were more than 10 per cent and less than 90 per cent of domestic production. The Pillion bill (H.R. 7362) is unique. It would make labor a party before the Tariff Commission and shift the burden of proof to the importer.

The United States-Japan Trade Council distributed a critical analysis, dated July 9, 1963, of S. 1318, H.R. 5692, and similar bills. Copies are available upon request.

On January 23, 1964 the Treasury Department conducted hearings to hear proposals for changes in the regulations under the Antidumping Act.

Customs Practices

Suppose that, in the internal trade of the United States, rail freight rates were rarely known for certain in advance of shipment and that many months later shippers were met with demands for payments greatly exceeding deposits made in good faith at the time of shipment. Were this the case, there would be an obviously intolerable burden on commerce.

Nevertheless, this is a fair description of the kind of burden that international commerce has to bear. A tremendous uncertainty hanges over the amount of customs duties that must be paid on goods imported into the United States, despite the Customs Simplification Acts of 1938, 1953, 1954, and 1956 and many additional steps taken by the Customs Service itself to improve matters. A survey of possible improvements is being made by the Bureau right now.

A substantial part of the problem lies in the unnecessary complexity of the system and the administrative steps that are required to clear goods through customs and resolve doubtful questions. A few illustrations will suffice. Most of the U.S. duties are *ad valorem* and have two parts: the rate and the valuation. Applying one to the other yields the duty. Selecting the applicable rate of duty is called classification. The key man in the determination of duties is the examiner at the port, who, under the supervision of the appraiser, makes an advisory classification and determines value. But, if the importer wishes to challenge the value, he has one set of procedures prior to "liquidation", the word used for the final determination of the duty by the Collector. If he wishes to challenge classification he has a different set of procedures, after liquidation. The collector and the appraiser are independent officials with separate staffs and, in New York, the principal port of entry, are in buildings two miles apart.

Legally, the collectors and appraisers at the various ports are also quite independent of the Customs Bureau in Washington. Practically, however, steps have been taken to try to make this archaic system work; and there is an elaborate network of communications and advice flowing between the ports and the Bureau and among the ports themselves. This actual system is not fully described in the regulations or any document available to the general public.

The people who understand how this system works have become so used to it that they scarcely notice how outlandish it is. It is high time that collectors and appraisers a the various ports were merged, under centralized control of the Bureau, and review procedures combined into a single method of challenging a duty, whatever the reason.

Problems of classification have been somewhat eased by the entry into force on August 30, 1963, of the revised Tariff Schedules of the United States, prepared by the Tariff Commission pursuant to the mandate of the Customs Simplification Act of 1954. The new schedules eliminate many anomalies (such as the charging of duty on synthetic rubber automobile tires as articles in part of carbon because they contain more than 2 per cent carbon) and introduce a greater certainty and ease in the determination of the applicable rates. Temporarily, of course, there are many new questions of interpretation and some untoward results that call for legislative authority to correct.

While the new schedules represent a big accomplishment, they have only scratched the surface of simplification of the U.S. tariff schedules, which remain an incredible thicket. There is still no sense whatever to the proliferation of commodity descriptions and rates. There are reasons, of course, how they got the way they are, but few if any of those reasons are valid reasons today, if they ever were. Protectionists and liberal traders alike have to take responsibility for the present maze—almost every item and rate represents a victory for one or the other in some historic battle or forgotten skirmish. The tariff paragraphs as enacted (most recently in 1930) reflect the notorious log-rolling of the tariff acts, creating a hodge-podge of product descriptions and rates. The 1930 Act is simplicity itself, however, compared with the descriptions and rates that result from a series of presidential proclamations—some under the flexible tariff, escape clause etc., but mostly implementing duty reductions on specific commodities under the trade agreements acts.