Imports of tape from Japan increased from 171,000 lbs. in 1958 to 971,000 lbs. in 1962, when it was finally determined that the 17½% rate of duty was grossly inadequate to protect the industry and that the industry was being seriously injured by increased imports. The result of this determination was that slide fastener tape was accorded special treatment under the Long Term International Cotton Textile Arrangement, and graduated quotas were established.

These quotas have been of inestimable value to the domestic industry. Without them it is probable that there would no longer be a domestic industry. As a result of the quotas, imports during most of 1963 were at a relatively low level, totalling 795,000 pounds during the year. However, since the latter part of 1963 (when the Customs ruling on chain was reversed and chain was required to enter at the 50% rate), the trend of imports of tape has continued upward—not withstanding the quotas. The exact extent of this upward trend cannot be determined for the following reasons:

The Tariff Classification Act of 1962, which went into effect Aug. 31, 1963, included slide fastener tape under TSUS 347.3340 at the 17½% rate of duty. Some time thereafter the Customs Bureau ruled that *sewn* corded slide fastener tape was a manufactured product and hence should be included under TSUS 386.50, with a 20% rate of duty. *Woven* corded tape continued to be classified under TSUS 347.3340.

As stated above, the usage of woven and sewn corded tape is identical—solely for the manufacture of slide fasteners. The basis for the two classifications is far from clear, but it is quite clear that the result was to make it impossible to determine the quantity of slide fastener tape imported since such time. Figures are available showing the total imports of flat and *woven* corded tape under the 347 classification, but no figures are available to show imports of *sewn* corded tape under the 386 classification.

On Feb. 3, 1964 the Bureau of Customs ruled that corded tape had no known commercial use other than in the manufacture of slide fasteners and should be classified as slide fastener parts under TSU 745.74. As a result of this ruling, imports of *sewn* corded tape were subject to the 50% rate of duty under TSUS 754.74.

There is a difference of opinion among government officials as to whether *woven* corded tape also was classified under TSUS 745.74 or remained under 347.3340. Since the ruling of the Bureau specifically referred to TSUS 386.50 and described the item by stating "the cord is sewn to the fabric after the weaving of the fabric", it is believed that the ruling was construed to be applicable only to sewn tape, notwithstanding the fact that *woven* corded tape also has no known commercial use other than in the manufacture of slide fasteners, and clearly is as much a part of a slide fastener as is *sewn* type.

While no definitive answer as to the classification under which woven tape was imported since Feb. 3, 1964 had been forthcoming, it is safe to conclude that at least some—if not all—has been brought in under the 347 classification. The import figures so indicate. If woven tape during 1964 has been removed from the 347 classification and placed under 745, it seems probable that the volume of imports under 347 would decline and that there would be an increase under 745. As a matter of fact, the reverse is true. Imports under 347 jumped from 793,000 lbs. in 1963 to 975,000 in 1964 and 1,309,000 in 1965, while imports of parts under 745 declined from $183,000 in 1963 to $135,000 in 1964.

Effective Oct. 7, 1965 TSUS 745.74 was revised to specifically exclude "tapes wholly of textile fibers," in response to pressures brought on the Congress by Japan. Since such date sewn corded tape has been imported under TSUS 386.50 and woven corded tape went back to the 347 classification, if it ever left there.

Accordingly, the figures representing imports of slide fastener tape under TSUS 347.3340 must be increased by the following:

1. The quantity of sewn and woven corded tape imported under TSUS 745.74 from Feb. 3, 1964 to Oct. 7, 1965.
2. The quantity of sewn corded tape imported under TSUS 386.50 prior to Feb. 3, 1964 and after Oct. 7, 1965.

These quantities are unknown since both classifications contain other items. However, it is reasonable to conclude that the increase was substantially greater than is indicated by the official figures for imports under TSUS 347.3340.

Effective Oct. 1, 1966 the U.S. and Japan entered into a new bilateral agreement reducing the duty rates on slide fasteners 2% per year for 5 years, which agreement, together with the recent "Kennedy Round" cuts resulted in a current