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GOVERNMENT DOCUMENTS

UNITED STATES TARIFF COMMISSION

INVESTIGATIONS UNDER THE "PERIL POINT" PROVISION

INVESTIGATIONS CONDUCTED BY THE UNITED STATES TARIFF COMMISSION
UNDER THE PROVISIONS OF SECTION 3 OF THE TRADE AGREEMENTS
EXTENSION ACT OF 1948 AND SECTION 3 OF THE TRADE AGREEMENTS
EXTENSION ACT OF 1951, AS OF APRIL 15, 1955

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INTRODUCTION

The following compilation summarizes information on the "peril point" investigations that the United States Tariff Commission has conducted under the provisions of section 3 of the Trade Agreements Extension Act of 1948 and section 3 of the Trade Agreements Extension Act of 1951.

Sections 3 and 4 of the Trade Agreements Extension Act of 1951 set forth the statutory requirements regarding "peril point" determinations in connection with proposed trade-agreement negotiations. The peril-point provisions of the 1951 act, which are substantially the same as those that were incorporated in the Trade Agreements Extension Act of 1948, ^{1/} require the President, before entering into any trade-agreement negotiation, to transmit to the Tariff Commission a list of the commodities that may be considered for possible concessions. The Commission is then required to make an investigation (including a public hearing) and to report its findings to the President on (1) the maximum decrease in duty, if any, that can be made on each listed commodity without causing or threatening serious injury to the domestic industry producing like or directly competitive products, or (2) the minimum increase in the duty or additional import restrictions that may be necessary on any of the listed products in order to avoid causing or threatening serious injury to such domestic industry.

The President may not conclude a trade agreement until the Commission has made its report to him, or until 120 days from the date

^{1/} The Trade Agreements Extension Act of 1949 did not contain the peril-point provision.

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he transmitted the list of products to the Commission. If the President concludes a trade agreement that provides for greater reductions in duty than the Commission specified in its report, or that fails to provide for the additional import restrictions specified, he must transmit to the Congress a copy of the trade agreement in question, identifying the articles concerned and stating his reason for not carrying out the Tariff Commission's recommendation. Promptly thereafter, the Tariff Commission must deposit with the Senate Committee on Finance and the House Committee on Ways and Means a copy of the portions of its report to the President dealing with the articles with respect to which the President did not follow the Tariff Commission's recommendations. The Trade Agreements Extension Act of 1953 made no changes in the peril-point procedure as set forth in the extension act of 1951.

To give some indication of the scope of the various peril-point investigations that the Commission has conducted, the following compilation shows, for each investigation, the number of tariff paragraphs or subparagraphs involved in the President's list. Some of the paragraphs or subparagraphs listed related to a single commodity; many related to more than one commodity; and others were "basket" provisions, each of which covered a large variety of commodities. For this reason, there is also shown for each investigation the approximate number of statistical (Schedule A) ^{1/} classifications, or parts thereof, involved in the President's list.

^{1/} U. S. Department of Commerce, Schedule A, Statistical Classification of Commodities Imported into the United States.

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Investigations conducted by the United States Tariff Commission under the provisions of section 3 of the Trade Agreements Extension Act of 1948 and section 3 of the Trade Agreements Extension Act of 1951

| Country ^{1/} | Status |
|---|--|
| Denmark, Dominican Republic, El Salvador, Finland, Greece, Haiti, Italy, Nicaragua, Peru, Sweden, and Uruguay (1949). | <p><u>Origin of investigation:</u> Letter and list of commodities from the President, dated Nov. 5, 1948.</p> <p><u>Scope of investigation:</u> Commodities specified in the President's list of Nov. 5, 1948. The list involved 166 tariff paragraphs or subparagraphs, each of which included one or more commodities, and covered approximately 500 statistical (Schedule A) classifications or parts thereof. The commodities were those listed by the Interdepartmental Committee on Trade Agreements in its public notice--issued Nov. 5, 1948--of intention to undertake tariff negotiations with the listed countries under the General Agreement on Tariffs and Trade at Annecy, France.</p> <p><u>Investigation instituted:</u> Nov. 5, 1948.</p> <p><u>Hearing held:</u> Dec. 7-14, 1948.</p> <p><u>Report submitted to the President:</u> Mar. 4, 1949.</p> <p><u>Remarks:</u> Before the Annecy agreement was concluded, the "peril point" provision had been eliminated from the trade agreements legislation by the Trade Agreements Extension Act of 1949.</p> |

^{1/} The year shown in parentheses is the year that the Commission completed, or was due to complete, the particular peril-point investigation.

| Country | Status |
|--|---|
| Colombia, Denmark, Dominican Republic, Finland, Greece, Haiti, Italy, Liberia, Peru, Sweden, and Uruguay (supple- mental investigation) (1949). | <p><u>Origin of investigation:</u> Letter and list of commodities from the President, dated Dec. 17, 1948.</p> <p><u>Scope of investigation:</u> Commodities specified in the President's list of Dec. 17, 1948. The list involved 59 tariff paragraphs or subparagraphs, each of which included one or more commodities, and covered approximately 100 statistical (Schedule A) classifications or parts thereof. The commodities were those listed by the Interdepartmental Committee on Trade Agreements in its supplementary public notice--issued Dec. 17, 1948--concerning trade-agreement negotiations with the listed countries under the General Agreement on Tariffs and Trade at Annecy, France.</p> <p><u>Investigation instituted:</u> Dec. 17, 1948.</p> <p><u>Hearing held:</u> Jan. 25-27, 1949.</p> <p><u>Report submitted to the President:</u> Apr. 14, 1949.</p> <p><u>Remarks:</u> Before the Annecy agreement was concluded, the "peril point" provision had been eliminated from the trade agreements legislation by the Trade Agreements Extension Act of 1949.</p> |

| Country | Status |
|------------------------|---|
| Venezuela (1951) ----- | <p data-bbox="699 338 1378 439"><u>Origin of investigation:</u> Letter and list of commodities from the President, dated Aug. 29, 1951.</p> <p data-bbox="699 443 1485 864"><u>Scope of investigation:</u> Commodities specified in the President's list of Aug. 29, 1951. The list involved 4 tariff paragraphs and one section of the Internal Revenue Code, each of which included one or more commodities, and covered approximately 30 statistical (Schedule A) classifications or parts thereof. The commodities were those listed by the Interdepartment Committee on Trade Agreements in its public notice--issued Aug. 29, 1951--of intention to negotiate with Venezuela to supplement and amend the 1939 bilateral trade agreement with that country.</p> <p data-bbox="699 869 1353 898"><u>Investigation instituted:</u> Aug. 29, 1951.</p> <p data-bbox="699 902 1177 931"><u>Hearing held:</u> Oct. 2-4, 1951.</p> <p data-bbox="699 936 1241 999"><u>Report submitted to the President:</u> Dec. 27, 1951.</p> <p data-bbox="699 1003 1414 1742"><u>Remarks:</u> The supplementary bilateral trade agreement with Venezuela was signed on Aug. 28, 1952; it became effective on Oct. 11, 1952. On Aug. 29, 1952, the President transmitted to the Congress a copy of the trade agreement, together with a report of the reasons why the concession granted with respect to the import tax on crude petroleum, topped crude petroleum, and fuel oil derived from petroleum (including fuel oil known as gas oil) did not conform to the limit specified in the Commission's report to the President with respect to such products. On Sept. 2, 1952, as required by law, the Commission transmitted to the Senate Committee on Finance and the House Committee on Ways and Means a copy of the portions of its report to the President dealing with the articles identified by the President in his report to the Congress. On Sept. 4, 1952, the Commission made available to the public the material it had transmitted to the two committees.</p> |

| Country | Status |
|-----------------------------------|--|
| Japan and other countries (1955). | <p data-bbox="679 421 1385 521"><u>Origin of investigation:</u> Letter and list of commodities from the President, dated Nov. 13, 1954.</p> <p data-bbox="679 526 1497 965"><u>Scope of investigation:</u> Commodities specified in the President's list of Nov. 13, 1954. The list involved 168 tariff paragraphs or subparagraphs, each of which included one or more commodities, and covered approximately 600 statistical (Schedule A) classifications or parts thereof. The commodities were those listed by the Interdepartmental Committee on Trade Agreements in its public notice-- issued Nov. 13, 1954--of intention to undertake tariff negotiations with Japan and other countries under the General Agreement on Tariffs and Trade at Geneva, Switzerland.</p> <p data-bbox="679 969 1358 1003"><u>Investigation instituted:</u> Nov. 13, 1954.</p> <p data-bbox="679 1005 1209 1039"><u>Hearing held:</u> Dec. 13-23, 1954.</p> <p data-bbox="679 1041 1241 1108"><u>Report submitted to the President:</u> Feb. 17, 1955.</p> |

| Country | Status |
|--|---|
| Japan and other countries (supplemental investigation (1955)). | <p><u>Origin of investigation:</u> Letter and list of commodities from the President, dated Feb. 21, 1955.</p> <p><u>Scope of investigation:</u> Commodities specified in the President's list of Feb. 21, 1955. The list involved 28 tariff paragraphs or subparagraphs, each of which included one or more commodities, and covered approximately 50 statistical (Schedule A) classifications or parts thereof. The commodities were those listed by the Interdepartmental Committee on Trade Agreements in its supplementary public notice--issued Feb. 21, 1955--concerning trade-agreement negotiations involving Japan and other countries under the General Agreement on Tariffs and Trade at Geneva, Switzerland.</p> <p><u>Investigation instituted:</u> Feb. 21, 1955.</p> <p><u>Hearing held:</u> Mar. 28-Apr. 1, 1955.</p> <p><u>Report submitted to the President:</u> Apr. 8, 1955.</p> |

| Country | Status |
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| Switzerland (1955) ----- | <p data-bbox="708 331 1394 432"><u>Origin of investigation:</u> Letter and list of commodities from the President, dated Feb. 21, 1955.</p> <p data-bbox="708 439 1490 936"><u>Scope of investigation:</u> Commodities specified in the President's list of Feb. 21, 1955. The list involved 11 tariff paragraphs or subparagraphs, each of which included one or more commodities, and covered approximately 70 statistical (Schedule A) classifications or parts thereof. The commodities were those listed by the Interdepartmental Committee on Trade Agreements in its public notice--issued Feb. 21, 1955--of intention to undertake tariff negotiations with Switzerland at Geneva, Switzerland, to compensate Switzerland for the increase in United States duty rates on certain watches and watch movements.</p> <p data-bbox="708 936 1369 969"><u>Investigation instituted:</u> Feb. 21, 1955.</p> <p data-bbox="708 969 1310 1003"><u>Hearing held:</u> Mar. 28 - Apr. 1, 1955</p> <p data-bbox="708 1003 1262 1077"><u>Report submitted to the President:</u> Apr. 13, 1955.</p> |