, veal, mutton, and goat meat, fresh, chilled, or frozen): U.S. imports for consumption, annual 1964-68 and January-August 1967<sup>1</sup>

[In millions of pounds product weight]

TSUS item	Description	1964	1965	1966 <sup>1</sup>	January-August 1967 <sup>1</sup>
	<b>Meat, fresh, chilled, or frozen:</b>				
106.30	Lamb.....	10	13	15	6
106.40	Pork.....	39	48	42	32
106.50	Deer.....	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
106.55	Other game animals.....	1	1	1	( <sup>2</sup> )
106.60	Frogs.....	2	3	3	2
106.65	Horsemeat.....	14	11	14	11
106.70	Other, valued not over 30 cents per pound.....	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
106.75	Other, valued over 30 cents per pound.....	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
	<b>Edible offal, fresh, chilled, or frozen:</b>				
106.80	Valued not over 20 cents per pound.....	1	1	1	1
106.85	Valued over 20 cents per pound.....	1	2	2	1
	<b>Sausages:</b>				
107.10	Fresh pork.....	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
107.15	Other pork.....	2	2	2	2
107.20	Beef, in airtight containers.....	5	2	3	( <sup>2</sup> )
107.25	Other.....	5	5	6	4
	<b>Pork, prepared or preserved:</b>				
107.30	Not boned and cooked and packed in airtight containers.....	6	7	5	4
107.35	Boned and cooked and packed in airtight containers.....	163	205	248	170
	<b>Beef and veal, prepared or preserved:</b>				
	<b>Pickled or cured:</b>				
107.40	Valued not over 30 cents per pound.....				( <sup>2</sup> )
107.45	Valued over 30 cents per pound.....	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
107.50	Beef in airtight containers.....	79	91	90	59
107.55	Other, valued not over 30 cents per pound.....	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
107.60	Other, valued over 30 cents per pound.....	11	24	36	22
	<b>Other meats and edible offal, prepared or preserved:</b>				
107.65	Frog meat.....	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
107.70	Other, valued not over 30 cents per pound.....	5	7	3	1
107.75	Valued over 30 cents per pound.....	2	5	15	9
107.80	Meat extract.....	1	1	1	1

<sup>1</sup> Preliminary.<sup>2</sup> Less than 500,000 pounds.

Source: Compiled from official statistics of the U.S. Department of Commerce.