ANALYSIS OF THE RATE-REDUCING AUTHORITY IN THE TRADE REFORM $\Lambda$ CT OF 1973

STAFF PAPERS PROVIDED BY THE U.S. TARIFF COMMISSION

Fon the
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## Foreword

This paper represents an attempt to place the tariff negotiating authority of the proposed 'Trade Reform Act in perspective. The existing U.S. trade agreenent rates are already at generally low and modcrate levels. As a result, the ability to make low rate articles duty-free-a relatively minor authority in the Trade Expansion Act-is of considerable significance under the TRA. The 60 percent negotiating authority under the TRA also appears to have wide impact. On the otl $r$ hand, full 75 percent reductions appear to have only limited appıcation.

## Introduction

The proposed Trade Reform Act of 1973 ('TRA) provides a graduated tariff negotiating anthority with limits based on the "rate existing on July 1, 1973". Since the tariff negotiating anthority provided in the Trade Expansion Act expired on July 1, 1967 and thus no now trade agreement concessions can bo negotiated, the rates existing on July 1, 1973 will, by and large, reflect the trade agreement concessions made up to and including those negotiated in the Kennedy Round, the last stages of which were implemented January 1, 1972.

Section 101 of the TRA sets out the basic authority for trade agreements. For rates not more than 5 percent ad valorem no limits on the President's rate reducing authority are provided, and these low rate items can be made duty-free. For duties more than 5 percent but not more than 25 percent ad valorem, reductions up to 60 percent would be allowed. For duties above 25 percent ad valorem, a 75 percent reduction would be allowed, except that no duty which is more than 25 percent ad valorem can be reduced to below 10 percent ad valorem. A rate increasing authority within the context of a trade agreement is also provided, but only a few increases in rates of duties have been provided for in basic trade-agreement negotiations. The 40 year history of the trade agreement program has been primarily one of reciprocal concessions pursuant to which rates of duty have been reduced.

Section 601(3) of the TRA defines the term "ad valorem" as including ad valorem equivalent (AVE). Such a definition is needed to determine the magnitude of allowable reductions. In negotiating, the President is to use ad valorem percentages determined on the basis of the value of imports of the articles concerned during the most recent representative period, before the date on which the trade agreement is made. Since equivalents of specific rates (i.e., rates expressed in the amount charged per unit of measure) and compound rates (i.e., a combination of specific and ad valorem rates) change with the value of the articles entered, it is not likely that the AVE's used in this paper would be the ones used at some later date. However, inasmuch as the incidence of specific and compound rates diminish with increasing price levels, it is likely that many AVE's will be lower some two or three years hence than they were in 1972, the base year for most of the data used here.

## Tariff Structure

In 1972, the Tariff Schedules of the United States (TSUS) provided for 6,760 tariff line items, with MFN rates of duty ranging from duty "free" to ad valorem equivalents (AVE's) of over 200 percent. In general, however, most rates of duty were far lower than the few isolated instances that gave the range such a wide spread.



The charts on the previous two pages depiet the distribution of United States most-favored-mation (MFN or trade agreementi) tariff line provisions, by duty level, for all trade items and divided into industrial and argricultural products. As shown, the MFN rate provisions are predominintely distributed in the lower duty levels. Sisty-one percent of the tariff provisions applicable to industrial products and 69 percent of the rate provisions applicable to agricultural products carried rates of duty of 10 percent or less. The numiber of tarff provisions tailed off from the 10 percent level so that only about 2 percent of the tariff lines provided for rates of duty in excess of 40 percent ad valorem equivalent. ${ }^{1}$
As shown, 23 percent of the industrial and agricultural tariff items provided for ditiable treatment at rates of 5 percent ad valorem or less; and, hence, under the basic authörity for trade agreements, these items could be made duty free. About three-fifths of the industrial tariff provisions and about half of the agricultural tariff provisions fell into the second category-i.e., about 5 percent ad valorem but not more than 25 percent ad valorem-where decreases in rates could amount to up to 60 percent of the existing rate. Only a small percentage of U.S. tariff items, however, provided rates of duty above 25 percent ad valorem. Rates in this range could be reduced up to 75 percent, subject to the 10 percent ad valorem floor. Thus, to be reduced a full 75 percent, the existing rate would have to exceed 40 percent ad valorem, and as noted, only about 2 percent of U.S. AFN rate provisions were that high in 1972.
Staging requirements and rounding authority is also provided in Trade Reform Act (section 103). Staging requirements would permit annual tariff reductions up to and including the higher of (1) three percentage points, or (2) one-fifteenth of the total reduction. No staging would be required where the existing tariff is reduced 10 percent or less. A rounding authority like that in the Trade Expansion Act is also provided. ${ }^{2}$ Of the staging requirements, the thiree percentage points per year appears to be the principle operative limit. A duty reduction would have to exceed 45 percent ad valorem to bring into play the onefifteenth provision, which, in turn, would require the current duty to exceed 60 percent AVE. In 1972, only 22 individual items in which trade occurred carried trade agreement rates in excess of 60 percent AVE.

## Application of the rate reducing authority

An analysis by tariff line item does not indicate the volume of trade involved. A line item covering passenger automobiles where billions of dollars of trade is involved is, in effect, treated the same as one covering quail eggs where the trade is nil. To gain a perspective on the TRA's rate reducing authority in terms of the trade actually moving, the

[^0]remninder of this paper treats with the volume of trade (expressed in dollars) entering in various tariff ranges.

The analysis which follows assumes the maximum use of the autthority granted under section 101. As a practical matter, however, one would expect that certain items would be reserved from negotiations, and others not reduced the full amount. The Trade Reform Act, for example, provides for several methods whereby advice may be given to the President. Presumably, some of this advice will suggest that certain items be excluded from the negotiations. In addition, section 128 of the TRA provides that duties may not be reduced or eliminated where they would threaten to impair national security, or while an escape action is in effect for the particular product involved. At this tine, it is not clear how extensive such reservations might be, and to simplify the analysis, the full authorized reductions are assumed to be applied across the board. ${ }^{3}$

Overall trade.-In 1972, imports valued at $\$ 55$ billion entered into U.S. consumption. As shown in the following table, nearly a third were duty-free, and practically another third entered at rates of 5 percent ad valorem (or ad valorem equivalent) or less.

Value of U.S. imports for consumption arranged by ad
valorem equivalents, 1972 .

| Ad valorem eguivalent | Imports |  |
| :---: | :---: | :---: |
|  | Value (thousands) | Percent |
| Range in percent: |  |  |
| Duty free.... | \$17, 786, 392 | 32.2 |
| Ditiable at- |  |  |
| 0.1 to 5. | 16, 854, 253 | 30.5 |
| 5.1 to 10 | 12, 410, 564 | 22.5 |
| 10.1 to 15 | 3, 054, 520 | 5. 5 |
| 15.1 to 20 | 2, 225, 561 | 4. 0 |
| 20.1 to 30. | 1, 251, 764 | 2.3 |
| 30.1 to 40 | 1, 130, 877 | 2. 0 |
| 40.1 to 49.9 | 160, 467 | . 3 |
| 50 or more. | 64, 074 | . 1 |
| Dutiable but not | 343, 847 | . 6 |
| Total. | 55, 282, 319 | 100.0 |

[^1]Duties 5 percent or less have been called "nuisance tariffs" with "little economic significance". ${ }^{4}$ On the other hand, they produce customs revenue, while, of course, duty-free items do not. ${ }^{6}$ More than

[^2]one-fifth of the value of trade was dutiable at rates between 5.1 and 10.0 percent, and about a tenth was dutiable between 10 and 20 percent AVE. Relatively little trade, $\$ 2.6$ billion, was dutiable abovo 20 percent, but of that, $\$ 1.8$ billion (nearly 70 percent) consisted of textile fibers and textile products.
If the full rate reducing authority of section 101 were applied to 1972 trade, the results would be as shown in the next table:

Value of U.S. imports for consumption 1972, arranged by tariff ranges applicable, given the maximum rate reductions proposed in the Trade Reform Act of 1973

| Ad valorem equivalent | Imports |  |
| :---: | :---: | :---: |
|  | Value (thoussnds) | Percent |
| Range in percent: |  |  |
| Duty free- | \$34, 640, 645 | 62.7 |
| Dutiable at- |  |  |
| 0.1 to 5. | 14, 233, 800 |  |
| 5.1 to 10. 10.1 or over | 5, 8239,486 | 10.6 |
| Dutiable but no A | 343, 847 | 0 |
| Total. | 55, 282, 319 | 100.0 |

[^3]The 30 percent of imports ditiable at 5 percent AVE or less would have been duty free. Articles dutiable in the 5 to 12.5 percent AVE range would have dropped to the 0.1 to 5.0 range. Those articles dutiable at 12.6 to 25 percent AVE would have dropped to the 5.1 to 10.0 percent AVE range. Above 25 percent the TRA would permit 75 percent reductions subject to the 10 percent ad valorem "floor." As noted, it is this 10 percent ad valorem "floor" that is the principle operative element. A duty would have to bo above 40 percent ad valorem before a full 75 percent reduction could be applied. in fact, however, less than one-half of one percent of trade was dutiable at such high levels. Thus excluding the nearly two-thirds of U.S. import trade which would be duty-free, virtually all the remainder trade would have been compressed into a rate structure no higher than 10 percent AVE.

Trade by tariff schedule.-The tables and "tariff pröfiles" beginning on page 9 shows the value of 1972 imports in each of the TSUS schedules, and displays the proportions duty free or dutioble in several ranges of ad valorem equivalents. The first seven profiles are based on trade in the regular, or product-defined, tariff schedules, while the last two are based on trade in "special classifications" and "temporary modifications" of the TSUS.

As shown, the import trade in metals and metal products was by far the largest. It amounted to $\$ 24.5$ billion or 44 percent of all U.S. imports in 1972. About 30 percent (by valuc) of metals and metal products entered free of duty. Duty-free items included some $\$ 5.3$ billion in passenger automobiles and original motor vehicle equipment from Canada entered under the provisions of the Automotive Products Trade Act of 1965 (APTA). This Act implemented the Canadian Automobile Agreement which has as its objective the liberalization of U.S.-Canadian automotive trade by eliminating tariff
barriers. Many motal ores and unwrought metals, iron ore, nickel, tin, bauxite, platintum groilp metals, also entered duty-free (but not under APTA). Some 40 percent of imports of metal and metal products entered at rates of duty up to 5 percent ad valorem, and since the TRA does not provide a negotiating limit on reductions of duty at this level, they could be made duty free. Exumples of items dutinble in this range include passenger nutomobiles, motorcycles, and television receivers. Virtually all the remaining trade, including certain types of steel shects and plates, could be reduced by 60 percent.
Imports of animal and vegetable produets, which amounted to $\$ 8.0$ billion in 1972, presented a somewhat different taiff profile. Two-fifths were already duty free, with coffee, shellfish, and bananas being the principal free items. A large volume of imports occurred at dutiable ranges between 5 and 10 percent ad valorem (i.e., in the "second category" subject to 60 percent reductions). Principle articles in this catego:y included sugar, beef and veal, still wines and live catcle.
Imports of chemicals and related products, a schedule increasingly dominated by petroleum imports, totalled $\$ 6.9$ billion in 1972. Large volumes of ci ide oil, which in 1972 entered at rates in the 0.1 to 5 percent ad valorem range, skewed the tariff profile to the left. Effective May 1, 1973, the rates of duty on imports of crude peiroleum and petroleum products were suspended through $1980 .{ }^{\circ}$ However, in the place of the former quota system under the Mandatory Oil Import Program, a "license fee" system was established, which appears to have the same incidence as a duty. This schedule also provides for the benzenoid chemicals subject to the "American selling price" (ASP) system of valuation. Such imports, however, are relatively small. In 1972, imports of all benzenoids amounted to $\$ 480$ million or 7 percent of the total value of cherinicals and related products. The slight "bulge" at rates of from 10 to 15 percent ad valorem, includes cyclic organic chemical products and certain benzenoid drugs, some which were subject to the ASP system of valuation.
Imports of miscellaneous products, a wide ranging schedule more often called "sundries", provides tariff treatment for many specified products-footwenr, optical goods, watches, musical instruments, rubber and plastic products, and other products too numerous to list here. In 1972, imports were valued at $\$ 5.2$ billion. As shown in the tariff profile, a larger proportion of sundries enter dutiable at moderate to high rates. Nearly half of the trade is clustered in rates of from 5 to 10 percent ad valorem, which, under the TRA, would be eligible for reductions down to 40 percent of the existing rate. In all, some 70 percent would be subject to 60 percent reductions. Articles in this range include many footwear articles, bicycles and bicycle parts, certain toys and dolls, some types of watches, and unspecified luggage and handbags.

Imports of wood and paper and printed matter totalled $\$ 3.9$ billion. Nearly 80 percent was duty free, including newsprint paper, wood and other pulp for paper, and certain species of lumber. Plywonds are probably the most imported items subject to the 60 percent reduction.

Wood and pâper is the smallest of the regular tariff schedules in terms of the number of tariff items. While thiose schedules discussed to this point have averaged 1,000 tariff lines each, wood and paper is covered in less than 300 line items.

[^4]Textilo fibers and textile products, imports of which amounted to $\$ 3.4$ billion, comprise the only regular schedule skewed to the right. 'This represents the substantial proportion of the textile imports that enter at moderate and high rates. More than half of the imports, for example, were dutiable above 20 percent ad valorem, and 4 percent were dutiable above 40 percent ad valorem. Should textiles be negotiated, they would represent the most importunt trade items subject to the maximum reductions. On the other hand, only abott 1 percent could become duty free based on an existing duty of 5 percent ad valorem.

Textiles, although relatively small in value of trade, are classified in the largest number of tariff items. Nearly 2,000 tariff lines are provided.

Nonmetallic minerals and products comprise the smallest, in terms of trade reported, of the regular tariff schedules. Of the $\$ 1.7$ billion in trade, 43 percent was duty-free and 26 percent was dutinble between 0.1 and 5.0 percent AVE. The largest duty free item was precious and semi-precious stones (valued at $\$ 345$ million). The largest dutinble items were cut dinmonds which, under the TRA, could be made duty free.

Value of U.S. imports for consumption, by tariff schedule, by ranges of ad valorem equivalents, 1972
[In thousands of dollars]

| Taritl category | Total | Duty free | Dutiable at- |  |  |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  | 0.1 to 5 | 5.11010 | 10.1 to 15 | 15.1 to 20 | 20.1 to 30 | 30.1 to 4) | $\begin{array}{r} 40.110 \\ 44.3 \end{array}$ | shor inore | Dutiable but ins AlE |
| 1. Animal and vegetable products.. | 8,003,459 | 3. 232,339 | 2088, 747 | 2, 1440,623 | 512. 7 (in | 1591.459 | 36. $\%$ \% 0 | 36,346 | 18.0is | 25.303 | 63, 38: |
| 2. Wool and paper: printed mstter. | 3,850,536 | 3, $0 \div 29.721$ | 211, 733 | 335, 527 | -3,0:20 | 241.8k; | 3.617 | 30 |  |  |  |
| 3. Textlle Ilbers and textile products. | 3,358, 654 | 353, ${ }_{2} \mathbf{3} \cdot 4$ | 32,502 | 366, 954 | 2018,954 | 534,635 | 650.843 | 985.425 | 13i, 505 | 45 | 30 |
| 4. Chemicals and related products. | 6,910,702 | 1,563,445 | 4.461,6!3 | 205. 453 | 532, 388 | 127.68! | 18,575 | 177 | 51 | 1 | 10.233 |
| 5. Nonmetallic minerals and products. | 1,739.070 | 744,635 | 4-14, 704 | 113,087 | 174.632 | 7, 201 | 135.47\% | 15,640 | :124 | 23.750 |  |
| 6. Metals and metal products. | 24, 498, 567 | 7. 235,623 | 9.879, 351 | 5,969, 060) | !06, 119 | 110.45 | 123.900 | 15.9 20 | 3 | 8.27 | 210.060 |
| 7. Miscellaneous products. | 5, 215, 681 | 392, 307 | 855,518 | 2.405, 85.5 | \%356, 611 | 581.348 | 26is, | 70. 7.73 | 3,854 | 735 | 20.534 |
| S. Special classifications... | 1,183,893 | 1,144,321 |  |  |  |  |  |  |  |  | 31, 57: |
| 9. Temporary modincations.. | 512.457 | 90.617 |  |  |  | 342. 3183 | 14.306 | 6,536 | 2.036 | 6.549 |  |
| Total. | 55.280, 319 | 17.786, 3112 | 16, 254.253 | 12.410, 5054 | 3. 054,520 | 2, 2025, 261 | 1,231.764 | 1,130.87 | 160), 467 | 6i, 074 | 343.847 |

[^5]
## U.S. imports for consumption, by tariff schedule, proportions dutiable in various ranges of ad valorem equivalents, 1972

| Tarifl eategory | [tin merent] |  |  |  |  |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Total | $\begin{aligned} & \text { Duty } \\ & \text { free } \end{aligned}$ | Dutiable at- |  |  |  |  |  |  |  |  |
|  |  |  | 0.1 to 5 | 5.1 to 10 | 10.1 to 15 | 15.1 to 20 | 20.1 to 30 | 30.1 to 40 | to 49.9 | $\begin{aligned} & 50 \text { or } \\ & \text { mare } \end{aligned}$ | Dutiablo hut no averace |
| 1. Animal and vegetable products .-. | 100 | 40. 4 | 12. 1 | 36. 8 | 6. 7 | 2. 0 | 0. 5 | 0. 5 | 0. 2 | 0.3 | 0. 8 |
| 2. Wool and paper; printed matter. | 100 | 78.7 | 5. 5 | 8. 7 | . 7 | 6. 3 | . 1 | (1) |  |  |  |
| 3. Textile fibers and textile products.. | 100 | 10. | 1. 0 | 10.9 | 8. 3 | 1.5. 9 | 19. 4 | 29.3 | 4. 1 |  |  |
| 4. Chemicals and related products--- | 100 | 22. 6 | 64.: | 3. 0 | 7. 7 | 1. S | . 3 | (1) | (1) | (1) | - 1 |
| 5. Nonmetallic minerals and product: | 100 | 42. 8 | 25. 6 | 6. S | 10. 3 | 4. 4 | 7. 8 | . 9 | . 1 | 1. 3 |  |
| 6. Metals and metal products. | 100 | 29. 5 | 40. 3 | 24. 4 | 3. 9 | 11.4 | . 5 | (1) | (1) | (1) | . 8 |
| 7. Miscellaneous products.-------.- | 100 | 7. 7 | 16. 4 | 47. 3 | 10. 7 | 11.1 | 5.1 | 1. 4 | . 1 | (1) | - 4 |
| 9. Tempecial classifications-..... | 100 100 | 17. 7 |  |  |  | 76. 5 | 2. 8 | 1. 3 | 4 | 1.3 | 3. 3 |
| Total. | 100 | 32.2 | 30. 5 | 22. 5 | 5. 5 | 4. 0 | 2. 3 | 2. 0 | . 3 | . 1 | . 6 |

[^6]

- LESS THRN E. 85 PERCENT



fercent
af
IMPDRTS

- LESS THRN m.as PERCEMT




'The last two profiles cover special classifications (mostly U.S. goods returned and free of duty) and temporiary modifications. The last category includes quota items, other "special" tariff treatment (the import surcharge was in this schedile), and escape netions. The latter influence the duties collected and, ns shown, most U.S. escape netion rates are in the 15 to 20 percent ad valoren range.

Trade by individual items.--The individual tariff items, generally provide the lowest level of aggregation for trade statistics and unalysis. The table below lists 64 dutiable items in which the value of imports reached $\$ 100$ million or more. Imports of these 64 items were valued at $\$ 21.5$ billion, or 39 percent ( 57 percent of dutiable trade) of total import trade. The last two columns of that table show the 1972 ad valorem rate, and the rate which would result assuming the rate reducing formula in section 101 were applied. No other adjustments, for rounding authority, for example, are made. As shown in the table, the change in tariff structure that results, originates not so mileh in high tariffs being reduced by large amounts, but instead by the elimination of many "low rate" duties, and by the 60 percent reduction of rates between 5 and 25 percent. Although the 64 major trade items in 1972 contained a number of rates above 25 percent AVE, none of these were so high that a full 75 percent reditiction could be made before the 10 percent AVE "lloor" intervened.

TSUS dutiable items in which trade was valued $\$ 100,000,000$ or more at current trade agreement rates of duty, and as adjusted for tariff reducing authority as proposed in the TRA

| $\underset{\text { item }}{\text { Tsus }}$ | Description | Value (thousand) | $\begin{gathered} 1072 \\ \text { AVE } \end{gathered}$ | $\begin{gathered} \text { TRA } \\ \text { AVE } \end{gathered}$ |
| :---: | :---: | :---: | :---: | :---: |
| 69210 | Passenger vehicles | 3.154, 189 | 3. 0 | Free |
| 47810 | Crude oll-250 ${ }^{\circ} \mathrm{API}$ or | 2, 407, 472 | 13.9 | Frec |
| 47505 | Crude oil less than $25^{\circ} \mathrm{API}$ | 1, 391,730 | 12.2 | Free |
| 15.520 | Sugar | 824, 432 | 8. 1 | 3. 2 |
| 10610 | Beef and vea | 744, 320 | 5. 2 | 2.1 |
| 69250 | Motorcycles | 697, 073 | 5. 0 | Free |
| 68:20 | Television apparatus and | 679, 930 | 5.) 0 | Free |
| 60887 | Cold rolled plates and sheets | -5.7, 589 | 8. 0 | 3.2 |
| 38278 | Women's etc. knit apparel, M M | 443, 606 | 39. 2 | 10. 0 |
| 68523 | Tubeless radio receivers.- | 43¢, 658 | 10.4 | 4.2 |
| 67850 | Tape play | 409, 738 | 5. 0 | Free |
| 60884 | Plates and sheets not piekled or cold rolled. | 398, 893 | 7. 5 | 3. 0 |
| 68760 | Other electronic tubes, etc. | 389, 573 | 6. 0 | 2.4 |
| 69227 | Parts of motor vehicles. | 342, 343 | 4. 0 | Free |
| 772.51 | Pneumatic tires for motor vehicl | 339, 216 | 4. 0 | Free |
| 70045 | Ieather foot wear valued over \$2.i0 per pair. | 314,331 | 10. 0 | 4.0 |
| 69460 | Parts for aircraft and spacecraft ............ | 308, 550 | 5. 0 | Frec |
| 60980 | Angles, shapes and sections other than alloy iron or steel. | 267, 995 | 1. 6 | Free |
| 10735 |  | 264, 063 | 3. 6 | Free |
| 16845 | Irish and Scutch whisk | 262,452 | 2. 6 | Free |
| 68540 | Tape recorders, dictation machines and parts | 250, 90: | 5. 5 | 2. 2 |
| 47525) | Motor fuel | 232, 483 | 13. 4 | 5. 4 |
| 52032 | Diamonds, not over 0.5 carat, cut but not set. | 227, 417 | 4. 0 | Free |
| 70035 | Footwear of leather, for males, others. | 218, 155 | 8. 5 | 3.4 |
| See footnotes at end of table, p. 21. |  |  |  |  |

TSUS dutiable items in which trade was valued $\$ 100,000,000$ or more at current trade agreement rates of duty, and as adjusted for tariff reducing authority as proposed in the TRA-Con.

| TsUS | Description | Value (lhousind) | $\begin{array}{r} 1072 \\ \text { AVE } \end{array}$ | $\begin{aligned} & \text { TRA } \\ & \text { A:R } \end{aligned}$ |
| :---: | :---: | :---: | :---: | :---: |
| 24017 | Plywood, face Philippine mahogany | 217, 780 | 20. 0 | 8. 0 |
| 4753.5 | Naphthas | 213, 850 | 14.2 | Free |
| 60804 | Conted plates or sheets, othor thán alloy iron or steel, not over 10 cents per ll, | 209, 673 | 9.0 | 3. 0 |
| 010:32 | Pipes and tubes, 0.37i-in diameter or more. - | 20:, 723 | 3. 8 | Free |
| 16840 | Whisky, not elsewhere speecified. | 191, (323 | 12. 5 | i. 0 |
| 38081 | Men and boys apparel, knit, M. | 190, 036 | 38. 8 | 10.0 |
| 67630 | Office maehines, not spenially provided for.- | 190, 3037 | \%. 0 | Free |
| 70055 | Fontwear, mostly rubber or plastic uppers.- | 177, 038 | 6. 0 | 2.4 |
| 62602 | Unwrought zinc | 173, 707 | 4.1 | Fren |
| 670.52 | Parts of office machines | 175, 428 | 5. 5 | 2. 2 |
| 73218 | Bicyeles valued over \$16.67 enc | 173, 316 | 5. 5 | 2.2 |
| 61206 | Unwrought copper, not elsewhere specified.- | 172, 772 | . | Free |
| 66046 | Nompiston type engines | 170, 6i88 | 5. 0 | Free |
| 61802 | Aluminum, except alloy | 167, i3i4 | 4.4 | Free |
| 33830 | Woven fabrics, MMF, not elsewhere specified | 161, 850 | 26. ${ }^{\text {i }}$ | 10.0 |
| 66044 | Fingines other than compression ignition, piston type. | 160, 306 | 4.0 | Free |
| 16730 |  | 156, 104 | 8. 9 | 3. 6 |
| 67017 | Knitting machines, not elsewhere specified.- | 153, 001 | 6. 0 | 2.4 |
| 60871 | Wire rods, not tempered, over 4 cents per lb.. | 1il, 700 | 4.2 | Free |
| 67620 | Calculating machines for multiplying and dividing- | 150, 659 | 5. 0 | Free |
| 38084 | Men's and boys' appuarel, MMF, not knit... | 146, 418 | 35. 9 | 10. 0 |
| 77460 | Articles of rubber or plastic.................. | 142, 354 | 8. 6 | 3.4 |
| 31001 | Yarns, MMF, not over \$1 per | 136, 204 | 1i. 7 | 6.3 |
| 61806 | Certain allovs of aluminum. - | 134, 707 | 4.3 | Free |
| 67215 | Sewing machines, over \$10 each | 134, $\mathbf{5 8 7}$ | 5. 0 | Frce |
| 68590 | Flectrical switches, relays | 127, 734 | 8. 5 | 3. 4 |
| 66052 | Parts of piston engines. | 124, 702 | 4.0 | Free |
| 68470 | Microphones, speakers, amplifiers, and parts. | 123, 985 | 7. 5 | 3. 0 |
| 69202 | Automobile trucks over $\$ 1,000 . . . . . . . . . .$. | 117, 743 | 25. 0 | 10. 0 |
| 10045 | Catile | 11:5,201 | 7. 1 | 2.8 |
| 68035 | Ball or roller bearings. | 115, 130 | 28.4 | (2) |
| 345.50 | Knit fabrics of man-made fib | 114, 782 | 28. 7 | 10.0 |
| 73790 | Certain toys and parts | 114, 682 | 17. ${ }^{3}$ | 7. 0 |
| 40360 | Cyelic organic chemical produ | 112, 676 | 13.8 | 5. ${ }^{5}$ |
| 38233 | Women's, infants, cotton apparel, not knit, not elsewhere specified | 109, 803 | 16. 5 | 6. 6 |
| 66135 | Refrigerators and refrigerating equipment.- | 109, 215 | 5. 9 | 2.4 |
| 69220 | Truck and bus bodies and chassis.......- | 106, 852 | 4. 0 | Free |
| 11055 | Cod, cusk, haddock | 103, 227 | 5. 1 | 2.0 |
| 7150i | Watches | 101, 350 | 22. 5 | 9. 0 |
| 69440 |  | 100, 502 | 5. 0 | Free |

[^7]While an nualysis of " $\$ 100$ million or more" items is satisfying in that one can quickly grasp the extent of tho TRA's proposed rate reducing authority on the bulk of U.S. imports, such an analysis covers only a minisciiln number of tariff provisions. Hence, another series of tables beginning on page 23 is provided. These tables represent a compromise between analysis by value of trade and annlysis by individual tariff items. For each of the tariff ranges discussed (except. those few items dutiable but for which an ad valorem equivalent is not available) these tables provide trade and rate data for the 25 tariff items covering the largest dollar volume of trade. This breakdown provides information on 225 individual rate provisions and covers $\$ 37$ billion, or two thirds of the total value of U.S. imports. In those rate ranges where the bulk of trado occurs (i.e., duty free and those rate ranges to 10 percent AVE) the 25 largest trade items cover from 47 to 77 percent of the trade in each range. In those rate ranges above 10 percent AVE, the 25 largest provide coverage of from 57 to 99 percent of the tralo in each range.

As throughout this paper the 'TRA's negotiating authority is addressed in the context of the President's authority to proclaim rate reductions. Thus, for items already duty free, the TRA, in effect, provides for no further change. As noted, however, section 101, the basic authority for trade agreements does permit increasing or imposing rates of duty. Nevertheless, a trade agreement with provisions to increase duties would be unusual ${ }^{8}$ and in any case, it is tariff reductions that are normally of the greatest concern to domestic producers and workers. Consequently, each of the headnotes indicate the range of duty resulting should the TRA's full reducing authority (and in this case the rounding authority as well) be applied.

[^8]
## 25 largest trade items-duty free

## (TRA proposes no change)

| TSUS | Description | 1972 Value (thousandy) |
| :---: | :---: | :---: |
| 00211 | Passenger automobiles, Al'TA. | \$2, 097, 110 |
| 16010 | Coffee, crude, ronsted or ground | 1, 197, 750 |
| 8000 | U,S, goods returned..... | 1, 197, 939 |
| $2{ }^{2} 200$ | Standard newsprint pmper | 1, 0, 6,144 |
| $6022 S$ | Motor vehicle equipment, $\mathrm{Al}^{\prime} \mathrm{l}^{\prime}$ | 760, 469 |
| 20203 | Spruce lumber | 508, 873 |
| $2 \mathrm{ij002}$ | Wood, rag and other pulp for making pape | 404, 150 |
| 47515 | Natural gas, methone, propane, butane, etc | 476, 700 |
| 1144i | Shellish, n.e.s., fresh, frozen, or prepared..- | 463, 862 |
| 6604i | Piston engines, AP'IA.......-...-...-. --. | 460, 121 |
| 60203 | Trucks, \$1,000 or more each, APTA. | 435, 688 |
| 60124 | Iron ore. | 415, 934 |
| 62003 | Unwrought nickel | 330, 825 |
| 60221 | Truck and bus chassis, APTA. | 288, 071 |
| 33540 | Jute woven fabric, not bleached. | 212, 105 |
| 69230 | Agricultural tractors and parts. | 210, 741 |
| 62202 | Unwrought tin. | 19.), 421 |
| 14640 | Bananas, fresh...--------- | 186, 148 |
| 41712 | Alumina, aluminum hydroxide | 173, 413 |
| 11010 | Fresh, frozen sea herring, smelts, and tuma | 168, 230 |
| 20221 | Hemlock lumber | 158, 303 |
| 60106 | Bauxite | 1.51, 012 |
| 1.5610 | Cocoa beans: | 150, 68i) |
| 2021: | Split bamboo.......- | 145, 682 |
| 11047 | Frozen fish, skinned, blocks over 10 pounds. | 140, 079 |
|  | Total. | 12, 676, 421 |

Note.- 25 largest duty free items represent 71 percent of all duty free trade ( $\$ 17.8$ billion). Duty free trade constitutes 32.2 percent of total imports ( $\$ 55.3$ billion).
Source: Compiled from official statistics by the staff of the U.S. Tariff Commission.

## 25 largest trade items-dutiable within tariff rates 0.1 to 5 percent

 ('TRA permik climination of these duties)| TSACS | 1)nerenpion | 1972 Value (thousands) | AVE |
| :---: | :---: | :---: | :---: |
| 10210 | Passenger vehicles | \$3, 104, 189 | 3.0 |
| 47510 | (rude oil-2i ${ }^{\circ}$ Al'I or more | 2, 407, 472 | 13.9 |
| +7.30. | Crubu oil less than 29\% API | 1, 391, 730 | 12.2 |
| (3)2.in | Molorevedes. | 697, 073 | \%. 0 |
| (is.ise) | Television apparalus. | (i79, 930 | i. 0 |
| (17sitl | Tape players | 409, 738 | i. 0 |
| 19227 | Parts of imotor vehicles | 342, 343 | 4. 0 |
| 762.11 | Purmmatic tires for motor vehicles | 339, 216 | 4. 0 |
| (i).410) | Parts of aireraft | 305, i.5) | S. 0 |
| bomso | Angles, shmpes and sections, wher than alloy iron or sterel. | 267, 99.) | 1. 6 |
| 1073.5 | Pork | 265, 003 | 3. 6 |
| 16845 | Irish mud Seoteh whiskey | 262, 4.)2 | 2. 6 |
| -12032 | Cut diamonds not over 0..) carat | 227, 417 | 4. 0 |
| 47.3.3 | Nuptha | 213, 8.76 | 14.2 |
| (1)1032 | Pipere and tubers; 0.37.) inch or more in outside diameter | 20.5, 723 | 3.5 |
| (37630 | Cortain office machine | 190, 507 | \%. 0 |
| (i260) | Unwrought zinc | 176, 707 | 4. 1 |
| 61206 | Unwrought copper | 172, 772 | . 1 |
| (ifi)46 | Non-niston type engines | 170, 63\% | 5. 0 |
| (1).302 | Alurintim. ... .-..- | 167, 334 | 4.4 |
| (itio44 | Bingines, other than compression ignition type, piston type - | 160, 396 | 4.0 |
| (i08: 1 | Wire rods, not tempered, valued over 4 cent: - per pound | 1:1, 700 | 4. 2 |
| 1771320 | Catculating machines | 150, 030 | i. 0 |
| cilsofi | ( Cratain alloys of aluminum | 134, 707 | 4.3 |
| (i721:) | Sewing machines, valued over sil0 each | 134,987 | 5. 0 |
| Total. ...................................... $12,782,234$ |  |  |  |

[^9]25 largest trade items-dutiable within tariff rates 5.1 to 10 percent
('TRA'permits 60 percent rate reductions, i,e. to 2 to 4 percent)

| TSLS | Description | 1972 Value (thousands) | AVE |
| :---: | :---: | :---: | :---: |
| 1:520 | Sugar | \$824, 432 | 8. 1 |
| 10610 | Beef and veal | 744, 320 | B. 2 |
| 30887 | Piekled or cold rolled, plates and sheets | 557, 389 | 8. 0 |
| 60884 | Plates and sheets, not pickled or cold rolled | 398, 893 | 7. is |
| 08780 | lelectronic tubes. | 389, $: 73$ | 6. 0 |
| 70045 | Ieather footwear, vilued over \$2.j0 per pair.... | 314, 331 | 10. 0 |
| 08:540 | Tape recorders, dietation machines, and parts... | 250, 90.5 | i. is |
| 70035 | Ienther footwear for men and boys............- | 218, 15. | 8. 5 |
| 60894 | Steel plates and sheets, alloys, conited and plated, valued not over 10 cents per pound. | 209, 673 | 9. 1 |
| 700:\% | Fontwear, mostly rubber or plastic uppers...... | 177, 038 | (i. 0 |
| 676:22 | Parts of office machines | 175, 429 | i. is |
| 73218 | Bieveles, valued over \$16.666 cach | 173, 316 | i. 5 |
| 16730 | Still wines, grape. | 156, 104 | 8.9 |
| 67017 | Certain knitiong machines | 1:3, 001 | 6. 0 |
| 77460 | Articles of rubber or plastic | 142, 354 | 8. 6 |
| 68500 | blectrical switches, relays, fusc | 127, 734 | 8. 5 |
| 68470 | Mierophones, loudspeakers, amplifiers, 1 | 123, 98.7 | 7. ${ }^{\text {7 }}$ |
| 10045 | live cattle --.-.-.-.-.-........ | 115, 201 | 7. 1 |
| 6803: | Ball or roller bearings | 11.), 130 | ${ }^{1} 8.4$ |
| 6613.5 | Refrigerators and refrigerating equipmen | 109, 215 | 5. 9 |
| 1105\% | Cod, cusk, haddock | 105, 277 | 5. 1 |
| 60846 | Bars of steel, not cold formed, not coated or plated valued over is cents per poond | 97, 962 | 7. 0 |
| 68j50 | Radio-tape recorder combinations .-............ | 96. 324 | 7. ${ }^{5}$ |
| 68:32 | Record players, phonographs, record changers... | 94, 891 | i.) |

[^10]
## 25 largest trade items-dutiable within tariff rates 10.1 to 15 percent

(TRA permits 60 percent rate reductions, i.e., to 4 to 6 percent)

| TSUS | Description | 1972 Value (thousands) | AVE |
| :---: | :---: | :---: | :---: |
| 68.223 | Transistor radios | 432, 0.58 | 10. 4 |
| 47525 | Motor fuel. | 232, 483 | 113.4 |
| 16846 | Whiskey, not elsewhere specified | 191, 623 | 12.5 |
| 40360 | Cyclic organic chemieal products | 112,076 | 13. 8 |
| 67074 | Certain parts of textile machinery | 73, 636 | 11.0 |
| 40785 | Benzenoid drugs. | -i.), 082 | 212.8 |
| 13700 | Tomntoes...-.- | 55, 537 | 14.0 |
| 70043 | Other leather foot wear, valued not o pair | er -- 11,422 | $\text { 15. } 00$ |
| 608:52 | Other bars of alloy steel... | - 46, S15 | 10. 5 |
| 74010 | Certain jewelry of precious metals or semiprecious stones. | --- 46,781 | 12.0 |
| 70823 | Certain mounted lenses. | 44, 741 | 12. ${ }^{5}$ |
| 61049 | Certain pipes and tubes. | 43, 030 | 10.5 |
| 73236 | Certain bicycle parts. | 37, 509 | 15. 0 |
| 70847 | Frames, for eyeglasses. | 37, 447 | .15. 0 |
| 40525 | Benzenoid plastics materials | 35, 659 | ${ }^{2} 12.4$ |
| 14420 | Mushrooms, otherwise prepared | 34, 992 | 14. 8 |
| 60945 | Round wire, alloy iron to steel. | 29, 411 | 10. 5 |
| 77230 | Wearing apparel of rubber or plast | 27,616 | 12.5 |
| 36015 | Certain floor coverings....-.-.-. | 27, 028 | 11.0 |
| 64897 | Pipe tools (except cutters) | 26,786 | 11.0 |
| 53328 | Fined grained earthenware or ston valued over $\$ 12$ | sets, $\quad 26,506$ | 11.7 |
| 610.72 | Alloyed pipes and tubler | 26, 243 | 13.0 |
| 40315 | Benzenoid pesticides.-.-.-.-.- | 25, 209 | 214.1 |
| 70845 | Eyeglasses and similar articles valu per pair | .j0 | 15. 0 |
| 24510 | Certain hardioard. | 21, 171 | 13. 5 |

1 Rate suspended until 1080.
${ }^{2}$ Certain benzenoid chemienls subject to ASP method of valuation.
Note.- 25 largest represent 57 percent of all trade in this range ( $\$ 3.1$ billiun). 10.1 to $1 \bar{j}$ percent duty range constitutes $\overline{5} . \overline{\mathrm{j}}$ percent of total imports.

Source: Compiled from official statisties by the staff of the U.S. Tariff Commission.

## 25 largest trade items-dutiable within tariff rates 15.1 to 20 percent

(TRA permits 60 percent rate reductions i.e., to 6 to 8 percent)

| TSUS | Description | 1972 Valuo (thousands) | AVE |
| :---: | :---: | :---: | :---: |
| 24017 | Plywood, Philippine mahogany | \$217, 786 | 20. 0 |
| 31001 | Yarns of MMF, ${ }^{1}$ valued over \$10 ench.......... | 136, 204 | 15. 7 |
| 73790 |  | 114, 682 | 17. 5 |
| 38233 | Cotton wearing apparel (not knit), women's, girls, etc | 109, 803 | 16. 5 |
| 17028 |  | 92, 095 | 18. 8 |
| 31002 | Iarns of MMF, valued over \$1 per pound.....- | 88, 621 | 16. 0 |
| 406.50 | Benzenoid colors. | 70, 051 | 220.0 |
| 73720 | Dolls, doll parts | 67, 709 | 17. 5 |
| 70660 |  | 07, 141 | 20.0 |
| 70000 | Other footwear with rubber or plastic content.-- | 57, 720 | 220.0 |
| 38039 | Men's and boy's cotton, not knit, wearing npparel. | 52, 567 | 16.5 |
| 05339 | Illuminating articles........-.......................-. | 33, 649 | 19.0 |
| 68810 | Christmas tree lighting set | 31, 521 | 20. 0 |
| 75105 | Uinbrcllas_....-.....- | 20, 756 | 20.0 |
| 37624 | Lace and net articles | 23, 714 | 17.8 |
| 72506 |  | 20, 401 | 17.0 |
| 70852 | Prism binoculars- | 18,771 | 20.0 |
| 73740 | Toys and toy animals without spring mechanism. | 16, 626 | 17. 5 |
| 14181 | Vegetables packed in salt brine, pickled ......... | 15, 480 | 17. 5 |
| 70624 | Luggage, handbags of textiles....-....-...-. -- | 15, 049 | 20.0 |
| 37656 | Rainwear garments conted with rubber...-.....-. | 13, 658 | 16. 5 |
| 67058 | Latch needles for knitting machines....-.......-. | 13, 489 | 15. 5 |
| 70927 | Medical and surgical instruments and parts..... | 13, 236 | 18. 0 |
| 37628 | Corsets, girdles | 12, 272 | 18. 0 |
| 24025 | Plywood, face finished. | 12, 152 | 20.0 |
|  | Total_ | 1, 354, 753 |  |

${ }^{1}$ Man-made fiber.
${ }^{2}$ Certain articles subject to ASP method of valuation.
Note.-25 largest represent' 62 percent of all trade in this range ( $\$ 2.2$ billion). 15.1-20 percent duty range constitutes 4 percent of totnl imports.

Source: Compiled from official statisties by the staff of the U.S. Tariff Commission.

## 25 largest trade items-dutiable within tariff rates 20.1 to 30 percent

('I'RA permits 60 percent rate reductions in duty rango 20.1 to 25 percent and 75 percent reductions in dity range 25.1 to 30 percent except that no rate above 25 percent can be reduced below 10 percent ad valorem, i.e., to 8 to 10 percent.)

| Tsts | Descriplton | 1072 Value (thousands) | AVE |
| :---: | :---: | :---: | :---: |
| 33830 | Man-made woven fabrics, not elsewhere specified. | \$101, 850 | 20.5 |
| 69202 | Trucks valupd at $\$ 1,000$ or more each. | 117, 743 | 2i. 0 |
| 34530 | Knit fabric of MMF' | 114, 782 | 28.7 |
| 71:0\% | Watches | 101, 350 | 22.5 |
| 38258 | Women's wearing apparel, w | 89, 098 | 24. 0 |
| 38027 | Men's or boys cotton, not knit, shirts. | 41, 898 | 21.0 |
| 38206 | Women's girls' cotton knit wearing apparel | 40, 328 | 21.0 |
| 38006 | Men's, boys wearing apparel, knit cotton. | 32, 842 | 21.0 |
| 63224 | Glazed ceramic wall and floor tiles | 28, 3 ;33 | 22.5 |
| 38061 | Men's, boys' wearing apparel, wool kni | 2i, 676 | 24.7 |
| 38066 | Men's boys', wool wearing apparel, not knit. | 24, ini | 25.3 |
| 53494 | Nonbone chinaware or subporcelain houschold articles. | 22, 002 | 22.) |
| 74038 | Jewelry and parts valued over $\$ 0.20$ per dozen. | 20, 122 | 27. 5 |
| i3221 | Mosaic flowr and wall tiles. | 15, 642 | 24. 5 |
| 38263 | Women's wool wearing apparel, | 1i, 5.51 | 24.4 |
| 52224 | Fluorspar containing not over 97 percent by weight of calcium luoride. | 13, 426 | 26.0 |
| 34635 | Velvet, plush and velour cotton fabrics. | 11, 244 | 30. 3 |
| 54233 | Ordinary glass, between 16-28 oz. per sq. ft | 11, 021 | ${ }_{30}^{22.3}$ |
| 37210 | Lace or knit muffer shawl---.-.....--....- | 10, 845 | 30.0 |
| 54654 | Glassware valued between $\$ 0.30-\$ 1$, not elsewhere specified. | 16,811 | 30.0 |
| 13590 | Cucumbers (not in season). | 9, 681 | 26. 0 |
| 30764 | Wool or hair yarn not elsewhere specified | 9, 408 | 28.1 |
| 73515 | Fireworks | 8,798 | 22.3 |
| 38960 | Other MMF articles, not elsewhere specified | 8, 373 | 24.7 |
| 7i604 | Cigarette lighters valued over $\$ 5$ per dozen, not elsewhere specified | 7, 914 | 2i. 0 |
|  | Total | 954, 273 |  |

[^11]
## 25 largest trade items-dutiable within tariff rates 30.1 to 40 percent

('TRA permits 75 pereent rate reduction subject to 10 pereent ad valorem floor, i.e. to 10 percent)

| Tsus | Descripiton | 1072 Value (lloussands) | AVE |
| :---: | :---: | :---: | :---: |
| 38278 | Women's wearing apparel, MMF | \$443, 600 | 39. 2 |
| 38081 | Men's or boys' wearing apparel, MMF-........- | 100, 630 | 38. 8 |
| 38084 | Men's or boys' wearing apparel, MMF, not knit or ormamented | 146, 418 | 33. 1 |
| 38281 | Women's wearing apparel, MIMF not knit....... | 99, 836 | 33. 7 |
| 34660 | Pile fabric of Mat | 29, 948 | 33.4 |
| 37624 | lace or net brassiers: | 23, 714 | 32.0 |
| 17060 | Scrap tobaceo. | 18,493 | 37.1 |
| 7001.3 | Fontwear-Protective boots | 17, 341 | 37. ${ }^{\text {a }}$ |
| 30631 | W'ool, finer than 44S, insorted............-....-. | 16, 152 | 30.1 |
| 53306 | Nonbone chinaware, household special articles valued between \$24 to \$50. | 13,624 | 37. 7 |
| 7048\% | Gloves of MMF | 11,450 | 38. 9 |
| 65091 | Scissons, shears, blades over $\$ 1.75$ per dozen, not olsewhere specified. | 10,563 | 37. 0 |
| 14815 |  | 0, 059 | 35. 0 |
| 71630 | Watch movement, assembled, between 7 to 17 jewels | 8, 820 | 30.6 |
| 38200 | Cottonlace, net wearing apparel-women's, girls', infants' | 8,323 | 3i. 0 |
| 71631 | Assembled watch movements, 7 to 17 jewels.... | 7, 615 | 3.) 1 |
| 34530 | Wool knit fabrics. | 7,142 | 34. ${ }^{\circ}$ |
| 38063 | Men's or hovs' wool wearing apparel, not knit .... | 4, 897 | 30.9 |
| 74.74 |  | 4, 4i3 | 35. 0 |
| 74034 | Watch bracelets of materials NSPF, $\$ 0.20$ to \$5 per dozen. | 4, 135 | 35.0 |
| 13:92 |  | 4,089 | 38. 8 |
| 71527 | Clocks, movements, between $\$ 1.10$ to $\$ 2.25$ cact | 3, 860 | 31.8 |
| 68370 | Flasilights and parts | 3. 727 | 35. 0 |
| 02303 |  | 3, 168 | 31.4 |
| 30633 | Scoured wool finer than 44S, not elsewhere specified | 2,614 | 35. 2 |

1 Man-made fiber.
Note.- 25 largest represent 99 pereent of all trade in this range ( $\$ 1.1$ billion). 30.1 to 40.0 percent duty range constitutes 2 percent of total imports.

Source: Compiled from official statistics by the staff of the U.S. Tariff Commission.

25 largest trade items- dutiable within tariff rates 40.1 to 49.9 percent
('TRA permits 75 percent rate reduction, i.e. to 10 to 12.5 percent)

| TSUS | Description | 1972 Valıo (thousunds) | A'E |
| :---: | :---: | :---: | :---: |
| 38204 | Women's lace or net wearing apparel of M.MF2. | \$63, 527 | 42.5 |
| 33060 | Woven wool fabric, over $\$ 2$ per pound, not elsewhere specified | 25,883 | 47.0 |
| 10820 |  | 13, 524 | 40. 1 |
| 38254 | Women's wool knit wearing apparel | 13, 034 | 40.1 |
| 38004 | Men's boys' lace or net wearing npparel of MAF | 7,713 | 42.5 |
| 38057 | Men's or boys' wool knit wearing apparel | 5, 582 | 40.7 |
| 37860 |  | 5, 051 | 42.0 |
| 36325 | Inace, net or ornamented bedding-...-............- | 4,042 | 42.5 |
| 38202 | Women's, girls', infants lace or net wearing apparel of wool | 3, 870 | 42. ${ }^{5}$ |
| 17032 |  | 3, 065 | 46. 5 |
| 74821 | Artificinl flowers, fruit | 3, 043 | 42. |
| 37805 |  | 2,314 | 42. 5 |
| 92311 | Nonbone chinaware, subporcelain; household ware, steins, mugs. | 2, 036 | 145. 0 |
| 3554: | Fish netting, fishing net | 1, 653 | 48.2 |
| 37460 |  | 1,169 | 41.2 |
| 17072 | Cigars and cheroots valued less than 15 cents..... | 1,126 | 43.0 |
| 53351 | Ilotel, restaurant nonbone china, subporcelain ware | 924 | 48. 5 |
| 71134 | Clinical thermometers. | 815 | 42. ${ }^{\text {\% }}$ |
| 38002 | Men's, boys' lace or net wool wearing apparel... | 730 | 42. |
| 37270 | Mufflers, scarves, MMF knit..............-...-. - | 313 | 40.1 |
| 35146 |  | 279 | 45. 0 |
| 31925 | White cotton fabric typewriter ribbon...-....-. -- | 208 | 40.6 |
| 16732 | Grape wine, 14 percent or less.............-...-. | 195 | 46. 6 |
| 16822 |  | 149 | 42. 5 |
| 30364 | Wool, not elsewhere specified, fine.............. | 107 | 46. 3 |
|  | Total. | 160,352 |  |

${ }^{1}$ Rate in effect under escape action.
2 Man-made fiber.
Note.- 25 largest represent 99 percent of all trade in this range ( $\$ 161$ million). 40.1 to 49.9 percent duty range constitutes 0.3 pereent of total imports.

Source: Compiled from official statistics by the staff of the U.S. Tariff Commission.

25 largest trade items-dutiable at rates of 50 percent or more
('IRA permits 75 percent rate reductions, i.e., to 12.5 percent or nboves)

| TSUS | Description | 1972 Value (thousands) | A ' ${ }^{\text {e }}$ |
| :---: | :---: | :---: | :---: |
| 10535 | Concentrated citrus fruit juice | \$16, 178 | 88, 4 |
| 53305 | Chinaware, nonbone houschold valued at $\$ 10$ to $\$ 24$ set. | 13, 048 | 69. 4 |
| 54052 | Glassware not valued over \$0.30 ench.-......... | 8,352 | 50. 0 |
| 16850 | Spirits for beverages. | 4,352 | 51.4 |
| 94900 | Stainless steel knives and forks (over quota) | 2, 602 | 169.2 |
| 09910 | Vessels, aircraft equipment and repairs | 2,142 | 50.0 |
| 16540 |  | 1,148 | 50. 0 |
| 15250 | Figpaste and pulp | 1, 132 | 69. 7 |
| 16840 | R11m. | 1, 008 | 70. 4 |
| 92315 | Dishes of nonbone chinaware | 954 | 258.9 |
| 02313 | Noņlone chinaware, subporcelain dishes | 851 | ${ }^{2} 55.6$ |
| 53363 | Noibone chinaware, houschold ware valued not. over $\$ 10$ set. | 750 | 53.5 |
| 65089 |  | 706 | 50. 0 |
| 17065 | Cigarettes............ | 644 | 59.9 |
| 13250 | Potato starch | 553 | 60.0 |
| 33655 | Wool woven fabric valued at $\$ 1.206$ to $\$ 2$ per pound, not elsewhere specilied | 291 | 66. 0 |
| 14630 | Avocados...-.--.-.----.-.-.--- | 271 | 52. 2 |
| 76040 | Parts of fountain pens, ballpoint pens....-..... | 194 | 53.5 |
| 70345 | Fur headwear valued between \$0 to \$24 dozen.- | 170 | 65.0 |
| 68047 | Speed changers, not elsewhere specified | 143 | 113.1 |
| 73621 | Briar tobacco pipes and bowls, not over \$5 dozen. | 116 | 53.1 |
| 37016 | Lace, ornamental cotton handkerchiefs, not elsewhere specilied. | 85 | 54.6 |
| 75027 | Whiskbrooms of broom corn valued not over $\$ 0.32$ each. (over quota) | 55 | 167.4 |
| 70548 | Unlined men's leather gloves not over \$20.......- | 54 | 87. 4 |
| 33650 | Wool woven fabric, not elsewhere specified, not over $\$ 1.266$ per pound. | 44 | 106. 6 |
|  | Total. | 56,443 |  |

${ }^{1}$ Subject to tariff rate quota.
${ }^{2}$ Rate in effect under escape action.
Note. - 25 largest represent 88 percent of all trade in this range ( $\$ 04$ million). 50.0 percent or more duty range constitutes 0.1 percent of total imports.

Source: Compiled from official statistics by the staff of the U.S. Tariff Commission.


[^0]:    1 One isolated high rate provision, tariff item 170.05, covered "leal tobacco, the product of two or more countries or dependencies, when mixed or packed together." When entered, such intermixed tobacco was dutiable at $\$ 2.925$ per pound. The ad valorem equivalent of this specific ratein 1972, computed on the basis of the small volume of trade occurring, was 202 percent.
    2 Because many rates are now 50 percent lower than they were before the Kennedy Round, the TRA's rounding authority, which is essentially unclianged from that found in TEA, provides for relatively greater reductions to simplify the computation of the amount of duty imposed. For example, under the TEA, a pre-agreement rate of 17.5 percent ad valorem could be reduced by 60 percent (to 8.75 percent) and then rounded down (sec. 254 ) to 8.5 percent ad valorem. Thus, the rounding amounted to 0.25 percent ad valorem or 2.7 percent of the total reduction. Under the TRA, this existing rate could be reduced by 60 percent, i.e., to 3.4 percent ad valorem and then rounded to the ntit lowest whole number (sec. 103(b)(1)). The rounding could amount to 0.4 percent ad valorem, or 7.5 percent of the total reduction.

[^1]:    I Includes a few tarifi items covering mixtures dutiable at rates not less than the highest duty applicable to any component part.

[^2]:    ${ }^{3}$ The Kennedy Round experience is Important enough to recount here. Although the Trade Expansion Act permitted the elimination of low rate dutias and the 60 percent reduction of all others, when the negotiations concluded, calculations by the Tarifi Commission and other experts showed that the Kennedy Round concessions reduced the average level of U.S. duties existing prior to the negotiations by approximately one-third-despite the linear nature of the negotlations-rather than by one-hali. The difference represented items reserved from the negotiations, lass than fullauthorized reductions on others, concossionary " "indings" which did not actually reduce the applicable rates, and perhaps more significantly, the conceptual dificulifes of "tariff averaging" and "trade welghting" (see Chapters IV and V, Trade Barriers) that tend to render the average amount or value of overall concesslons, indistinct.
    ${ }^{4}$ Statement of 8ecretary of Commerce Luther H. Hodges, in support of H.R. 9900. The Trade Expansion Act of 1982, in Legislatite History of H.R. I1970, 871/ Congress, Trade Expansion Act of 1982, P.L. 87-994, Committee on Ways and Means, 1967, p. 160.
    $\$$ Over the years, the duties collected have been increasing as trade has expanded. In 1972, the duties collected amounted to over $\$ 3$ billion.

[^3]:    1 Includes a few tariff items covering mixturos dutiable at ratos not less than tho highest duty applicable to any component part.

[^4]:    - Presidential Proclamation'4210.

[^5]:    Source: Compled by the U.S. Tailf Commission from ollidil stathstics of the U.S. Department of Commerce:

[^6]:    1 Less than 0.05 percent.

[^7]:    1 Suspended May 1, 1973 (Presidential Proclamation 4210). At the same time a license fee systemi was established to sulsiltute for the quota mechanism of the mandatory ollimport program.
    ${ }_{i}$ Effective May 1, 1974, rate on certain ball bearings temporarily increased pursuant to escape clause procedure.
    ${ }^{3}$ Man-made fiber.

[^8]:    - Ambassador Eberle's testimony for the record states: "This [rato Increasing] authority is required however, for use in special circumstances, for example, if tarifi relationships in a particular product sector warrant the harmonization of duties among major countries involving tarifi increases as well as decreases." (p. 23)

[^9]:    1 Rate suspended until 1980.
    Note. - 2.5 largest represent 77 percent of all trade in this range ( $\$ 16.5$ billion). $0.1-5$ percent duty range constitutes 30 percent of total imports.

    Source: Compiled from cfficial statisties ly the staff of the U.S. Tariff Commission.

[^10]:    1 Duties on cortain ball bearings were increased pursuant to escape action effective May 1, 1974.

    Note.-25 laigest represent 47 pereent of all trade in this range ( $\$ 12.4$ billion). 5. 1 to 10 percent duty range constitutes 22.5 percent of total imports.

    Source: Compiled from official statistics by the staff of the U.S. Tariff Commission.

[^11]:    1 Man-made fiber.
    Note.- 25 largest represent 76 pereent of all trade in this range ( $\$ 1.25$ billion). 20.1 to 30 percent duty range constitutes 2.3 percent of total imports.

    Source: Compiled from official statistics by the staff of the U.S. Tariff Commission.

