

mitted its report to the President. The majority found that as a result of tariff concessions for umbrella frames, imports into the U.S. had increased so as to cause serious injury to the domestic industry and recommended relief.

The Commission voted 3 to 2 for relief.

The president withheld action on this recommendations for a considerable time and in March 1958 requested a supplemental report from the Commission on the latest information on the domestic frame industry and how it was currently being affected by imports.

In September, 1958, after the supplemental report was issued, the President declined to follow the Commission's recommendation on the ground that the operating experience of the domestic industry had improved, domestic sales increased and imports had declined.

1961—PETITION TO TARIFF COMMISSION, JOINTLY BY UMBRELLA FRAME AND UMBRELLA MANUFACTURING INDUSTRIES

In 1961 the Tariff Commission instituted an investigation and scheduled hearings upon joint petition of umbrella frame and umbrella industries. At the applicant's request, the investigation was discontinued and the hearings cancelled in September 1961. The request to discontinue was made because necessary information from some of the umbrella manufacturers was not then available. The discontinuance was made "without prejudice" to the right to renew the application.

OCTOBER 28, 1963—FURTHER REQUEST FOR RELIEF

On October 28, 1963 the Umbrella Frame Industry applied for an investigation under Section 225(b) of the Trade Expansion Act with the request that umbrella frames be reserved from Negotiation by the President for the Reduction of Duty or other Import Restriction or the Elimination of Duty.

JANUARY 1964

A new escape clause petition covering umbrellas *and* frames was filed with the Tariff Commission. This petition was filed under Section 301(2) (1) of the Trade Expansion Act of 1962, whereas the previous applications were under the Trade Agreement Act of 1934 as amended and extended. After the completion of the hearing on this petition the Commission rendered an unanimous decision finding that the case did not satisfy the criteria set forth under the New Act.

APRIL 1964—DECISION ON OCTOBER 28, 1963 PROCEEDINGS

The Tariff Commission announced its findings that conditions in the Industry had not substantially improved since its 1958 investigation. No reduction was made in the tariffs on umbrella frames in the Kennedy Round. Even though umbrellas were not subject to Section 225(b) they also were reserved from tariff reduction in the Kennedy Rounds.

THE TARIFF

The duty on umbrella frames, fixed originally by the Act of 1913 at 35% ad valorem, was increased by the Tariff Act of 1922 to 50% ad valorem and subsequently in 1930 to 60% ad valorem. (Paragraph 342 Tariff Act of 1930, Schedule A, Commodity #6,790,650). Shortly thereafter an investigation by the Tariff Commission resulted in the determination that a duty of 60% would equalize the differences in the cost of production of domestic and foreign umbrella frames. On October 1, 1951 as a consequence of the Gatt Agreement, the duty on umbrellas, which was originally 60% ad valorem in 1951, was reduced to 30%. The duty on umbrellas was reduced from 40% ad valorem to 20%.

As of this date the duty on umbrella frames continues at 30% ad valorem and the duty on umbrellas is 20% ad valorem.

Except for the negative assistance in not further reducing the Tariffs in the Kennedy Round the Umbrella Frame Industry has been unsuccessful in obtaining relief from conditions that have reduced its numbers by 62½%.

What has happened to the umbrella frame industry has also happened to the umbrella manufacturing industry. In 1954 there were in excess of 100 umbrella manufacturers in the United States. Today there are approximately 35. The