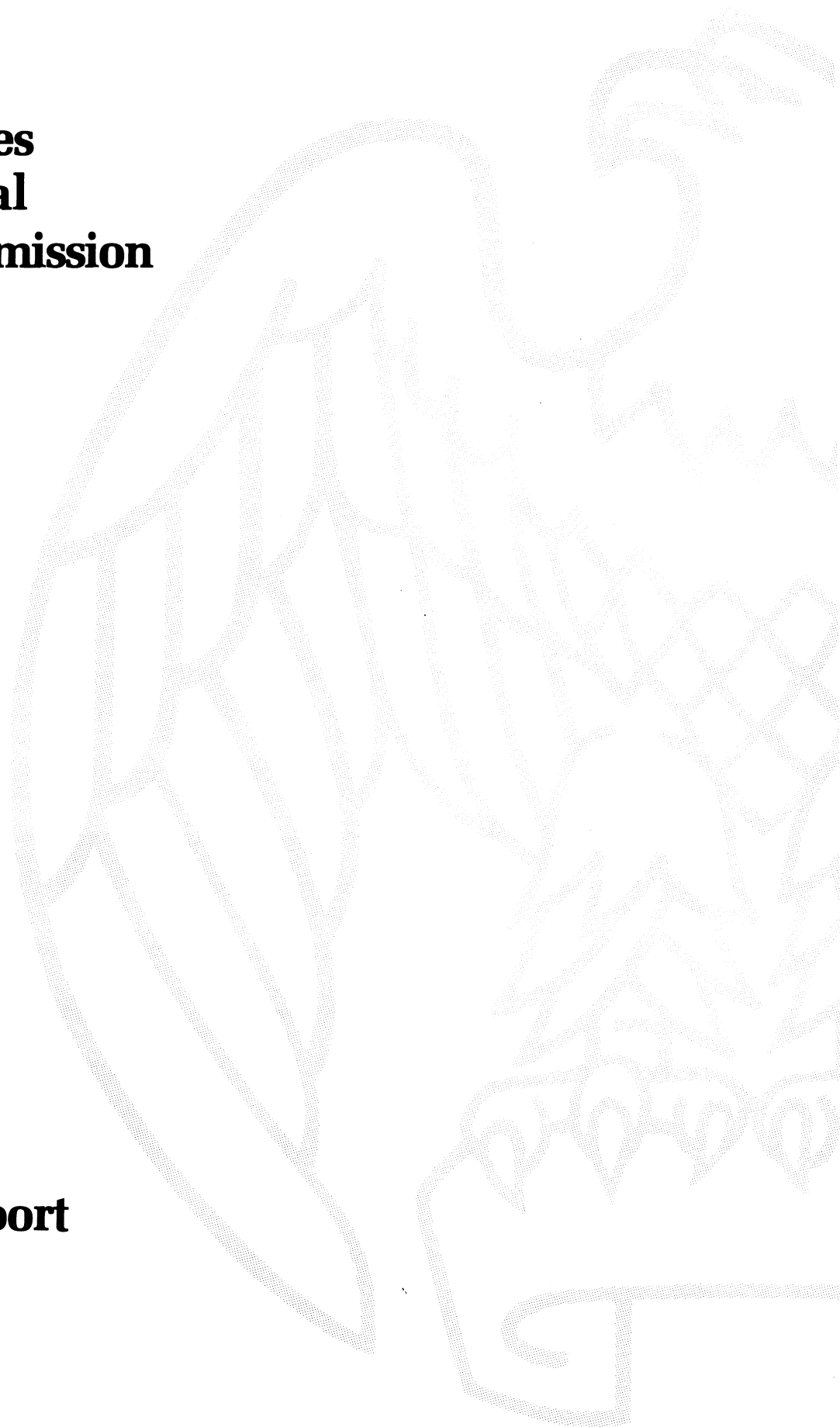


**United States  
International  
Trade Commission**

**Annual Report  
1978**







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**UNITED STATES  
INTERNATIONAL TRADE COMMISSION**

**ANNUAL REPORT**

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**1978**  
Fiscal Year

United  
States  
International  
Trade  
Commission

COMMISSIONERS

Joseph O. Parker, *Chairman*  
Bill Alberger, *Vice Chairman*  
George M. Moore  
Catherine Bedell  
Paula Stern

Kenneth R. Mason  
*Secretary to the Commission*

*U.S. International Trade Commission.*  
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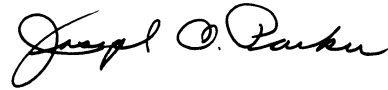
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Fiscal year 1978 was one of the busiest in the history of the United States International Trade Commission. Seventy-one investigations, about 75 percent more than in fiscal year 1977, were completed under the Commission's various quasi-legislative and quasi-judicial authorities, including probable economic effects advice to the President on tariff modifications and additions to the list of articles proposed for eligibility under the Generalized System of Preferences. In addition, the Commission embarked on a major investigation for the Congress with respect to the tariff and nontariff agreements resulting from the multilateral trade negotiations in Geneva.

These requests from the President and the Congress were in furtherance of the Commission's role as an independent factfinding agency and responsibilities arising under the Tariff Act of 1930, as amended, of providing assistance and advice on trade policy questions. These activities demonstrate the need for the maintenance of commodity expertise and a readiness capability to respond to complex questions involving international trade matters.



Joseph O. Parker  
*Chairman*



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**Investigations Completed**

Title II, Tariff Act of 1930:

- Sec. 303 countervailing duty investigations ..... 2
- Sec. 332 investigations ..... 7
- Sec. 337 investigations of alleged unfair practices in importation and sale of imported products ..... 10

Antidumping Act, 1921, as amended (secs. 201 and 203) ..... 33

Agricultural Adjustment Act (sec. 22) ..... 1

Trade Act of 1974:

- Sec. 131 and 503 advice on possible trade agreements ..... 2
- Sec. 201 "escape clause" cases ..... 9
- Sec. 203 "review" cases ..... 2
- Sec. 406 "market disruption" cases ..... 4
- Sec. 603 preliminary investigation ..... 1

Total ..... 71

**Other Activities**

Publications issued (in addition to reports on investigations):

- Synthetic organic chemicals ..... 13
- Benzenoid chemicals ..... 1

Responses to letters from Members of Congress and congressional committees ..... 975

Import and export transactions analyzed ..... 145,000

Library transactions:

- Volumes circulated ..... 72,700
- Reference calls ..... 11,900

Reports prepared on proposed legislation ..... 42

Reports prepared on U.S. consumption of specified commodities ..... 19

Reports prepared on East-West trade ..... 4

Summaries of trade and tariff information ..... 16



The number and variety of Commission investigations during fiscal year 1978 reflected the concern of U.S. industries about the volume and impact of imports on production and profit. During this period the Commission instituted investigations involving commodities such as steel, copper, ferrochromium, zinc, CB radios, and sugar. Other cases involved articles (e.g., clothespins and cloth work gloves) with less economic significance in terms of dollars but of equal importance to the industry and workers concerned.

The Commission completed 71 investigations in fiscal year 1978. Its case workload under the Antidumping Act, 1921, tripled from 11 in fiscal 1977 to 33. Additionally, 9 escape-clause and 10 unfair trade practice investigations were completed. Of special note, the Commission completed its first market disruption investigations under section 406 of the Trade Act of 1974.

The Commission acted expeditiously on a number of investigations and studies requested by the President and the Congress. As the fiscal year ended, the Commission was preparing a report on the multilateral trade negotiations in Geneva. During the year it was heavily engaged in furnishing information and data in response to requests from the President, Members of Congress, congressional committees, and its diverse public constituency. The Commission also published and distributed numerous trade fact sheets and summaries as well as reports on investigations.

In the thorough economic scrutiny of the commodities it investigated, the Commission used its research, investigative, determinative, and remedial resources to fulfill its role as an independent agency with quasi-legislative and quasi-judicial responsibilities. To get the facts and to insure that all sides to an issue are heard, extensive fieldwork was completed and scores of public hearings were held in Washington, D.C., and in 14 cities across the Nation.

As a factfinding agency, the Commission has broad powers to study and investigate—

- All factors relating to U.S. foreign trade and its effect on domestic production, employment, and consumption; and
- The competitiveness of U.S. products.

The Commission's mission is to contribute to the development of U.S. international trade policy in a manner that is soundly based and as equitable as possible to all concerned. By statute, the Commission may act on its own initiative or at the request of the President, the Committee on Finance of the U.S. Senate, or the Committee on Ways and Means of the U.S. House of Representatives.

The Commission staff numbers about 370 individuals who represent a divergence of professions, including attorneys, economists, investigators, commodity analysts, and data system programmers. Their primary function is to gather facts and evaluate data to assist the Commission in its determinations.

Commission activities cover a broad range of responsibilities, including—

- Investigating eligibility of and recommending appropriate import relief for domestic industries.

- Taking action against unfair practices in import trade, including the importation and sale of items at less than fair value or the importation of items whose production or export was subsidized by a foreign government.

- Conducting studies on trade and tariff issues relating to U.S. foreign trade.

- Assisting in the development of uniform statistical data to achieve comparability of import, export, and domestic production statistics.

The Commission receives opinions and comments on trade issues and policies. It also provides technical and factual information on trade matters. Through public hearings and by other means, the views of interested and affected parties such as labor, industry, agriculture, importers, and consumers are represented, considered, and evaluated in providing the Commission's technical assistance and advice to the President and the Congress.

The U.S. International Trade Commission is authorized by law to investigate all aspects of international trade involving the United States. During fiscal 1978, investigations were conducted under provisions of the Trade Act of 1974, the Tariff Act of 1930, as amended, the Antidumping Act, 1921, as amended, and section 22 of the Agricultural Adjustment Act, as amended.

## TRADE ACT OF 1974<sup>1</sup>

### Advice to the President

Section 101<sup>2</sup> of the Trade Act of 1974 grants the President authority to enter into trade agreements in order to modify or continue existing duties or duty-free treatment. Prior to entering into such agreements the President is required, pursuant to section 131<sup>3</sup> of the Trade Act of 1974, to furnish the U.S. International Trade Commission with lists of articles on which the duty may be modified or continued. The Commission, in turn, must furnish the President, within 6 months, its advice as to the probable economic effect of such modifications or continuances on industries and consumers.

On March 13, 1978, the Commission received from the Special Representative for Trade Negotiations a list of articles for possible trade-agreement negotiation. The list included articles in the Tariff Schedules of the United States that may be considered for modification or continuance of U.S. duties or additional duties, specifically earthen dinnerware and nonbone china nondinnerware. The Commission instituted investigation No. TA-131(b)-2 on March 30, 1978, to provide the President with the required information and advice. The Commission transmitted its report to the White House on June 1, 1978.

Section 503<sup>4</sup> of the Trade Act of 1974 requires that the President, from time to time, furnish the Commission with lists of articles which may be provided duty-free treatment under provisions of a Generalized System of Preferences. The Commission must then advise the President as to the probable economic effect on industries and on consumers of granting these preferences for each article listed if imported from countries designated by the President as beneficiary developing countries.

The Special Representative for Trade Negotiations, on December 14, 1977, furnished the Commission with a list of articles to be considered for inclusion in the Generalized System of Preferences (GSP). The Commission initiated investigations Nos. TA-503(a)-4 and 332-90 on December 21, 1977, and transmitted its report to the President on January 30, 1978.

### Relief From Injury Caused by Import Competition

Section 201<sup>5</sup> of the Trade Act of 1974 provides means whereby relief may be sought for the purpose of facilitating orderly adjustment to import competition. A trade association, firm, certified or recognized union, or group of workers or other entity which is representative of an industry may file a petition for import relief. When petitioned, the Commission is required to determine whether an article is being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or the threat thereof, to a domestic industry producing an article like or directly competitive with the imported article.

<sup>1</sup> Public Law 93-618, approved Jan. 3, 1975.

<sup>2</sup> 19 U.S.C. 2111.

<sup>3</sup> 19 U.S.C. 2151.

<sup>4</sup> 19 U.S.C. 2463.

<sup>5</sup> 19 U.S.C. 2251.

If the Commission determines in the affirmative, it must find the amount of the increase in, or imposition of, any duty or restriction on such article which is necessary to prevent or remedy such injury, or recommend the provisions of adjustment assistance to firms, workers, or communities. Under section 203, if the President determines to provide import relief for the industry, he shall (1) proclaim an increase in, or imposition of, a duty on the article concerned; (2) proclaim a tariff-rate quota; (3) impose or modify a quantitative restriction on imports; (4) negotiate an orderly marketing agreement; or (5) take any combination of such actions. If the President does not provide relief in the form recommended by the Commission, the Congress can, by approval of a concurrent resolution, override the President's action; under section 203(c)(2) the President is then required to implement the Commission's recommended relief.

During fiscal 1978, the Commission completed nine investigations under section 201 within the 6-month statutory time limit. Table 1 shows information on the investigations completed during the year.

Three section 201 investigations were in progress at the close of the year, as shown in table 2.

Section 203(i)<sup>6</sup> of the Trade Act of 1974 in part provides that—

Upon request of the President or upon its own motion, the Commission shall advise the President of its judgment as to the probable economic effect on the industry concerned of the extension, reduction, or termination of the import relief provided pursuant to this section.

Upon petition on behalf of the industry concerned, filed with the Commission not earlier than the date which is 9 months, and not later than the date which is 6 months, before the date any import relief provided pursuant to this section or section 351 or 352 of the Trade Expansion Act of 1962 is to terminate by reason of the expiration of the initial period therefor, the Commission shall advise the President of its judgment as to the probable economic effect on such industry of such termination.

During fiscal 1978, the Commission, upon receipt of requests from the Special Representative for Trade Negotiations (STR), conducted two section 203 investigations.

The request from STR with respect to stainless steel and alloy tool steel (investigation No. TA-203-3) was received on May 25, 1977. A public

<sup>6</sup> 19 U.S.C. 2253.

hearing was held on September 7-9, 1977; the Commission's report was transmitted to the President on October 14, 1977.<sup>7</sup> In the report Commissioners Moore and Bedell advised the President that, in their opinion, termination or reduction of the existing quantitative restrictions would have a serious adverse economic effect on U.S. producers. Commissioner Minchew agreed in part but advised the President that imports of chipper knife and band saw steel need not be limited. He also advised the President that an increase of 6.7 percent in the existing quota on the other types of steel would not have a serious adverse economic effect on U.S. producers. Commissioner Ablondi advised the President that elimination or reduction of the quantitative restrictions would have no adverse impact. Commissioner Parker did not participate in the vote in order to avoid any possibility or appearance of conflict of interest. On April 8, 1978, the President eliminated so-called chipper knife steel and band saw steel from the quantitative restrictions and reduced the quota quantities to reflect the exclusion of such steel.

On March 13, 1978, a request was received from STR for a section 203 investigation on certain ceramic articles. The investigation included a public hearing held on May 1, 1978, and the report was sent to the President on June 1, 1978.<sup>8</sup> In that report Commissioners Parker, Alberger, Moore, Ablondi, and Minchew advised the President that the probable economic effect of the immediate termination of the higher duties then applicable would be minimal. Commissioner Bedell dissented, advising the President that termination would be premature. On October 5, 1978, the President terminated the increased rates of duty on certain ceramic tableware.

<sup>7</sup> *Stainless Steel and Alloy Tool Steel: Report to the President on Investigation No. TA-203-3* . . . , USITC Publication 838, 1977.

<sup>8</sup> *Certain Ceramic Articles: Report to the President on Investigation No. TA-203-4* . . . , USITC Publication 893, 1978.

Table 1.—Summary of investigations completed under sec. 201 of the Trade Act of 1974, fiscal year 1978

Investigation No.	Article concerned	Petitioner	Petition filed	Public hearing	Finding of Commission	Commissioners' votes			Commission's report	
						Affirmative	Negative	Not participating	To the President	USITC Publication No.
TA-201-27	Bolts, nuts, and large screws of iron or steel.	U.S. Fastener Manufacturing Group, United Steelworkers of America; International Association of Machinists & Aerospace Workers.	6-10-77	9-29-77 and 9-30-77	Affirmative. <sup>1</sup>	Moore <sup>2</sup> Bedell <sup>3</sup> Minchew <sup>3</sup>	Ablondi	Parker <sup>4</sup> Alberger <sup>6</sup>	12-12-77	847
TA-201-28	High-carbon ferrochromium.	Committee of Producers of High Carbon Ferrochrome.	7- 1-77	10-11-77 and 10-12-77	—do. <sup>6</sup>	Moore Bedell Ablondi	Minchew	Parker <sup>4</sup> Alberger <sup>6</sup>	12- 1-77	845
TA-201-29	Citizens band (CB) radio transceivers.	E. F. Johnson Co.	8- 2-77	11- 1-77 to 11- 4-77	—do. <sup>7</sup>	Parker <sup>8</sup> Moore <sup>8</sup> Bedell <sup>8</sup> Ablondi <sup>9</sup> Minchew <sup>9</sup> <sup>10</sup>	Alberger <sup>10</sup>	—	2- 2-78	852
TA-201-30	Certain stainless steel flatware.	Stainless Steel Flatware Manufacturers Association.	12- 8-77	2-21-78 and 2-22-78	—do. <sup>11</sup>	Parker <sup>12</sup> Moore <sup>12</sup> Bedell <sup>12</sup> Ablondi <sup>13</sup>	Minchew <sup>12</sup> Alberger <sup>14</sup>	—	5- 8-78	884
TA-201-31	Unalloyed, unwrought zinc.	Lead-Zinc Producers Committee.	12-20-77	3-21-78 to 3-24-78	Negative	Minchew	Parker Alberger Moore Bedell	—	6-20-78	894
TA-201-32	Unalloyed, unwrought copper.	Anaconda Co., ASARCO, Inc., Cities Service Co. (Minerals Group), Copper Range Co., Cyprus Mines Corp., Duval Corp., Hecla Mining Co., Inspiration Consolidated Copper Co., Kennecott Copper Corp., Magma Copper Co., Phelps Dodge Corp., and Ranchers Exploration & Development Corp.	2-23-78	5-22-78 to 5-24-78	Affirmative. <sup>15</sup>	Parker <sup>16</sup> Alberger <sup>16</sup> Bedell <sup>16</sup> Minchew <sup>16</sup>	Ablondi <sup>14</sup>	Moore <sup>17</sup>	8-23-78	905
TA-201-33	Bicycle tires and tubes.	Carlisle Tire & Rubber Co.	3- 2-78	6- 6-78	—do. <sup>18</sup>	Parker <sup>19</sup> Moore <sup>19</sup> Bedell <sup>19</sup> Ablondi <sup>20</sup>	Alberger <sup>14</sup>	Minchew <sup>21</sup>	9- 1-78	910
TA-201-34	Certain fishing tackle.	American Fishing Tackle Manufacturers and the Tackle Representatives Association.	3-21-78	6-22-78	Affirmative, <sup>22</sup> negative. <sup>23</sup>	Parker <sup>24</sup> Alberger <sup>24</sup> Moore <sup>24</sup> Minchew <sup>24</sup>	Parker Alberger Moore Bedell <sup>25</sup> Minchew	Ablondi <sup>26</sup>	9-21-78	917
TA-201-35	High-carbon ferrochromium.	Committee of Producers of High-Carbon Ferrochromium (Aircro, Inc., Chromium Mining & Smelting Corp., and Interlake, Inc.).	6-12-78	8- 8-78	Affirmative. <sup>27</sup>	Alberger <sup>28</sup> Moore <sup>29</sup> Bedell <sup>29</sup> Ablondi <sup>30</sup>	—	Parker <sup>4</sup> Minchew <sup>21</sup> <sup>28</sup>	9- 5-78	911

<sup>1</sup> On Feb. 10, 1978, the President rejected the Commission's decision on grounds of national economic interest.

<sup>2</sup> Found the domestic industry threatened with serious injury.

<sup>3</sup> Found serious injury to the domestic industry already present.

<sup>4</sup> Chairman Parker did not participate in the vote in order to avoid any possibility or appearance of conflict of interest.

<sup>5</sup> Vice Chairman Alberger, not having participated in the case, abstained.

<sup>6</sup> On Jan. 27, 1978, the President rejected the Commission's decision on grounds of national economic interest.

<sup>7</sup> On Mar. 28, 1978, the President determined that neither of the recommendations of the Commission met the statutory "national economic interest" criteria. However, he determined that a modified form of import relief was in the national economic interest and therefore proclaimed a tariff increase with respect to CB radio receivers (except hand-held) of 15 additional percentage points in the first year, to be phased down in decrements of 3 percentage points for the following 2 years. The duty will then revert to its current rate of 6 percent ad valorem.

<sup>8</sup> Determined that there is a threat of serious injury to U.S. producers. Recommended the imposition of ad valorem import duties (except on hand-held units) of 36 percent in the first year with 5-percent reductions in 4 subsequent annual steps to prevent the injury threatening the domestic manufacturers by reason of increasing imports.

<sup>9</sup> Found that serious injury to the domestic industry from such imports was already present.

<sup>10</sup> Determined that trade adjustment assistance can effectively remedy the serious injury found to exist.

<sup>11</sup> On June 30, 1978, the President rejected the Commission's decision on grounds of national economic interest.

<sup>12</sup> Recommended increased rates of duty for a 5-year period. Recommendation applies to knives, forks, spoons, and ladles having stainless steel handles, valued

at less than 60 cents each. Rates of duty for knives and forks valued under 25 cents would begin at 1 cent each plus 55 percent ad valorem the first year, would be phased down by 5 percent each ad valorem a year to 1 cent each plus 40 percent ad valorem by the fourth year, and would drop to 1 cent each plus 30 percent ad valorem by the fifth year. For knives and forks between 25 and 60 cents, the rate of duty would begin at 0.5 cent each plus 55 percent ad valorem the first year and gradually decline to 0.5 cent each plus 30 percent ad valorem by the fifth year. Spoons and ladles valued under 60 cents would have a duty of 55 percent ad valorem the first year that would gradually decline to 30 percent by the fifth year. The effect of the Commission's recommendation would be to increase the duty on stainless steel flatware 42.1 percent ad valorem above the current rate of duty (equivalent to about 17 percent ad valorem in 1977) the first year, 37.1 percent ad valorem the second, 32.1 percent ad valorem the third, 27.1 percent ad valorem the fourth, and 17.1 percent ad valorem the fifth and final year of the proposed higher tariffs.

<sup>13</sup> Recommended a 3-year tariff-rate-quota system.

<sup>14</sup> Recommended no remedy.

<sup>15</sup> On Oct. 20, 1978, the President rejected the Commission's decision on grounds of national economic interest.

<sup>16</sup> To prevent or remedy the serious injury or threat thereof to the domestic industry, voted to recommend a yearly quota of 300,000 short tons of refined copper imports for a 5-year period beginning Jan. 1, 1978.

<sup>17</sup> Commissioner Moore did not participate in the vote in order to avoid any possibility or appearance of conflict of interest.

<sup>18</sup> On Oct. 30, 1978, the President rejected the Commission's decision on grounds of national economic interest.

<sup>19</sup> Recommended increased rates of duty on bicycle tires and tubes for a period of 5 years. The new rates of duty, in lieu of the present rates on bicycle tires (except tubular tires), would be 15 percent ad valorem for the first 3 years and 10

Footnotes for table 1—Continued

percent ad valorem for the fourth and fifth years, and the new rates of duty on bicycle tubes would be 25 percent ad valorem for the first 3 years and 20 percent ad valorem for the fourth and fifth years.

<sup>20</sup> Recommended trade adjustment assistance as a remedy to the domestic industry.

<sup>21</sup> Commissioner Minchew did not vote because he was unavailable for the Commission meeting at the time of the vote.

<sup>22</sup> With respect to artificial baits and flies. On Nov. 22, 1978, the President rejected the Commission's decision on grounds of national economic interest.

<sup>23</sup> With respect to fishing hooks, rods and parts, and reels and parts.

<sup>24</sup> Recommended suspending the eligibility for duty-free treatment of imports of artificial baits and flies under the GSP for 5 years.

<sup>25</sup> With respect to artificial baits and flies and fishing hooks, rods and parts, and reels and parts.

<sup>26</sup> Commissioner Ablondi did not participate in the vote in order to avoid any

possibility or appearance of conflict of interest.

<sup>27</sup> On Nov. 2, 1978, the President determined that none of the recommendations of the Commission met the statutory "national economic interest" criteria. However, he determined that a modified form of import relief was in the national economic interest and therefore proclaimed a tariff increase of 4 cents per pound with respect to high-carbon ferrochromium valued less than 38 cents per pound for a period of 3 years. The duty will then revert to its current rate of 0.625 cent per pound.

<sup>28</sup> Recommended a 5-year graduated quota starting at 95,000 tons the first year and ending with 109,975 tons.

<sup>29</sup> Recommended higher import duties for 5 years. The current U.S. import duty on high-carbon ferrochromium is 0.625 cent per pound. The Commission majority recommended the addition of a duty of 30 percent ad valorem to the existing rate for 2 years with gradual reductions in subsequent years.

<sup>30</sup> Recommended a 3-year tariff-rate increase of 8 percent ad valorem.

Table 2.—Summary of investigations under sec. 201 of the Trade Act of 1974 pending on Sept. 30, 1978

Investigation No.	Article	Petition or request received	Origin
TA-201-36	Clothespins	7-27-78	Motion of the Commission.
TA-201-37	Bolts, nuts, and large screws of iron or steel.	6- 9-78	Resolution of the Committee on Ways and Means of the House of Representatives.
TA-201-38	Certain machine needles.	8- 7-78	Petition by The Torrington Co., Torrington, Conn.

Litigation Arising in Connection With Section 201 of the Trade Act of 1974

On September 20, 1978, the U.S. District Court for the Eastern District of New York denied a request for declaratory judgment and injunctive relief in a matter challenging the validity of orderly marketing agreements which the President had negotiated in 1977 with Taiwan and the Republic of Korea limiting footwear imports from those countries (*Sneaker Circus, Inc., et al. v. Carter, et al.* (E.D.N.Y., Civil Action No. 77-C-1135)). The Commission was named as a party in that action. Plaintiffs claimed that the Commission did not follow proper procedures in, and did not have a proper basis for, determining that there was "good cause" within the meaning of section 201(e) of the Trade Act of 1974 (19 U.S.C. 2251(e)) to reinvestigate footwear imports within 1 year of reporting to the President the results of a prior investigation. The new investigation had been requested by the Senate Committee on Finance. As a result of the new investigation (No. TA-201-18), begun in October 1976 and completed in February 1977, the Commission made a unanimous affirmative determination, and President Carter negotiated the noted orderly marketing agreements, which went into effect in June 1977.

District court Judge Costantino, after finding for plaintiffs on certain procedural issues involving standing, ripeness, and personal jurisdiction, found for the Government on the merits. With respect to the Commission, the court found that the Commission was correct in making a good-cause determination after receiving the request for a new investigation from the Senate Committee on Finance; that no formal Commission notice or hearings on the good-cause question were required; that the Commission's good-cause determination, even if reviewable by the court, was supported by sufficient evidence; and that the Commission's notice of investigation and hearing issued subsequent to the institution of the investigation sufficiently described the basis for and nature of the investigation.

Market Disruption Investigations

During fiscal 1978, the Commission completed its first investigations under section 406 of the Trade Act of 1974. A summary of these investigations is given in table 3.

Section 406<sup>9</sup> of the Trade Act of 1974 provides, in part, that upon the filing of a petition, upon request of the President or the Special Representative for Trade Negotiations, upon resolution of either the Committee on Ways and Means of the House of Representatives or the Committee on Finance of the Senate, or on its own motion, the Commission shall make an investigation to determine, with respect to imports of an article which is the product of a Communist country, whether market disruption exists with respect to an article produced by a domestic industry.

East-West Trade Statistics Monitoring System

Section 410<sup>10</sup> of the Trade Act of 1974 requires the Commission to establish and maintain a program to monitor trade between the United States and the nonmarket economy countries, and to publish a detailed summary of the data collected under this program not less frequently than once every calendar quarter.

<sup>9</sup> 19 U.S.C. 2436.

<sup>10</sup> 19 U.S.C. 2440.



The Commission submitted four reports on East-West trade to the Congress and the East-West Foreign Trade Board in fiscal 1978 pursuant to section 410 of the Trade Act of 1974, as follows:

1. Twelfth Report to the Congress and the East-West Foreign Trade Board on Trade Between the United States and the Nonmarket Economy Countries During

July-September 1977 (December 1977, USITC Publication 851).

2. 13th Quarterly Report to the Congress and the East-West Foreign Trade Board on Trade Between the United States and the Nonmarket Economy Countries During 1977 (March 1978, USITC Publication 876).
3. 14th Quarterly Report to the Congress and the East-West Foreign Trade Board on Trade Between the United States and the Nonmarket Economy Countries During January-March 1978 (June 1978, USITC Publication 895).

**Table 3.—Summary of investigations completed under sec. 406 of the Trade Act of 1974, fiscal year 1978**

Investigation No.	Article concerned	Petitioner	Petition filed	Public hearing	Finding of Commission	Commissioners' votes			Commission's report	
						Affirmative (causing market disruption)	Negative (not causing market disruption)	Not participating	To the President	USITC Publication No.
TA-406-1	Certain gloves from the People's Republic of China.	Work Glove Manufacturers Association.	12-15-77	2- 7-78 and 2- 8-78	Negative	Minchew Ablondi	Parker Alberger Moore Bedell	—	3-15-78	867
TA-406-2	Clothespins from the People's Republic of China.	Clothespins & Veneer Products Association.	5- 3-78	6-22-78	Affirmative. <sup>1</sup>	Parker <sup>2</sup> Alberger <sup>3</sup> Moore <sup>2</sup> Bedell <sup>2</sup> Ablondi <sup>4</sup> Minchew <sup>3</sup>	—	—	8- 3-78	902
TA-406-3	Clothespins from the Polish People's Republic.	—do—	5- 3-78	6-22-78	Negative	Parker	Alberger Moore Bedell Ablondi Minchew	—	8- 3-78	902
TA-406-4	Clothespins from the Socialist Republic of Romania.	—do—	5- 3-78	6-22-78	—do—	—	Parker Alberger Moore Bedell Ablondi Minchew	—	8- 3-78	902

<sup>1</sup> On Oct. 2, 1978, the President determined that the question of import relief for the domestic clothespin industry would be more appropriately decided in the course of a pending escape-clause investigation and denied relief under separate market-disruption provisions of the Trade Act.

<sup>2</sup> Recommended a 5-year quota to be administered on a yearly basis, with the quota for each year established at 431,000 gross on the basis of the average of the imports of clothespins from the People's Republic of China for the years 1975-77.

<sup>3</sup> Recommended a 5-year quota to be administered on a quarterly basis, with the quota for the first year established at 431,000 gross on the basis of the average of the imports of clothespins from the People's Republic of China for the years 1975-77 and with the quota amount to be increased by 5 percent each year.

<sup>4</sup> Recommended the same quota as Chairman Parker and Commissioners Moore and Bedell, but for a 3-year period only.

4. 15th Quarterly Report to the Congress and the East-West Foreign Trade Board on Trade Between the United States and the Nonmarket Economy Countries During April-June 1978 (September 1978, USITC Publication 921).

#### Preliminary Investigation Under Section 603<sup>11</sup> of the Trade Act of 1974

On its own motion, the Commission ordered preliminary investigation No. 603-TA-3 to deter-

mine whether to institute an investigation under section 337 of the Tariff Act of 1930, as amended (19 U.S.C. 1337), with respect to the importation and sale in the United States of monumental teak windows from Sweden. On the basis of the preliminary investigation, including the investigative staff's final report, the Commission determined on November 15, 1977, that there was insufficient evidence to institute an investigation pursuant to section 337, and the preliminary investigation was terminated.

<sup>11</sup> 19 U.S.C. 2482.

**TARIFF ACT OF 1930, AS AMENDED**

**Countervailing Duty Investigations**

Section 303<sup>12</sup> of the Tariff Act of 1930, as amended, provides that—

Whenever any country, dependency, colony, province, or other political subdivision of government, person, partnership, association, cartel, or corporation, shall pay or bestow, directly or indirectly, any bounty or grant upon the manufacture or production or export of any article or merchandise manufactured or produced in such country, dependency, colony, province, or other political subdivision of government, then upon the importation of such article or merchandise into the United States, whether the same shall be imported directly from the country of production or otherwise, and whether such article or merchandise is imported in the same condition as when exported from the country of production or has been changed in condition by remanufacture or otherwise, there shall be levied and paid, in all such cases, in addition to any duties otherwise imposed, a duty equal to the net amount of such bounty or grant, however the same be paid or bestowed.

In the case of any imported article or merchandise which is free of duty, duties may be imposed under this section only if there is an affirmative determination by the Commission under subsection (b)(1); except that such a determination shall not be required unless a determination of injury is required by the international obligations of the United States.

During fiscal 1978, the Commission instituted and concluded two investigations under section 303. They are summarized in table 4.

<sup>12</sup> 19 U.S.C. 1303.

**Table 4.—Summary of investigations completed under sec. 303(b) of the Tariff Act of 1930, as amended, fiscal year 1978**

Investigation No.	Article concerned	Petition filed	Public hearing	Finding of Commission	Commissioners' votes			Commission's report	
					Affirmative	Negative	Not participating	To Secretary of Treasury	USITC Publication No.
303-TA-2	...Leather wearing apparel from Uruguay ...	1-24-78	3-14-78	Affirmative	Parker Alberger Moore Bedell Minchew	—	Ablondi <sup>1</sup>	4-24-78	883
303-TA-3	...Certain fish from Canada .....	6-27-78	8-15-78	Negative	—	Parker Alberger Moore Bedell Ablondi	Minchew <sup>2</sup>	9-27-78	919

<sup>1</sup> Commissioner Ablondi did not participate in the vote in order to avoid any possibility or appearance of conflict of interest.

**General Investigations**

The Tariff Act of 1930 empowers the Commission to investigate and report on many aspects of U.S. foreign trade. Studies made under section 332 of the act are usually broader in scope and focus than other statutory investigations conducted by the Commission.

Section 332<sup>13</sup> of the Tariff Act of 1930 sets forth the Commission's authority to investigate, among other things—

- The administration and fiscal and industrial effects of the customs laws of this country;
- The relationships between rates of duty on raw materials and finished or partly finished products;
- The effects of ad valorem and specific duties and of compound (specific and ad valorem) duties;
- All questions relative to the arrangement of schedules and classification of articles in the several schedules of the customs law;
- The operation of customs laws, including their relation to the Federal revenues and their effect upon the industries and labor of the country;
- The tariff relations between the United States and foreign countries, commercial treaties, preferential provisions, and economic alliances;
- The effect of export bounties and preferential transportation rates;
- The volume of importations compared with domestic production and consumption; and
- Conditions, causes, and effects relating to competition of foreign industries with those of the United States.

The Commission is required to make such reports as may be requested by the President, the House Committee on Ways and Means, the Senate Committee on Finance, or either House of Congress concerning such matters.

<sup>13</sup> 19 U.S.C. 1332.

During fiscal year 1978, seven investigations under section 332 of the Tariff Act of 1930 were completed, as shown in table 5. The 11 investigations which were in progress at the close of fiscal 1978 are summarized in table 6.

The nine Commission-initiated research studies under the authority of section 332 completed during fiscal year 1978 and the seven pending on September 30, 1978, are listed in table 7.

## Unfair Trade Practices

Section 337<sup>14</sup> of the Tariff Act of 1930 declares unlawful unfair methods of competition and unfair acts in the importation of articles into the United States, or in their sale by the owner, importer, consignee, or agent of either, the effect or tendency of which is to destroy or substantially injure an industry, efficiently and economically operated, in the United States, or to prevent the establishment of such

an industry, or to restrain or monopolize trade and commerce in the United States. It authorizes the Commission to investigate alleged violations of this section of the act. If the Commission determines that there is a violation of section 337, it has the power to issue an order excluding imports from entry into the United States and/or a cease and desist order, subject to disapproval by the President for policy reasons within 60 days of the Commission's issuance of its finding. Proceedings come within the provisions of the Administrative Procedure Act. There is a statutory time limit of 12 months (18 months for more complicated cases) in these investigations.

<sup>14</sup>19 U.S.C. 1337.

**Table 5.—Investigations completed under sec. 332 of the Tariff Act of 1930, as amended, during fiscal year 1978**

Investigation No.	Subject	Origin	USITC Publication	
			No.	Date
332-82	Probable domestic impact of changing from the current chief-value method of classifying textile imports to the chief-weight method.	Request from the President	849	December 1977
332-85	Conditions of competition in U.S. markets between domestic and foreign live cattle and cattle meat fit for human consumption.	Motion of the Commission	842	November 1977
332-89(1)	Information for use in determining whether to remove microscope glass slides and micro cover glasses from the list of articles eligible for the Generalized System of Preferences.	Request from the President	857	( <sup>1</sup> )
332-89(2)	Information for use in determining whether to remove folding chairs of wood from the list of articles eligible for the Generalized System of Preferences.	—do—	858	( <sup>1</sup> )
332-89(3)	Information for use in determining whether to remove wood doors with or without their hardware from the list of articles eligible for the Generalized System of Preferences.	—do—	859	( <sup>1</sup> )
332-89(4)	Information for use in determining whether to add seamless gloves of rubber or plastics, except surgical and medical gloves, to the list of articles eligible for the Generalized System of Preferences.	—do—	860	( <sup>1</sup> )
332-90	President's list of articles which may be designated as eligible articles for purposes of the Generalized System of Preferences.	—do—	854	( <sup>1</sup> )
332-98	Probable economic effect of U.S. adoption of new rules of customs valuation.	—do—	( <sup>2</sup> )	( <sup>2</sup> )
332-99	Conversion of specific and compound rates of duty to ad valorem rates.	—do—	896	July 1978
332-100	Certain ceramic articles	—do—	( <sup>3</sup> )	( <sup>3</sup> )

<sup>1</sup> Report submitted to STR in confidence.

<sup>2</sup> Report submitted to the President in confidence.

<sup>3</sup> This investigation was conducted concurrently with investigations Nos. TA-131(b)-2 and TA-203-4; a public report was issued only for the latter.

**Table 6.—Investigations under sec. 332 of the Tariff Act of 1930, as amended, pending on Sept. 30, 1978**

Investigation No.	Subject	Origin	USITC Publication	
			No.	Date
332-73	Formulation of an international commodity code	Sec. 608(c)(1) of the Trade Act of 1974.	—	—
332-84	Quarterly statistical reports providing certain information on canned and frozen mushrooms.	Request from the President	— 864 890 908	November 1977 March 1978 May 1978 August 1978
332-87	Conditions of competition in the Western U.S. steel market between domestic and foreign steel products.	Motion of the Commission	—	—
332-91	United States exports to the Soviet Union: past trends, recent developments, and future prospects.	—do—	—	—
332-92	Baseline study of the telephone switching equipment industry.	Request from the Subcommittee on Trade of the Committee on Ways and Means.	—	—
332-93	Annual and quarterly statistical reports providing certain information on nonrubber footwear.	Request from the President (Presidential Proclamation 4510).	— 865 889 891 909	November 1977 March 1978 May 1978 August 1978
332-94	Annual and quarterly statistical reports providing certain information on stainless steel and alloy tool steel.	Request from the President (Presidential Proclamation 4445).	— 853 874 875 888 903	November 1977 February 1978 March 1978 March 1978 May 1978 August 1978
332-95	Annual and quarterly statistical reports providing certain information on color television receivers.	Request from the President (Presidential Proclamation 4511).	— 866	November 1978 March 1978

**Table 6.—Investigations under sec. 332 of the Tariff Act of 1930, as amended, pending on Sept. 30, 1978—Con.**

Investigation No.	Subject	Origin	USITC Publication	
			No.	Date
			877	March 1978
			886	May 1978
			901	August 1978
332-96	Report on consumption of watches and watch movements, or modules.	Public Law 89-805 and the Tariff Schedules of the United States.	—	March 1978
332-97	Report on consumption of broom corn brooms	Request from the President	878	April 1978
332-101	Agreements being negotiated at the multilateral trade negotiations in Geneva.	Request from the Senate Committee on Finance and the House Committee on Ways and Means.	—	—

**Table 7.—Commission-initiated research studies completed during fiscal year 1978 and pending on Sept. 30, 1978**

Research subject	Status
Newsprint consumption: short-range predictive model.	Completed: USITC Staff Research Study No. 10, October 1977.
The history and current status of the Multifiber Arrangement.	Completed: USITC Publication 850, January 1978.
Grains forecasting: an analysis of three systems.	Completed: USITC Staff Research Study No. 11, January 1978.
Supplemental report on customs procedures with respect to the verification of import statistics: the accuracy of import data.	Completed: USITC Publication 861, February 1978.
Study of the effects of GSP on U.S. trade in the program's first year of operation, 1976.	Completed: USITC Staff Research Study No. 12, March 1978.
Imported food fats and oils: growing competition for U.S. agriculture.	Completed: USITC Publication 856, March 1978.
The impact of tariffs and nontariff barriers on trade in passenger automobiles.	Completed: Report to the Special Representative for Trade Negotiations, May 1978.
A survey and analysis of government ownership in market economy countries: a study of steel, automobiles, and iron ore.	Completed: USITC Staff Research Study No. 13, May 1978.
Related-party transactions in U.S. import trade.	Completed: Report to the Commission, June 1978.
Alternative energy sources	Pending.
Competitive prospects of the U.S. chemical industry.	Do.
A survey of research on the relationship between exchange-rate changes and trade.	Do.
Passenger auto industry of Japan	Do.
Import trends in Tariff Schedules of the United States items 806.30 and 807.00.	Do.
Barriers to trade in integrated circuits	Do.
U.S. fishing industry	Do.

Under the Tariff Act of 1930, as amended by the Trade Act of 1974, section 337 cases under Commission investigation must be adjudicated in conformity with the formal notice and hearing provisions of the Administrative Procedure Act (5 U.S.C. 551). The presiding officer, who in most cases is one of two Commission Administrative Law Judges, conducts the hearing and renders a written recommended determination or decision, including findings of fact and conclusions of law on all contested issues, on the basis of the record in each case. In the performance of his or her adjudicative functions under the Administrative Procedure Act and consistent with the Commission's Rules of Practice and Procedure, the pre-

siding officer holds prehearing conferences, issues subpoenas, rules on the evidence, and generally regulates the course of the hearing in accordance with the strict statutory time limits prescribed in section 337 proceedings.

Section 337 cases typically involve complex patent infringement and antitrust—e.g., predatory pricing—issues relating to alleged unfair acts or methods of competition incidental to the importation of articles into the United States or their sale, the effect or tendency of which is to destroy or substantially injure an industry, efficiently and economically operated, in the United States, or to prevent the establishment of such an industry, or to restrain or monopolize trade and commerce in

the United States. Final Commission decisions in these cases, which adopt, modify, or reverse the presiding officer's recommended determinations, are subject to disapproval within 60 days by the President for policy reasons and are thereafter appealable to the U.S. Court of Customs and Patent Appeals.

During fiscal 1978, the Commission concluded 10 investigations under section 337, which are summarized in table 8. The 21 investigations pending on September 30, 1978, are summarized in table 9.

#### **Litigation Arising From Investigations Conducted Under Section 337**

On February 27, 1978, a manufacturer and importer of pharmaceuticals, International Rectifier Corp., and companies associated with it moved in the U.S. District Court for the Central District of California to enjoin a complainant before the Commission, Pfizer, Inc., from participating in a Commission section 337 investigation (No. 337-TA-3, Doxycycline). This investigation had been suspended by the Commission on August 13, 1975, to permit the appeal process to be exhausted in Federal court litigation (*Pfizer, Inc. v. International Rectifier Corp., et al.*, Civil Action No. 73-58, MDL No. 274). The reason for the suspension was that the patent at issue in the Commission's investigation had been summarily declared invalid at the trial level. After the judicial appeal process was exhausted, the trial court was reversed, and the case was returned to the district court for trial.

On December 6, 1977, Pfizer moved that the Commission reactivate the section 337 investigation. When International Rectifier made its motion in the district court to enjoin Pfizer, the Commission sought and was permitted to intervene for the limited purpose of opposing the motion on the ground that such an order would effectively prevent the Commission from going forward with its investigation. The court denied the motion for the preliminary injunction on March 24, 1978.

On July 15, 1978, International Rectifier filed a new motion in the district court for an injunction, this time to prevent Pfizer from seeking from the Commission a cease and desist order against International Rectifier and to compel Pfizer to cease efforts to have International Rectifier com-

ply with Commission discovery orders. Again the Commission sought and was permitted to intervene in the Federal action for the limited purpose of opposing the motion, and again the court denied the motion, this time with a written order. The basis of the court's decision was that the Commission investigation did not interfere with the court's proceedings, even though the two cases involved similar issues such as the validity and enforceability of the doxycycline patent. No appeal was taken from these court decisions, and at the end of the fiscal year the doxycycline investigation was continuing without interruption.

On April 6, 1978, the U.S. Court of Customs and Patent Appeals in *Coleco Industries, Inc. v. U.S. International Trade Commission*, 573 F.2d 1247 (1978), unanimously affirmed the Commission's decision in investigation No. 337-TA-25 (Certain Above-Ground Swimming Pools). The Commission had found that the patent in issue had not been infringed and that there was no predatory pricing and no violation of section 337. Complainant's petition for rehearing was denied by the court on June 8, 1978.

On August 24, 1978, the U.S. Court of Customs and Patent Appeals issued a decision in favor of the Commission in *Solder Removal Co. v. U.S. International Trade Commission*, 199 U.S.P.Q. 129 (1978). This was an appeal of the Commission's decision for respondent in investigation No. 337-TA-26 (Certain Solder Removal Wicks), in which the Commission found complainant's patent to be invalid. On September 14, 1978, the appellants sought a rehearing of the appeal; the petition is still pending before the court.

Ben Clements & Sons, Inc., a respondent in Commission investigation No. 337-TA-36 (Certain Plastic Fastener Assemblies), brought a lawsuit against the Commission in the U.S. District Court for the Southern District of New York, seeking to enjoin the Commission's investigation. The basis for the lawsuit was the existence of parallel proceedings in the district court concerning the validity and possible infringement of the patent which is the subject of the Commission's investigation.

On October 3, 1977, the district court denied the plaintiff's application for a temporary restraining order and motion for a preliminary injunction. Plaintiff had argued that it was too great a burden

Table 8.—Investigations completed under sec. 337 of the Tariff Act of 1930, as amended, fiscal year 1978

Article concerned	Complainant	Complaint filed	Date of publication of notice in <i>Federal Register</i> and No.	Public hearing	Finding and remedy of Commission	Date orders issued	USITC Publication No.
Certain welded stainless steel pipe and tube.	Acme Tube, Inc., Allegheny-Ludlum Steel Corp., Armco Steel Corp., et al.	11-15-76	2-22-77, 337-TA-29	1-31-78	Violation; cease and desist order. <sup>1</sup>	2-22-78	863
Certain display devices for photographs and the like.	Charles D. Burnes Co., Boston, Mass.	1-14-77	2-18-77, 337-TA-30	10-31-71	Violation; permanent exclusion order. <sup>2</sup>	1-12-78	862
Certain steel toy vehicles	Tonka Corp., Hopkins, Minn.	3-11-77; 3-24-77, 3-31-77, and 7-20-77 (amendments)	4-15-77, 337-TA-31	3-20-78	Terminated; no violation	4-17-78	880
Certain dot matrix impact printers and solenoids.	Centronics Data Computer Corp., Hudson, N.H.	3-14-77; 3-28-77 (amendment)	4-26-77, 337-TA-32	—	—do. <sup>3</sup>	12- 8-77	—
Certain light shields for sonar apparatus.	Lowrance Electronics, Inc., Tulsa, Okla.	3-24-77	4-26-77, 337-TA-33	—	—do—	10-31-77	—
Certain numerically controlled machining centers and components thereof.	Burgmaster Division, Houdaille Industries, Inc., Los Angeles, Calif.	4-14-77	5-17-77, 337-TA-34	—	—do. <sup>3</sup>	2- 6-78	—
Certain molded golf balls	PCR Golf Ball Co., Inc., Rocky Hill, N.J.	4-14-77; 6-13-77 (amendment)	7- 6-77, 337-TA-35	—	Violation; permanent exclusion order. <sup>4</sup>	7- 6-78	897
Certain food slicers	Prodyne Enterprises, Inc., Montclair, Calif.	10- 6-77; 10-25-77 (amendment)	11-10-77, 337-TA-38	—	Terminated; no violation	7-12-78	—
Certain ceramic tile setters	Ferro Corp., Cleveland, Ohio	1- 4-78, 1-20-78 (supplement)	2-10-78, 337-TA-41	—	—do—	9-11-78	—
Certain telescopic sight mounts.	Clear View Manufacturing Co., Inc., Detroit, Mich.	1-18-78; 1-31-78 and 2-10-78 (amendments)	2-17-78, 337-TA-46	—	—do—	9-21-78	—

<sup>1</sup> The President disapproved on Apr. 26, 1978.

<sup>2</sup> The President took no action; exclusion order became final on Mar. 13, 1978.

<sup>3</sup> By reason of license agreement.

<sup>4</sup> The President took no action; exclusion order became final on Sept. 5, 1978.

Table 9.—Investigations under sec. 337 of the Tariff Act of 1930, as amended, pending on Sept. 30, 1978

Article concerned	Complainant	Complaint filed	Date of publication of notice in <i>Federal Register</i> and No.	Public hearing
Doxycycline	Pfizer, Inc., New York, N.Y.	4-13-73, 4-21-78 (amendment)	5-29-74, 337-TA-3 <sup>1</sup>	9-23-74
Certain plastic fastener assemblies	Dennison Manufacturing Co., Framingham, Mass.	6-30-77; 7-22-77 (amendment)	8-11-77, 337-TA-36 <sup>2</sup>	—
Certain skateboards and platforms therefor.	Richard L. Stevenson d.b.a. Makaha International, Los Angeles, Calif.	10- 6-77; 10-25-77 (amendment)	11-11-77, 337-TA-37	—
Certain luggage products	Airway Industries, Inc., Ellwood City, Pa.	10-28-77; 11-11-77 (amendment)	11-30-77, 337-TA-39	5- 5-78 and 9-20-78
Monumental wood windows	Wrand Industries, Inc., Chester, Pa.	1- 3-78	2- 9-78, 337-TA-40	—
Certain electric slow cookers	Rival Manufacturing Co., Kansas City, Mo.	12-20-77; 4- 6-78 (amendment)	2- 9-78, 337-TA-42	—
Certain centrifugal trash pumps.	Hale Fire Pump Co., Conshohocken, Pa.	1- 9-78	2-14-78, 337-TA-43	—
Certain roller units	Presto Lock Co., division of Walter Kidde & Co., Inc., Elmwood Park, N.J.	1-12-78	2-14-78, 337-TA-44	—
Certain combination locks	Presto Lock Co., division of Walter Kidde & Co., Inc., Elmwood Park, N.J.	1-12-78	2-16-78, 337-TA-45	—
Certain flexible foam sandals.	Tiddies, Inc., Pasadena, Tex.	1-18-78	2-17-78, 337-TA-47	—

See footnotes at end of table.

Table 9.—Investigations under sec. 337 of the Tariff Act of 1930, as amended, pending on Sept. 30, 1978—Con.

Article concerned	Complainant	Complaint filed	Date of publication of notice in Federal Register and No.	Public hearing
Alternating pressure pads	Gaymar Industries, Inc., Orchard Park, N.Y., and Medisearch PR, Inc., Guayama, P.R.	1-23-78	2-23-78, 337-TA-48	—
Certain attache cases	Samsonite Corp., Denver, Colo.	1-30-78	3- 7-78, 337-TA-49	—
Certain synthetic gemstones	Queensbury Opal Co., Ltd., Beechwood, Ohio.	2- 9-78; 3- 8-78	3-17-78, 337-TA-50	—
Certain cigarette holders	Spoon Ring Co., Los Angeles, Calif.	(amendment) 2-21-78; 3- 8-78, 3-21-78, and 3-22-78 (amendments)	3-29-78, 337-TA-51	—
Certain apparatus for the continuous production of copper rod.	Southwire Co., Carrollton, Ga.	4-11-78	5-22-78, 337-TA-52	—
Certain swivel hooks and mounting brackets.	Coats & Clark, Inc., Stamford, Conn.	5- 9-78; 6- 1-78 (amendments)	6-14-78, 337-TA-53	—
Certain multicellular plastic film	Sealed Air Corp., Fair Lawn, N.J.	5-12-78	6-29-78, 337-TA-54	—
Certain novelty glasses	Howw Manufacturing, Inc., and Plus Four, Inc., Carol Stream, Ill.	5-25-78 and 6-14-78	7-11-78, 337-TA-55	—
Certain thermometer sheath packages.	Steridyne Corp., Riviera Beach, Fla.	6- 7-78	7-25-78, 337-TA-56	—
Certain cattle whips	Stockmer's Inc., Lawton, Iowa	7- 7-78	8- 9-78, 337-TA-57	—
Certain fabricated steel plate products from Japan.	Steel Plate Fabricators Association, Hinsdale, Ill.	8- 7-78	9-15-78, 337-TA-58	—

<sup>1</sup> Suspended on Aug. 13, 1975, and reactivated on Feb. 21, 1978.

<sup>2</sup> Suspended on Sept. 29, 1978.

to proceed simultaneously before the Commission and the district court because of the imminence of trial in the district court. The district court ruled that the presiding officer in the investigation had taken adequate steps to insure that there would be no undue burden on plaintiff's counsel by recommending to the Commission a limited stay of Commission proceedings while the case was being tried in the district court. Therefore, it had no need to issue a writ to protect its jurisdiction within the meaning of the All Writs Act (28 U.S.C. 1651).

The Commission suspended its investigation effective November 1, 1977. Upon conclusion of the district court trial, the Commission, on April 5, 1978, moved to resume the investigation. On April 13, 1978, Clements again filed a motion with the U.S. District Court for the Southern District of New York requesting a preliminary injunction against the Commission's reactivating its investigation. On April 20, 1978, the court ordered the Commission to show cause why it should not grant Clements' motion and enjoin the Commission from reinstating the investigation. Following

oral argument on the "show cause" order, the judge denied the motion, stating that Clements failed to show that it would be harmed by resumption of the Commission investigation.

On September 22, 1978, the Commission again suspended the investigation, until such time as the exhibits in the parallel proceedings in the district court are available to the presiding officer for a period of 5 months.

## ANTIDUMPING ACT, 1921, AS AMENDED

### Provisions of the Antidumping Act

Section 201(a)<sup>15</sup> of the Antidumping Act, 1921, provides that whenever the Secretary of the Treasury advises the Commission that a class or kind of foreign merchandise is being, or is likely to be, sold in the United States or elsewhere at less than its fair value, the Commission shall determine within 3 months whether an industry in the United States is being or is likely to be injured, or is prevented from being established, by reason of the importation of such merchandise. At the conclusion of its investigation, the Commission notifies the Secretary of the Treasury of its determination. If the Commission determines in the affirmative, the Secretary of the Treasury issues a finding of

<sup>15</sup> 19 U.S.C. 160 et seq.

dumping, and the described imports become subject to special dumping duties.

During fiscal 1978, the Commission completed 17 investigations under section 201(a) of the Antidumping Act. The Commission's determina-

tions were affirmative in nine cases<sup>16</sup> and negative in eight cases. The investigations are summarized in table 10.

<sup>16</sup> Under the Antidumping Act, decisions in which the Commissioners voting are evenly divided in their findings are deemed to be in the affirmative.

Table 10.—Antidumping investigations completed in fiscal year 1978

Investigation No.	Article concerned	Advice received from Treasury	Public hearing	Finding of Commission	Commissioners' votes			Commission's report	
					Affirmative	Negative	Not participating	To Secretary of Treasury	USITC Publication No.
AA1921-169, 170, 171, and 172.	Animal glue and inedible gelatin from Yugoslavia, Sweden, the Netherlands, and West Germany.	7-29-77	9-15-77	Affirmative	Parker <sup>1</sup> Moore <sup>1</sup> Bedell <sup>1</sup> Ablondi <sup>2</sup>	Minchew <sup>1</sup> Ablondi <sup>3</sup>	Alberger <sup>4</sup>	10-29-77	840
AA1921-173	Railway track maintenance equipment from Austria.	8-11-77	10- 6-77 and 10- 7-77	—do—	Parker Moore Bedell	Minchew Ablondi	Alberger <sup>4</sup>	11-11-77	844
AA1921-174 and 175.	Saccharin from Japan and the Republic of Korea.	9- 9-77	10-26-77	Negative	—	Parker Alberger Moore Bedell Ablondi Minchew	—	12- 9-77	846
AA1921-176	Impression fabric of manmade fiber from Japan.	12-28-77	2-15-78	Affirmative	Moore Bedell Ablondi	Alberger Minchew	Parker <sup>5</sup>	3-28-78	872
AA1921-177	Ice hockey sticks from Finland	12-28-77	2-23-78	Negative	—	Parker Alberger Moore Bedell Ablondi Minchew	—	3-28-78	871
AA1921-178	Polyvinyl chloride sheet and film from the Republic of China.	1-12-78	3- 2-78	Affirmative	Parker Alberger Moore Bedell Minchew	—	—	4-12-78	879
AA1921-179	Carbon steel plate from Japan	1-18-78	3- 7-78	—do—	Alberger Moore Bedell Minchew Ablondi	—	Parker <sup>5</sup> Ablondi <sup>6</sup>	4-18-78	882
AA1921-180	Welded stainless steel pipe and tube from Japan.	4-20-78	6- 8-78	Negative	Ablondi	Parker Alberger Moore Bedell Minchew	—	7-20-78	899
AA1921-181 <sup>7</sup>	Rayon staple fiber from Belgium	5- 2-78	6-20-78	—	—	—	—	—	—
AA1921-182	Steel wire strand for prestressed concrete from India.	5-25-78	7-18-78	—do—	—	Parker Alberger Moore Bedell Ablondi	Minchew <sup>8</sup>	8-25-78	906
AA1921-183	Sorbates from Japan	6-13-78	8- 1-78	—do—	—	Parker Alberger Moore Bedell	Ablondi <sup>8</sup> Minchew <sup>8</sup>	9-13-78	915
AA1921-184	Portland hydraulic cement from Canada.	6-23-78	7-26-78 to 7-28-78	—do—	Moore	Alberger Bedell Ablondi	Parker <sup>5</sup> Minchew <sup>8</sup>	9-25-78	918
AA1921-186	Rayon staple fiber from Belgium	7-24-78	—	Affirmative	Parker Moore Bedell	Alberger Ablondi	Minchew <sup>8</sup>	9- 7-78	914

<sup>1</sup> On animal glue and inedible gelatin from Yugoslavia, Sweden, the Netherlands, and West Germany.

<sup>2</sup> On animal glue and inedible gelatin from Sweden and the Netherlands.

<sup>3</sup> On animal glue and inedible gelatin from Yugoslavia and West Germany.

<sup>4</sup> Vice Chairman Alberger, not having participated in the case, abstained.

<sup>5</sup> Chairman Parker did not participate in the vote because of absence due to a death in the family.

<sup>6</sup> Commissioner Ablondi did not participate in the vote in order to avoid any

possibility or appearance of conflict of interest.

<sup>7</sup> Terminated. Investigation No. AA1921-186 was instituted upon receiving new advice from the Secretary of the Treasury.

<sup>8</sup> Commissioner Minchew did not vote because he was unavailable for the Commission meeting at the time of the vote.

<sup>9</sup> Chairman Parker did not participate in the vote in order to avoid any possibility or appearance of conflict of interest.

On September 30, 1978, three investigations were in progress under the Antidumping Act: No. AA1921-185, Nylon Yarn From France; No.

AA1921-187, Motorcycles From Japan; and No. AA1921-188, Steel Wire Strand for Prestressed Concrete From Japan.



## Inquiries Under Section 201(c)(2) of the Antidumping Act

The Trade Act of 1974 amended the Antidumping Act, 1921, in a number of respects. The Secretary of the Treasury is now authorized to forward to the Commission any investigation of alleged sales at less than fair value in which he believes there is substantial doubt that an industry in the United States is being or is likely to be injured, or is prevented from being established, by reason of the importation of the subject merchandise. The Commission determines, within 30 days, whether there is no reasonable indication that an industry is being or is likely to be injured, or is prevented from being established. If the Commission finds no reasonable indication, it is required to so advise the Secretary, and the investigation is then terminated.

During fiscal 1978, 16 such investigations were completed. They are summarized in table 11.

## Litigation Arising From Investigations Conducted Under the Antidumping Act

On May 11, 1978, the Customs Court ruled in *SCM Corp. v. United States*, 450 F. Supp. 1178 (1978), that it has jurisdiction to hear the appeal of a negative injury determination by the Commission in investigation No. AA1921-145

Table 11.—Antidumping inquiries completed in fiscal year 1978

Investigation No.	Article concerned	Petition filed	Public hearing	Commissioners' votes			Commission's report	
				Finding that "there is no reasonable indication [of injury]" (Treasury terminates its investigation)	Not finding that "there is no reasonable indication [of injury]" (Treasury continues its investigation)	Not participating	To Secretary of Treasury	USITC Publication No.
AA1921-Inq.-7	Methyl alcohol from Brazil	9-13-77	10- 3-77	Parker Moore Bedell Ablondi Minchew Alberger <sup>1</sup>	—	—	10-13-77	837
AA1921-Inq.-8 and 9	Carbon steel bars and carbon steel strip from the United Kingdom.	1-17-78	2- 1-77	Alberger <sup>2</sup> Moore Bedell Ablondi Minchew Parker <sup>3</sup>	—	—	2-16-78	885
AA1921-Inq.-10	Uncoated free sheet offset paper from Canada.	2-17-78	3-13-78	Alberger Moore Bedell Ablondi Minchew Parker	—	—	3-20-78	869
AA1921-Inq.-11 and 12.	Photographic color paper from Japan and West Germany.	4- 7-78	4-27-78	Parker Alberger Moore Bedell Ablondi Minchew	—	—	5- 8-78	885
AA1921-Inq.-13	Methyl alcohol from Canada.	6- 9-78	6-26-78	—	Parker Alberger Moore Bedell Ablondi Minchew	—	7-10-78	898
AA1921-Inq.-14, 15, and 16.	Perchloroethylene from Belgium, France, and Italy.	7-19-78	8- 4-78	Alberger Ablondi	Parker Moore Bedell	Minchew <sup>4</sup>	8-18-78	904
AA1921-Inq.-17	Stainless steel round wire from Japan.	7-26-78	8-17-77	—	Alberger Moore Bedell Ablondi	Parker <sup>3</sup> Minchew <sup>4</sup>	8-25-78	907
AA1921-Inq.-18	Standard household incandescent lamps from Hungary.	8- 4-78	8-22-78	Alberger Moore Bedell	Parker Ablondi	Minchew <sup>4</sup>	9- 5-78	912
AA1921-Inq.-19	Certain automotive and motorcycle repair manuals from the United Kingdom.	8- 7-78	8-24-78	Alberger Ablondi	Parker Moore Bedell	Minchew <sup>4</sup>	9- 6-78	913
AA1921-Inq.-20, 21, and 22.	Sugar from Belgium, France, and West Germany.	8-18-78	9- 6-78	Ablondi	Parker Alberger Moore Bedell	Minchew <sup>4</sup>	9-18-78	916

<sup>1</sup> Commissioner Alberger found no reasonable indication of injury with respect to carbon steel bars.

<sup>2</sup> Commissioner Alberger did not find no reasonable indication of injury with respect to carbon steel strip.

<sup>3</sup> Chairman Parker did not participate in the vote in order to avoid any possibility or appearance of conflict of interest.

<sup>4</sup> Commissioner Minchew did not vote because he was unavailable for the Commission meeting at the time of the vote.

(Portable Electric Typewriters From Japan). As of September 30, 1978, the parties to this appeal were in the discovery process.

In a complaint filed with the Customs Court on October 17, 1974, Pasco Terminals, Inc., asserted, *inter alia*, that the injury determination of the Commission in investigation No. AA1921-92 (Elemental Sulfur From Mexico) was invalid. The Customs Court held that Pasco Terminals, Inc., had no standing to protest the imposition of dumping duties (416 F. Supp. 1242 (1974)). Pasco Terminals, Inc., moved for a rehearing of that decision, and on December 1, 1976, the motion for rehearing was denied (C.D. 4676). On appeal, the U.S. Court of Customs and Patent Appeals reversed and remanded the case to the Customs Court, where as of September 30, 1978, it awaited oral argument on cross-motions for summary judgment.

In complaints filed with the Customs Court during 1973, plaintiffs Atkins Kroll & Co., Inc., and Border Brokerage Co., Inc., asserted that the injury determinations of the Commission in investigations Nos. AA1921-33 (Steel Reinforcing Bars From Canada) and AA1921-39 (Carbon Steel Bars and Shapes From Canada), respectively, were invalid. The cases were pending at the close of the fiscal year.

As noted in the Commission's annual report for 1977, Armstrong Bros. Tool Co. et al. filed complaints with the Customs Court on September 26, 1977, asserting, *inter alia*, that the negative determinations of the Commission in investigations Nos. AA1921-141 (Wrenches, Pliers, Screwdrivers, and Metal-Cutting Snips and Shears From Japan) and AA1921-149 (Chisels, Punches, Hammers, Sledges, Vises, C-Clamps, and Battery Terminal Lifters From Japan) were invalid. Also on September 26, 1977, Sprague Electric Co. filed a complaint with the Customs Court challenging the Commission's negative determination in investigation No. AA1921-159 (Tantalum Electrolytic Fixed Capacitors From Japan). At the close of the fiscal year, all these cases were still in the discovery phase of litigation.

On July 28, 1978, Monsanto Co., a domestic manufacturer of chemical sorbates, filed a complaint in the U.S. District Court for the District of Columbia seeking, *inter alia*, a temporary restraining order and a preliminary injunction to

prevent the Commission from continuing with investigation No. AA1921-183 (Sorbates From Japan), which was instituted on June 16, 1978. The basis of the action was that the Treasury Department had allegedly used erroneous methodology in arriving at its final determination of sales at less than fair value. Oral argument on plaintiff's motion for a temporary restraining order was heard by Judge Oliver Gasch, who denied the motion. Plaintiff's motion for a preliminary injunction came before Chief Judge William B. Bryant, who denied the motion on the grounds that (1) plaintiff had failed to show irreparable harm, (2) preliminarily enjoining the Commission would harm third parties, and (3) the public interest favored allowing the Commission's investigation to continue. No appeal was taken from this denial.

## SECTION 22 OF THE AGRICULTURAL ADJUSTMENT ACT, AS AMENDED

Section 22<sup>17</sup> of the Agricultural Adjustment Act, as amended, provides that—

Whenever the Secretary of Agriculture has a reason to believe that any article or articles are being or are practically certain to be imported into the United States under such conditions and in such quantities as to render or tend to render ineffective, or materially interfere with, any program or operation undertaken . . . by the Department of Agriculture or any agency operating under its direction, with respect to any agricultural commodity or product thereof, or to reduce substantially the amount of any product processed in the United States from any agricultural commodity or product thereof with respect to which any such program or operation is being undertaken, he shall so advise the President, and, if the President agrees that there is reason for such belief, the President shall cause an immediate investigation to be made by the United States International Trade Commission, which shall give precedence to investigations under this section to determine such facts. Such investigation shall be made after due notice and opportunity for hearing to interested parties, and shall be conducted subject to such regulations as the President shall specify.

Pursuant to a request of the President received on November 14, 1977, the Commission conducted investigation No. 22-41, on sugar. Public hearings were held on January 4 and 17 and on February 27 and 28, 1978, and the report (USITC Publication 881) was transmitted to the President on April 17, 1978. In this investigation the Commission found that imports of sugar, sirups, and

<sup>17</sup> 7 U.S.C. 624.

molasses provided for in items 155.20 and 155.30 of the Tariff Schedules of the United States were being imported under such conditions and in such quantities as to render or tend to render

ineffective, or materially interfere with, certain price-support programs of the U.S. Department of Agriculture. The Commissioners' detailed recommendations may be found in the report.



## TRADE AGREEMENTS PROGRAM

The Commission regularly assists the executive branch of the Government in work connected with the trade agreements program. Assistance is provided to the President primarily through the Office of the Special Representative for Trade Negotiations (STR),<sup>1</sup> the executive branch center for many trade-agreement activities. Substantial Commission assistance is also given directly to particular executive departments, such as the Departments of State, Commerce, Labor, Agriculture, and Treasury, which have responsibilities in the program.

Under section 163(b) of the Trade Act of 1974, the Commission is to submit a yearly report to Congress on the operation of the trade agreements program. The 28th report, covering calendar year 1976, was issued in fiscal year 1978.

The Commission's work relating to the trade agreements program during fiscal 1978 fell into three major areas. The first consisted of assembling tariff, commodity, and statistical information in support of activities associated with the current round of multilateral trade negotiations or the program's daily operation. The second involved technical assistance to the STR in work related to the operation of the Generalized System of Preferences (GSP). The third involved technical assistance to the STR in conducting the interagency executive branch review of certain reports which the Commission submits to the President.

### Multilateral Trade Negotiations

A seventh round of comprehensive multilateral trade negotiations (MTN) under the auspices of the General Agreement on Tariffs and Trade (GATT) opened in September 1973. The negotiations were in progress in Geneva, Switzerland, throughout the period covered by this report. The Commission provided technical assistance to the STR in most areas of the negotiations. Computer data on U.S. imports and tariffs were prepared for the U.S. delegation in Geneva. Technical assistance was regularly provided to many of the Washington-based task forces which provide support for the U.S. delegation, including extensive assistance in assembling statistics and other data for the U.S. tariff offers initially tabled in Geneva in January 1978. Commission staff and Commissioners participated in Geneva meetings of the MTN negotiations groups, and five members of the Commission staff were on the permanent U.S. MTN delegation in Geneva. In addition to the above activities, to assist STR in the conduct of the negotiations, the Commission prepared major reports on customs valuation and on the conversion of specific and compound tariff rates to simple ad valorem duties. Data were also provided for bilateral negotiations with Taiwan.

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<sup>1</sup> The Special Trade Representative is the chief representative of the United States at trade-agreement negotiations, to whom the President has delegated many of his functions under the Trade Act of 1974 (Executive Order 11846, Mar. 27, 1975). A member of his staff serves as Chairman of the Trade Policy Staff Committee, which obtains information and advice from Government agencies and other sources and recommends policies and actions to the Special Representative. The U.S. International Trade Commission is represented on the Trade Policy Staff Committee, but does not vote and does not participate in decisions on policy matters because the Commission is the policy research and factfinding agency for both Congress and the executive branch.

Toward the end of fiscal 1978, at the request of the Senate Committee on Finance and the House Committee on Ways and Means, the Commission began work on an extensive analysis of the MTN. This study will assess the impact on the U.S. economy (in terms of imports, exports, domestic production, and employment) of the tariff reductions made by the United States and its major trading partners, the nontariff-measure codes being negotiated on safeguards, governments, procurement, subsidies, standards, licensing, and customs valuation, and the specific agreements on individual nontariff measures.

The Commission continued to supply the GATT Secretariat in Geneva with compilations of data on U.S. imports, tariffs, and trade-agreement obligations. Most of this was part of a continuing compilation of trade and tariff information to provide basic data for the multilateral trade negotiations. Since virtually all international tariff and trade work is conducted in terms of the product classifications of the Customs Cooperation Council Nomenclature (CCCN), formerly called the Brussels Tariff Nomenclature, the Commission regularly provides the GATT Secretariat with information on the concordance between the Tariff Schedules of the United States (TSUS) and the CCCN. This concordance is continuously being updated at the Commission.

Work required for the regular operation of the trade agreements program, apart from MTN activities, included, inter alia, completion of a draft consolidated schedule of U.S. concessions under the GATT, which has been distributed to the GATT contracting parties, and assistance in bilateral negotiations with Finland concerning U.S. tariff treatment of papermaking machinery.

### **Generalized System of Preferences**

The Trade Act of 1974 gave the President authority to establish a Generalized System of Preferences, under which eligible articles that are the product of designated beneficiary developing countries can be imported into the United States free of duty. Executive Order 11888 implemented the GSP effective January 1, 1976; the Special Trade Representative and the Secretary of State are jointly responsible for its administration. The Executive order has been modified several times to change the list of articles receiv-

ing GSP treatment. The Commission provided technical assistance in the interagency review leading to these modifications, as well as assistance in preparation of the orders implementing the changes. In addition, Commission personnel assisted in monitoring GSP imports and did the major part of the work entailed in application of the "competitive need" criteria set out in section 504 of the Trade Act. For the fifth executive branch review of the operation of GSP, parts of which consisted of public hearings held by the Trade Policy Staff Committee, the STR was supplied technical data on U.S. production of and trade in more than 175 articles on which petitions had been submitted for a modification of their GSP status.

### **Executive Branch Review of Commission Reports**

Many of the reports which the Commission submits to the President under various statutes, such as section 201 of the Trade Act of 1974, involve matters on which action by the President would affect trade-agreement obligations of the United States. Executive branch review of these reports for the purpose of formulating executive branch recommendations to the President is usually centered in the office of the Special Trade Representative. The Commission provides technical assistance in the review process, including such supplemental information as may be required. During the period covered by this report the Commission submitted nine reports to the President on investigations which were instituted as a result of petitions for import relief under section 201 of the Trade Act, one report under section 203 of the Trade Act, one report under section 406 of the Trade Act, and three reports under section 337 of the Tariff Act of 1930. Most of these reports required eventual action by the President.<sup>2</sup>

<sup>2</sup> The reports under sec. 201 of the Trade Act concerned investigations to determine whether a domestic industry was being seriously injured, or threatened with serious injury, by imported articles. The products involved were high-carbon ferrochromium (two investigations); bicycle tires and tubes; unalloyed, unwrought copper; stainless steel flatware; certain fishing tackle; citizens band radio transceivers; unalloyed, unwrought zinc; and bolts, nuts, and large screws of iron or steel.

The report under sec. 203 of the Trade Act concerned an investigation of the effect on the domestic industry of removing temporary import quotas on certain stainless steel and alloy tool steel.

The report under sec. 406 of the Trade Act concerned market

## UNIFORM STATISTICAL DATA ON IMPORTS, EXPORTS, AND PRODUCTION

### Activities Under Section 484(e) of the Tariff Act of 1930

Section 608(a) of the Trade Act of 1974 and Public Law 95-106 amended section 484(e)<sup>3</sup> of the Tariff Act of 1930 by providing for comparability of U.S. import, production, and export data, as follows:

(e) Statistical Enumeration.—The Secretary of the Treasury, the Secretary of Commerce, and the United States International Trade Commission are authorized and directed to establish from time to time for statistical purposes an enumeration of articles in such detail as in their judgment may be necessary, comprehending all merchandise imported into the United States and exported from the United States, and shall seek, in conjunction with statistical programs for domestic production and programs for achieving international harmonization of trade statistics, to establish the comparability thereof with such enumeration of articles. All import entries and export declarations shall include or have attached thereto an accurate statement specifying, in terms of such detailed enumeration, the kinds and quantities of all merchandise imported and exported and the value of the total quantity of each kind of article.

A great amount of work during fiscal years 1976 and 1977 by the Commission and the Departments of the Treasury and Commerce resulted in the preparation and printing of a 1978 edition of Schedule B (the export schedule) based on the *Tariff Schedules of the United States Annotated* (TSUSA), and a 1978 edition of the TSUSA incorporating changes providing for greater comparability with exports and production, and in changes in the product codes based on the Standard Industrial Classification providing for greater comparability with imports and exports.

In addition, the Committee for Statistical Annotation of Tariff Schedules, which is made up of delegates of the Secretary of the Treasury and the Secretary of Commerce and which is chaired by a delegate of the Commission, considered 47 requests for statistical annotations to the TSUSA and 62 requests for modifications to Schedule B.

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disruption from imports of clothespins from the People's Republic of China, Poland, and Romania.

The reports under sec. 337 of the Tariff Act of 1930 concerned unfair acts in the importation into the United States of certain welded stainless steel pipe and tube, certain display devices for photographs and the like, and certain molded golf balls.

<sup>3</sup> 19 U.S.C. 1484(e).

As a result of these requests, the Committee created 235 new TSUSA items and provided 168 new Schedule B numbers.

### Harmonized Commodity Code

Pursuant to section 608(c) of the Trade Act of 1974, in fiscal year 1975 the Commission undertook an investigation under section 332(g) of the Tariff Act of 1930 which would provide the basis for —

full and immediate participation by the United States International Trade Commission in the United States contribution to technical work of the Harmonized Systems [sic] Committee under the Customs Cooperation Council to assure the recognition of the needs of the United States business community in the development of a Harmonized Code reflecting sound principles of commodity identification and specification and modern producing methods and trading practices . . . .

During fiscal year 1978 the Commission participated in the U.S. contribution to the technical work of the Harmonized System Committee by preparing comments on 29 chapters of the Harmonized Code, and by providing technical assistance to the U.S. delegate to the Harmonized System Committee at Committee sessions. In addition, preliminary work was done on 32 new chapters of the Harmonized Code. In an effort to afford all interested parties an opportunity to contribute to the Commission's role in drafting comments on the Harmonized Code, the Commission held hearings on 29 chapters throughout the year.

### PREPARATION OF THE *TARIFF SCHEDULES OF THE UNITED STATES ANNOTATED*

The *Tariff Schedules of the United States Annotated* is published periodically by the Commission. It contains the classifications used for reporting import data by commodity and by supplying countries. The schedules delineate some 11,000 commodity classifications for which import statistics are collected. At appropriate intervals the TSUSA is updated to reflect the effects of legislation, Presidential proclamations and Executive orders, and other modifications of the schedules.

During fiscal 1978 the Commission issued the 10th (1978) edition of the TSUSA and supplements 1 through 3 thereto.

## PERIODIC REPORTS ON COMMODITIES

### Synthetic Organic Chemicals

The Commission has regularly prepared annual and monthly reports on synthetic organic chemicals, plastics, and resin materials. The annual reports have been published since 1918; the monthly production reports evolved from studies of hundreds of organic chemicals begun during World War I.

Government uses of these data reportedly include monitoring of toxic substances by the Environmental Protection Agency and the National Institute for Occupational Safety and Health, trade adjustment assistance by the Department of Labor, planning and investigations by the Food and Drug Administration, possible concessions in trade negotiations by the Office of the Special Representative for Trade Negotiations, and monitoring of the economy (particularly the chemical industry) by the Council on Wage and Price Stability. The business community, including industry, consultants, and financial analysts, also reportedly uses these data extensively.

**Annual Reports.**—The 60th annual report on U.S. production and sales of synthetic organic chemicals, covering calendar year 1976, was released by the Commission on October 27, 1977.<sup>4</sup> Fifteen groups of chemicals were involved:

- Tar and tar crudes
- Primary products from petroleum and natural gas for chemical conversion
- Cyclic intermediates
- Dyes
- Organic pigments
- Medicinal chemicals
- Flavor and perfume materials
- Plastics and resin materials
- Rubber-processing chemicals
- Elastomers (synthetic rubber)
- Plasticizers
- Surface-active agents
- Pesticides and related products
- Miscellaneous end-use chemicals and chemical products
- Miscellaneous cyclic and acyclic chemicals.

Approximately 750 manufacturers report data to the Commission on some 8,000 chemical products; these data form the base for the annual report. Also included in the annual report is a directory of manufacturers for each of the

<sup>4</sup> *Synthetic Organic Chemicals, United States Production and Sales, 1976*, USITC Publication 833, 1977.

named chemicals and chemical products. The data for another annual Commission publication, *Imports of Benzenoid Chemicals and Products*, are obtained by analyzing invoices covering most of the general imports of benzenoid chemicals.

**Monthly reports.**—The monthly production reports (Series C/P) add timeliness to the Commission's statistics. A report, containing production data for 97 selected synthetic organic chemicals, plastics, and resins (trend-setting indicator materials), is issued for each month at a date approximately 6 weeks after the month covered by the report.

### Quantitative Determinations

As required by statute, Executive order, or Presidential proclamation, the Commission continued to submit annual and quarterly reports during fiscal year 1978 on several commodities.

Annual reports were submitted on U.S. consumption of watch movements<sup>5</sup> and brooms.<sup>6</sup>

In 1976, after receiving the Commission's report on **stainless steel and alloy tool steel** (investigation No. TA-201-5), the President imposed quantitative restrictions on stainless steel and alloy tool steel for a period of 3 years and implemented a monitoring program administered by the Commission.<sup>7</sup> In fiscal year 1978, the Commission issued four quarterly reports<sup>8</sup> covering U.S. producers' production, shipments, employment, man-hours, and prices. Two annual reports<sup>9</sup> were also issued during the year. One covered U.S. importers' prices, unshipped orders, and inventories; the other covered U.S. producers' profit, unshipped orders, inventories, capacity, capital expenditures, and research and development expenditures. The quarterly and annual reports are to continue for the duration of the quantitative restrictions.

<sup>5</sup> Public Law 89-805 (80 Stat. 1521, 1522) and Public Law 89-241 (79 Stat. 948, 949); unnumbered USITC publication, 1978.

<sup>6</sup> Executive Order 11377 implements headnote 3 to schedule 7, pt. 8, subpt. A, of the TSUS; USITC Publication 878, 1978.

<sup>7</sup> Presidential Proclamation 4445 implements headnote 2(g)(i) of pt. 2, subpt. A, of the Appendix to the TSUS.

<sup>8</sup> Third calendar quarter 1977, unnumbered USITC publication, 1977; fourth calendar quarter 1977, USITC Publication 853, 1978; first calendar quarter 1978, USITC Publication 888, 1978; second calendar quarter 1978, USITC Publication 903, 1978.

<sup>9</sup> Annual report on U.S. importers for calendar year 1977, USITC Publication 874, 1978; annual report on U.S. producers for calendar year 1977, USITC Publication 875, 1978.



In conformance with the provisions of the orderly marketing agreement negotiated with the Government of Japan limiting the export of **color television receivers and certain subassemblies thereof** from Japan to the United States for a period of 3 years,<sup>10</sup> the Commission issued four quarterly reports<sup>11</sup> showing aggregate monthly data provided by U.S. producers of color TV receivers on production, shipments, inventories, imports, employment, man-hours, prices, and other economic factors indicative of conditions in the U.S. industry. In addition, the Commission issued the first of the required annual reports<sup>12</sup> showing quarterly data on profit and capacity and annual data on capital expenditures and research and development expenditures for U.S. producers, and quarterly data on prices, orders, and inventories for importers. These periodic reports will continue for the duration of the orderly marketing agreement.

Following receipt of the Commission's report on **mushrooms** in January 1977 (investigation No. TA-201-10), the President determined that import relief was not in the national economic interest. However, he decided to monitor import competition in the domestic market for canned mushrooms. Accordingly, pursuant to section 332(g) of the Tariff Act of 1930, the President requested the Commission to prepare quarterly statistical reports on U.S. production, sales, inventories, imports, exports, and apparent consumption of canned mushrooms. These quarterly reports are to be continued until the Commission is notified by STR that they are no longer required. The Commission issued four such quarterly reports in fiscal 1978.<sup>13</sup>

After considering the Commission's report on **footwear** (investigation No. TA-201-18), the President decided not to impose the tariff-rate-quota remedy recommended by the Commission for the injury it found, but rather to negotiate orderly marketing agreements limiting the export of cer-

tain footwear from Taiwan and the Republic of Korea to the United States. On June 24, 1977, he announced such agreements covering certain footwear shipped to the United States for the 4 years ending June 30, 1981.<sup>14</sup> The President announced that the Commission would issue quarterly reports showing monthly data on U.S. production, imports for consumption, apparent consumption, employment, and prices. It would also conduct annual surveys of domestic producers with respect to profit, orders, capacity, inventories, prices, capital expenditures, and research and development expenditures, and annual surveys of importers with respect to prices, orders, and inventories. The Commission issued the first of its annual surveys of footwear producers and importers on May 31, 1978.<sup>15</sup> In addition, four quarterly reports were issued during fiscal 1978.<sup>16</sup> The quarterly and annual reports are to continue for the duration of the orderly marketing agreements.

#### Other Periodic Reports

The compilation and publication of the following two series of data began some years ago in response to congressional and general public interest. Series A relates to all motor vehicles (i.e., passenger automobiles, trucks, buses, and so forth) and is published annually, in the spring; Series B relates to new passenger automobiles only and is published annually, in the fall. Three such reports were published during fiscal year 1978:

*Automotive Trade Statistics, 1964-76, Series B: New passenger automobiles: Statistical data relating to U.S. factory sales, retail sales, imports, exports, apparent consumption, suggested retail prices, and U.S. bilateral trade balances with the eight major producing countries, USITC Publication 839, October 1977.*

*Automotive Trade Statistics, 1964-77, Series A: Motor Vehicles: U.S. Factory Sales, Imports,*

<sup>10</sup> Presidential Proclamation 4511, June 24, 1977.

<sup>11</sup> Third calendar quarter 1977, unnumbered USITC publication, 1977; fourth calendar quarter 1977, USITC Publication 866, 1978; first calendar quarter 1978, USITC Publication 886, 1978; second calendar quarter 1978, USITC Publication 901, 1978.

<sup>12</sup> Annual report for calendar year 1977, USITC Publication 877, 1978.

<sup>13</sup> Third calendar quarter 1977, unnumbered USITC publication, 1977; fourth calendar quarter 1977, USITC Publication 864, 1978; first calendar quarter 1978, USITC Publication 890, 1978; second calendar quarter 1978, USITC Publication 908, 1978.

<sup>14</sup> Presidential Proclamation 4510, June 22, 1977, implements headnote 3(k) to pt. 2, subpt. A, of the Appendix to the TSUS.

<sup>15</sup> Annual report for calendar years 1976 and 1977, USITC Publication 889, 1978.

<sup>16</sup> Third calendar quarter 1977, unnumbered USITC publication, 1977; fourth calendar quarter 1977, USITC Publication 865, 1978; first calendar quarter 1978, USITC Publication 891, 1978; second calendar quarter 1978, USITC Publication 909, 1978.

*Exports, Apparent Consumption, and Trade Balances With Canada and All Other Countries*, USITC Publication 887, May 1978.

*Automotive Trade Statistics, 1964-77, Series B: Passenger Automobiles: U.S. Factory Sales, Retail Sales, Imports, Exports, Apparent Consumption, Suggested Retail Prices, and U.S. Bilateral Trade Balances With the Eight Major Producing Countries*, USITC Publication 913, September 1978.

## SUMMARIES OF TRADE AND TARIFF INFORMATION

The Commission periodically publishes a series of summaries of trade and tariff information to provide the Congress, the courts, Government agencies, foreign governments, industrial institutions, research and trade organizations, and the general public with information on each of the commodities listed in the Tariff Schedules of the United States.

These summaries provide comprehensive coverage of product uses, manufacturing processes, and commercial practices, and include analysis of the numerous factors affecting U.S. and world trade in each commodity area.

In fiscal year 1978 the Commission issued the first 16 summaries in the new series, which will consist of approximately 1,000 individual reports; the Commission will issue update sheets as appropriate for individual summaries. The overall program will run several years, ultimately covering all items of the TSUS. The summaries issued in fiscal year 1978 (USITC Publication 841) covered a variety of subjects, as follows:

Title	Control No.	Release date
Synthetic Plastics Materials .....	4-1.4-1	October 1977
Luggage .....	7-1-1	November 1977
Fireworks .....	7-9-2	November 1977
Body-Supporting Garments .....	3-6-3	January 1978
Sweaters .....	3-6-2	January 1978
Fish Netting and Fishing Nets of Textile Materials .....	3-4-1	January 1978
Broadwoven Fabrics of Manmade Fibers .....	3-3-4	February 1978
Physical Testing Machines and Appliances .....	7-2-3	March 1978
Hardwood Plywood .....	2-3-1	April 1978
Fresh Cut Flowers and Articles Made From Such Flowers or Other Plant Parts .....	1-15-1	April 1978
Writing Instruments .....	7-10-4	May 1978
Coffee .....	1-11-2	June 1978
Wood Doors .....	2-1-2	June 1978
Synthetic Elastomers .....	4-4-2	July 1978
Soybeans and Soybean Products .....	1-14-3	July 1978
Pianos and Other Keyboard Stringed Instruments .....	7-3-5	September 1978

## ASSISTANCE TO THE CONGRESS

During fiscal year 1978, the Office of Congressional Liaison continued to provide liaison with the Congress, State and local governments, international organizations, and nonexecutive Government agencies. Responding to congressional inquiries remained a major activity of the Office: the Commission replied to an average of 81 written requests and 160 oral inquiries each month. In addition, technical assistance was provided on 43 bills, and staff specialists participated at a number of congressional hearings.

The Commission continued to provide information in response to inquiries resulting from two briefings conducted for congressional aides during fiscal 1977, one on the general background and activities of the Commission and the other concerning the production and importation of steel. In February 1978, another briefing was held for congressional staff members regarding foreign steel operations.

Specific requests from the Committee on Ways and Means of the U.S. House of Representatives resulted in the institution of several investigations: one, A Baseline Study of the Telephone Terminal and Switching Equipment Industry (No. 332-92) was initiated under section 332 of the Tariff Act of 1930, and two, High-Carbon Ferrochromium (No. TA-201-35) and Bolts, Nuts, and Large Screws of Iron or Steel (No. TA-201-37), were initiated under section 201 of the Trade Act of 1974. The report on high-carbon ferrochromium was completed and sent to the President in September 1978. The other two investigations were in progress at the end of the fiscal year. In addition, a joint request from the Senate Committee on Finance and the House Committee on Ways and Means resulted in the institution of another investigation under section 332 of the Tariff Act of 1930, The Probable Effects of Implementation of Agreements Being Negotiated at the Multilateral Trade Negotiations in Geneva (No. 332-101). This review was also in progress at the end of the fiscal year.

The report on a section 332 investigation that the Commission instituted on its own motion in fiscal 1977 after receiving a congressional request, Conditions of Competition in U.S. Markets Between Domestic and Foreign Live Cattle and Cattle Meat Fit for Human Consumption (No. 332-85), was completed in November 1977.

Another investigation, initiated in fiscal 1977 under the same circumstances, Conditions of Competition in the Western U.S. Steel Market Between Certain Domestic and Foreign Steel Products (No. 332-87), was nearing completion at the end of the fiscal year.

In fiscal 1978 the Commission also completed a study of the economic impacts of the transfer of U.S. technology abroad. The study was required by the U.S. Congress in section 119 of the Export Administration Amendments of 1977 and was a joint effort of the Commission and the U.S. Departments of Commerce and Labor. The Senate Committee on Banking, Housing and Urban Affairs published the report as an addendum to hearings on technology transfer held before the Subcommittee on International Finance.<sup>17</sup>

During the year, 27 Members of Congress appeared as witnesses or were represented at hearings before the Commission, and written testimony was received from additional Members.

## GOVERNMENT IN THE SUNSHINE

The Commission's implementation of the provisions of the Government in the Sunshine Act<sup>18</sup> places it among the top Federal agencies for compliance with the spirit of open government. Common Cause gave the Commission high ratings in both 1977 and 1978 for its efforts in meeting or going beyond the literal statutory requirements.

Several requirements of the Commission's Rules of Practice and Procedure go beyond the minimum requirements of the act. For instance, whereas the Government in the Sunshine Act only requires that a complete recording or transcript of closed meetings be maintained by an agency, the Commission's rules require a complete recording or transcript of all Commission meetings, whether open or closed to the public. By providing for a complete, verbatim transcript or recording of all Commission meetings, the deliberations and actions of the Commission are accessible to all

<sup>17</sup> U.S. International Trade Commission, U.S. Department of Commerce, and U.S. Department of Labor, "Technology Transfer: A Review of Economic Issues," in *Export Policy: Part 7, Oversight on U.S. High Technology Exports, Hearings*, Committee on Banking, Housing and Urban Affairs of the U.S. Senate (95th Cong., 2d sess.), May 16, 1978, pp. 317-364.

<sup>18</sup> 5 U.S.C. 552b.

interested persons, whether they happen to be in Washington, D.C., or not.

The Commission's rules also exceed the act's minimum requirement of 1 week's advance public notice by providing for 10 days' notice in order to insure better advance notice of impending Commission meetings. The Commission's regulations require the Secretary to the Commission to (1) post required public notices promptly on bulletin boards outside his office, (2) make copies of such notices available promptly to interested members of the public by mailing copies to persons on the Commission's "sunshine mailing list" and distributing copies to the press, and (3) submit the required public notices to the *Federal Register* for publication. In addition, staff members in the Secretary's Office are available by telephone or in person to answer questions concerning the agenda of impending Commission meetings. In "emergency" situations where a meeting has been called on short notice or an item has been added to an agenda, the Secretary's Office attempts to call interested members of the public by telephone to insure that they are aware of an impending Commission meeting.

Although the act provides several bases for closing Commission meetings to public observation, the Commission discusses the great majority of subjects in open session. Portions of meetings have been closed to protect individuals from clearly unwarranted invasions of personal privacy, to protect the confidentiality of business information, and to protect information concerning the multilateral trade negotiations in Geneva, authorized to be kept secret in the interests of foreign policy.<sup>19</sup>

Interested members of the public are invited to attend and observe "Government in the sunshine" at the Commission's meetings, usually held in room 117, 701 E Street NW., Washington, D.C. 20436.

## NEW YORK CITY FIELD OFFICE

While maintaining its headquarters in Washington, D.C., from its earliest days the Commission recognized the advisability of operating a field office in the Nation's leading center for interna-

<sup>19</sup> 19 CFR 201.36(b)(6), (4), and (1), respectively.

tional commerce—the port of New York and New Jersey. Established in 1922, the New York facility remains the only Commission office functioning outside the Nation's Capital.

Located in the U.S. Customs Service area within the World Trade Center complex in lower Manhattan, the Commission's field office performs several functions. The office develops and maintains liaison with numerous agencies and organizations at the New York-New Jersey port, including the U.S. Customs Service, the United Nations, numerous consulates, transportation companies and freight forwarders, export/import shippers and manufacturers, and banking representatives.

From their vantage point at the World Trade Center, Commission personnel provide timely assessments of developments or trends which might affect the work of the Commission. The field office gathers data and supplies technical assistance required in the conduct of studies and investigations. At the same time, it provides information and assistance to the general public, the trade community, and various Government agencies. Particularly useful is the library which the Commission maintains at Suite 629, 6 World Trade Center. Serving as the field office's information center, the library contains Commission reports, notices, and press releases, as well as selected statistical data, legal documents, com-

modity classification schedules, and other trade-related publications.

#### **FACTFINDING HEARINGS HELD IN 14 CITIES**

To increase public awareness and participation, the Commission held 18 factfinding hearings in 14 cities throughout the Nation. Witnesses presented testimony in connection with 14 Commission investigations. The factfinding hearings are a conscious effort by the Commission to make it possible for any citizen to participate in the Government decisionmaking process. The out-of-Washington hearings also enable the area news media to cover trade problems of concern to U.S. firms and workers, such as the impact of imports coming to the United States on production and jobs. During fiscal year 1978, hearings were held in Seattle, Wash. (carbon steel plate); Portland, Oreg., San Francisco and Los Angeles, Calif., and Denver, Colo. (Western steel study); Los Angeles, Calif. (Generalized System of Preferences); Tucson, Ariz. (copper); Houston, Tex. (methyl alcohol); Minneapolis, Minn., and New Orleans, La. (sugar); Chicago, Ill. (wood doors and fishing tackle); Cleveland, Ohio (fasteners); Pittsburgh, Pa. (high-carbon ferrochromium); New York, N.Y. (impression fabric, offset paper, and leather wearing apparel); and Portland, Maine (clothespins).

The USITC held 18 public hearings in 14 cities during fiscal year 1978.





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### Fasteners

The public's right to participate in the Government decisionmaking process is supported by the Commission's factfinding hearings in the localities most affected by its investigations. Typical of the important and varied caseload handled by the Commission during the year was the hearing held on September 11 and 12, 1978, in Euclid, Ohio (1). Some 200 people were present as the Commission obtained testimony regarding imports of fasteners (bolts, nuts, and large screws) and their effect on the domestic industry. Conducted in the heart of the Nation's domestic fastener-manufacturing area, the hearing attracted considerable news media attention because of the products' impact on family income, jobs, firms, and the Cleveland area economy. More than 13,000 workers are involved, with primary production facilities concentrated in Ohio, Pennsylvania, Michigan, and Illinois. The investigation was requested by the House Ways and Means Committee. Senator John Glenn (2) and Representatives Charles A. Vanik (3) and Mary Rose Oakar (4), all Democrats of Ohio, presented personal testimony at the hearing. Pete Crookall, of the United Auto Workers, and John Oshinski





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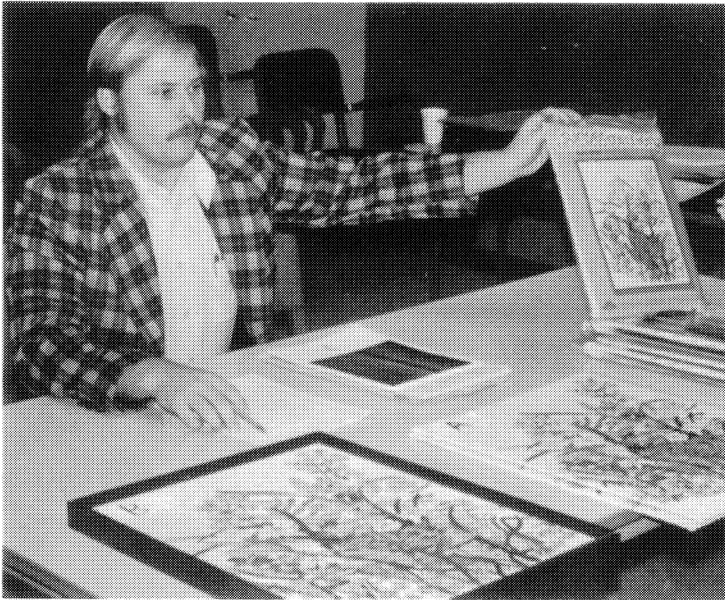


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(5), of the United Steelworkers of America, offered the viewpoint of U.S. labor. Commission Vice Chairman Bill Alberger, center, and Commissioners George M. Moore and Catherine Bedell (6) listened to witnesses and studied documents during the hearing. All interested parties had an opportunity to be heard, including lawyers and officials of U.S. and foreign firms and trade associations.

### Sugar

Public hearings on an investigation regarding cane and beet sugars, sirups, and molasses were held in New Orleans (7) on January 4, in Minneapolis on January 17, and in Washington on February 27 and 28, 1978. Seven members of Congress from North Dakota, Louisiana, and Minnesota presented personal statements to the Commission in the course of the hearings.



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#### Generalized System of Preferences

Plant manager Nicholas J. Sten of System Design (8) was a witness at the January 12, 1978, Los Angeles hearing on the President's list of articles which may be designated as eligible articles for purposes of the Generalized System of Preferences. Ruth Miller, of the Amalgamated Clothing & Textile Workers Union, and Max Wolf, representing the International Ladies Garment Workers' Union, also gave testimony. Another witness, at the hearing in Chicago on November 12, 1977, was John Shoemaker (9), of the National Woodwork Manufacturers Association.

#### Stainless steel flatware

Connecticut Governor Ella T. Grasso (10) gave her State's viewpoint at the Commission's stainless steel flatware hearing held in Washington on February 21 and 22, 1978.

#### High-carbon ferrochromium

Pittsburgh, Pa., was the site of the Commission's October 11 and 12, 1977, hearing on high-carbon ferrochromium (11).

#### Clothespins

Market disruption in the domestic clothespin industry caused by imports from the People's Republic of China, Poland, and Romania was the subject of a hearing in Portland, Maine, on June 22, 1978, where Senator William D. Hathaway (12), D.-Maine, gave testimony to Commission Chairman Joseph O. Parker.



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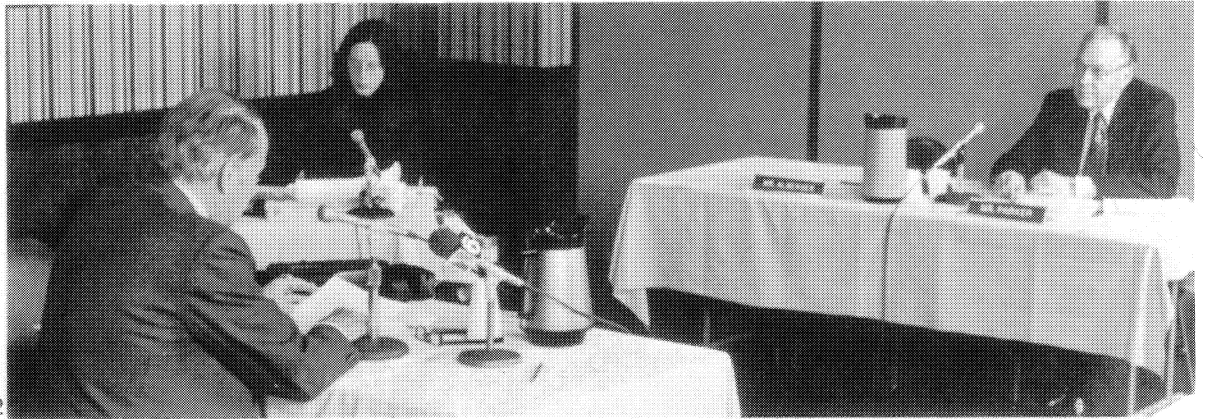
#### Copper

Seeking import relief for the State's copper industry, Arizona Governor Raul Castro (13) and Tucson Mayor Lew Murphy (14) headed a 30-member delegation that conferred with Commission officials in Washington on October 3, 1977.





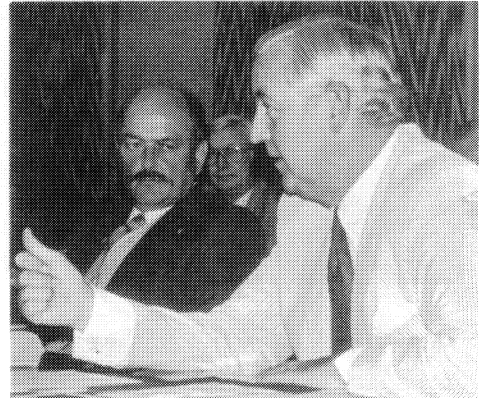
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#### Western steel

President Henry Ruyes of the Pueblo, Colo., City Council (15) expressed the concerns of his community during the Commission's November 7, 1977, hearing in Denver on conditions of competition in the Western U.S. steel market between domestic and foreign steel products. E. N. Coleman (16) represented the International Association of Bridge, Structural and Ornamental Iron Workers at the Portland, Oreg., hearing on January 24, 1978. Hearings were also held in Los Angeles (17) and San Francisco.



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**CB radios**

The hearing room in the U.S. International Trade Commission building (18) in Washington, D.C., is the location of most of the Commission's public hearings.





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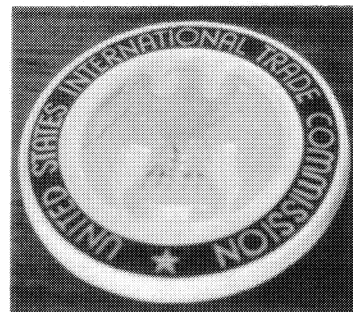


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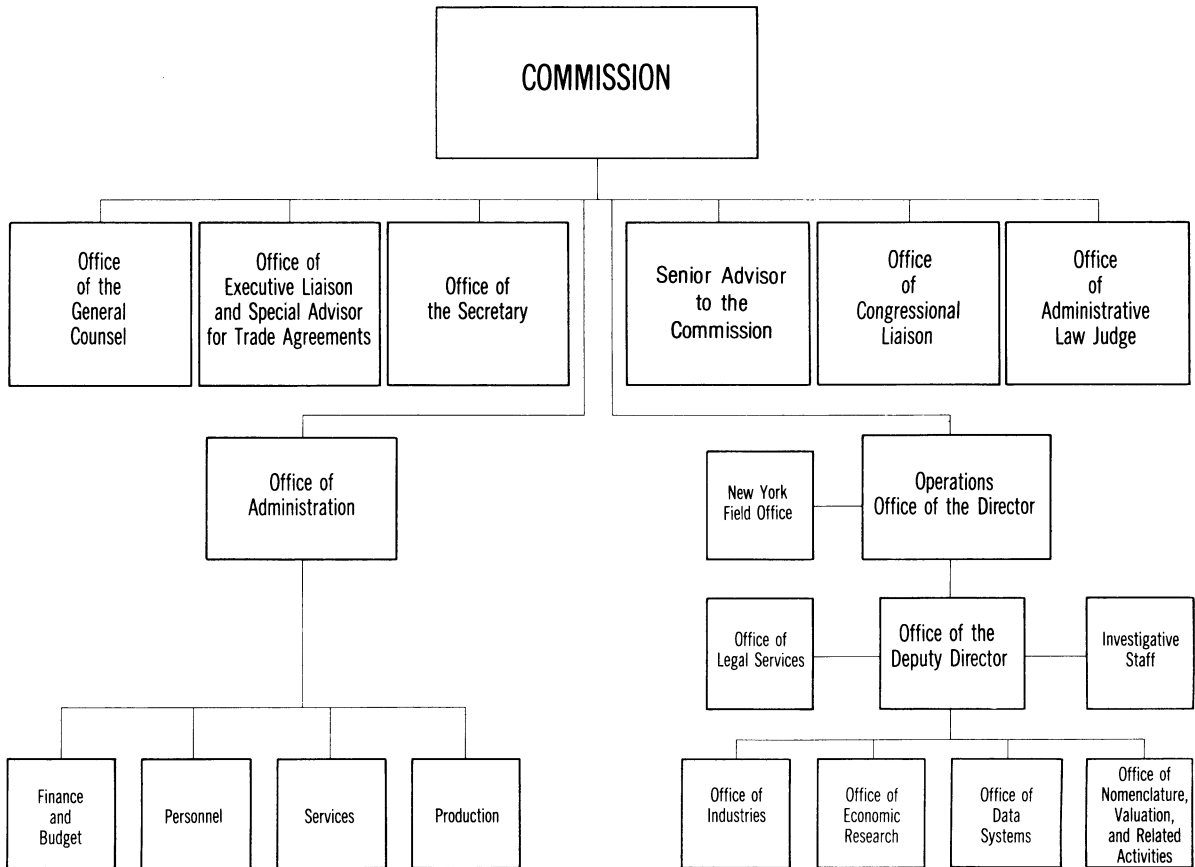


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Testifying during the hearing on November 1, 1977, in connection with the investigation on CB radios were Senator Carl T. Curtiss, R.-Nebr. (19), and Representative Charles Thone, R.-Nebr. (20). Mrs. Darlene Schellsmidt, of Clear Lake, Iowa, accompanied Representative Charles E. Grassley, R.-Iowa (21), and Mrs. Phyliss Johnson, of New Richland, Minn., appeared with Representative Tom Hagedorn, R.-Minn. (22), to give the Commission firsthand accounts of their personal experiences in a domestic industry affected by imports.



# UNITED STATES INTERNATIONAL TRADE COMMISSION



## ORGANIZATION OF THE COMMISSION

On September 30, 1978, the U.S. International Trade Commission was composed of 6 Commissioners and 369 staff members.<sup>1</sup> The chart on page 38 depicts the Commission's organization at the end of fiscal 1978.

The Secretary serves the Commission in the conduct of its business and is an official point of contact, in general, with other Government agencies and the public. The Director, Office of Executive Liaison and Special Advisor for Trade Agreements, acts as the Commission's liaison with the President's Special Representative for Trade Negotiations and advises the Commission on trade agreements. The General Counsel is the Commission's chief legal officer. The Senior Advisor advises the Commission on a broad range of issues affecting all phases of Commission activity. The Chief Administrative Law Judge presides over section 337 case hearings. The Director, Office of Congressional Liaison, acts as the principal Commission contact with the Senate and the House of Representatives. The Director of Operations is in charge of carrying out the Commission's substantive day-to-day activities, including investigative duties. The Director of Administration is responsible for support, including personnel, finance, services, and production.

### Membership of the Commission

As provided in the Tariff Act of 1930, as amended, the six Commissioners of the U.S. International Trade Commission are Presidential appointees who are confirmed by the Senate. Their terms are 9 years in length, unless a Commissioner is appointed to fill an unexpired term, and they are not eligible for reappointment if they serve for more than 5 years. By provision of Public Law 95-106 the President is authorized to designate the Chairman and Vice Chairman for 2-year terms. The Chairman and Vice Chairman may not be of the same political party, nor may the President appoint two Commissioners of the same political party for two consecutive 2-year terms as Chairman. Not more than three Commissioners may belong to the same political party. During most of fiscal 1978 Daniel Minchew served as Chairman, and Joseph O. Parker served as Vice Chairman. Commissioner George M. Moore was acting Chairman of the Commission from June 17, 1978, to June 19, 1978.<sup>2</sup> On June 19, 1978, the President designated Commissioner Parker as Chairman and Commissioner Bill Alberger as Vice Chairman.

The following Commissioners served during fiscal year 1978:

*Commissioner Daniel Minchew*, Democrat of Georgia. Mr. Minchew's term expired June 16, 1978.<sup>3</sup>

*Commissioner Joseph O. Parker*, Chairman, Republican of Virginia. Mr. Parker's term expires December 16, 1979.

<sup>1</sup> Temporary employees not included.

<sup>2</sup> 19 U.S.C. 1330(c)(4) states in part, "During any period in which there is no chairman or vice chairman, the commissioner having the longest period of continuous service as a commissioner shall act as chairman."

<sup>3</sup> Pursuant to sec. 1801(a)(2) of Public Law 94-455, Commissioner Minchew remained a member of the Commission until the effective date of his resignation, Sept. 30, 1978.

### Executive Staff of the Commission at the close of fiscal year 1978

General Counsel . . . . .	Michael H. Stein.
Director, Office of Executive Liaison and Special Advisor for Trade Agreements . . . . .	William T. Hart.
Senior Advisor to the Commission . . . . .	Russell N. Shewmaker.
Secretary to the Commission . . . . .	Kenneth R. Mason.
Director, Office of Congressional Liaison . . . . .	George L. Hooper.
Chief Administrative Law Judge . . . . .	Donald K. Duvall.
Director, Office of Administration . . . . .	Charles R. Ramsdale.
Chief, Finance and Budget Division . . . . .	Edward C. Wallington, Jr.
Director of Personnel . . . . .	Terry P. McGowan.
Chief, Services Division . . . . .	Ronald P. Fox, Acting.
Chief, Production Division . . . . .	Kenneth Will, Jr.
Director of Operations . . . . .	Joseph F. Dennin.
Deputy Director of Operations (Investigations) . . . . .	Robert A. Cornell.
Director, New York Field Office . . . . .	Walter S. Trezevant.
Director, Office of Legal Services . . . . .	Harold Brandt.
Director, Office of Consumer and External Affairs . . . . .	(Vacancy).
Director of Industries . . . . .	Norris A. Lynch.
Chiefs of Divisions:	
Agriculture, Fisheries, and Forest Products . . . . .	Edward P. Furlow.
Minerals and Metals . . . . .	William E. Wright.
Energy and Chemicals . . . . .	Aimison Jonnard.
Textiles, Leather Products, and Apparel . . . . .	Reuben I. Schwartz.
Machinery and Equipment . . . . .	Charles W. Daiker.
General Manufactures . . . . .	Selma L. Coble.
Director, Office of Economic Research . . . . .	George N. Ecklund.
Director, Office of Data Systems . . . . .	Martin Hershkowitz.
Director, Office of Nomenclature, Valuation, and Related Activities . . . . .	Eugene A. Rosengarden.
Public Information Officer . . . . .	Harold W. Sundstrom.

*Commissioner George M. Moore*, Republican of Maryland. Mr. Moore's term expires December 16, 1982.

*Commissioner Catherine Bedell*, Republican of Washington. Mrs. Bedell's term expires June 16, 1984.

*Commissioner Italo H. Ablondi*, Democrat of New York. Mr. Ablondi's term expires June 16, 1981.<sup>4</sup>

<sup>4</sup> Commissioner Ablondi resigned effective Oct. 10, 1978.

*Commissioner Bill Alberger*, Vice Chairman, Democrat of Oregon. Mr. Alberger's term expires December 16, 1985.

#### Sources of Information

Inquiries should be directed to the specific organizational unit or to the Secretary, U.S. International Trade Commission, 701 E Street NW., Washington, D.C. 20436. Phone 202-523-0161. Publications may be ordered 24 hours a day, 7 days a week, by calling 202-523-5178.



Facilities for research by the public are located in the Office of the Secretary, in the Commission Library, and in the New York City field office.

In addition to its statutory obligations to conduct public investigations, the Commission assists the legislative and executive branches of Government and answers many inquiries from the news media and the public. As the international economic research arm of the Government, it maintains a 72,000-volume library, which subscribes to about 1,200 periodicals. This facility houses not only publications on international trade and U.S. tariff and commercial policy, but also many business and technical journals. In addition, the Commission's Office of the General Counsel maintains a law library and a comprehensive file of documents on legislation affecting U.S. trade.

## EMPLOYMENT AND APPROPRIATIONS

The Commission staff represents a unique blend of professional investigators, attorneys, economists, and commodity analysts, including nationally and internationally recognized experts in their fields. In fiscal year 1978, average employment—in terms of work-years—was 392, 2 percent above that of fiscal year 1977. The following tabulation shows the number of permanent full-time officers and employees of the Commission by organizational units at the close of fiscal year 1978:

Position or activity	Sept. 30, 1978
Commissioners	6
Offices of the Commissioners	19
Office of the Secretary	9
Office of Executive Liaison and Special Advisor for Trade Agreements	8
Office of the General Counsel	20
Office of Congressional Liaison	2
Office of the Senior Advisor	2
Office of the Administrative Law Judge	5
Office of the Director of Administration	4
Finance and Budget Division	9
Personnel Division	11
Services Division	7
Production Division	16

Position or activity—Con.	Sept. 30, 1978
Office of the Director of Operations	5
New York Field Office	6
Investigative Staff	27
Office of Legal Services	16
Office of Industries	123
Office of Economic Research	28
Office of Data Systems	31
Office of Nomenclature, Valuation, and Related Activities	15
Total	369

The U.S. International Trade Commission submits its budget to the President for transmittal to the Congress.<sup>5</sup> During fiscal year 1978, appropriated funds made available to the Commission amounted to \$12,213,000. Reimbursements received totaled \$59,335, making available a grand total of \$12,272,335. Obligations for fiscal years 1978 and 1977 were as follows:

Item	Fiscal year 1978	Fiscal year 1977
Salaries and personnel benefits	\$9,487,919	\$8,449,104
Travel and transportation	266,647	234,043
Rentals and communications services	1,027,995	1,045,745
Other services	611,237	753,799
Printing and reproduction	195,666	88,479
Equipment, supplies, and materials	406,192	400,579
Total	11,995,656	10,971,749

A majority of the Commission's employees are housed in the U.S. International Trade Commission Building, at 701 E Street NW.<sup>6</sup> Owing to space limitations, 59 employees in the Office of the Administrative Law Judge, the Office of Economic Research, and the Office of Data Systems are located in the Bicentennial Building, at 600 E Street NW.

<sup>5</sup> Because of the unique role of the Commission as a quasi-judicial and independent agency designed to provide trade expertise to both legislative and executive branches of Government, Congress provided that the budget of the International Trade Commission would not be subject to control by the Office of Management and Budget, but would instead be submitted directly to the Congress.

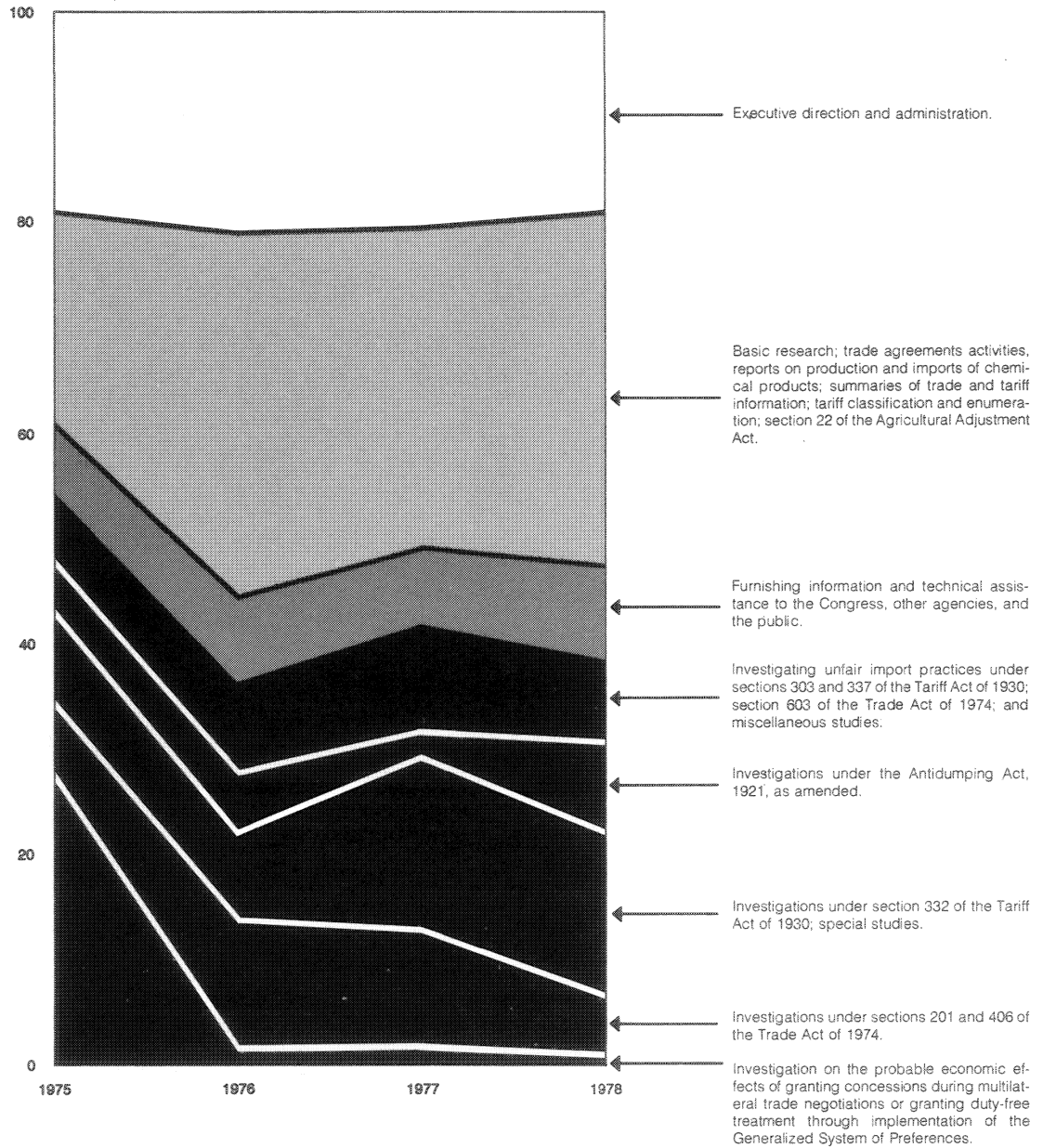
<sup>6</sup> The building was built from 1839 to 1869 under the supervision of Thomas U. Walter, one of the architects of the Capitol. The Commission took up quarters in the building in 1921 after such occupants as the Postmaster General, the General Land Office, the Bureau of Education, the National Selective Draft Board, and General John J. Pershing.



SUMMARY OF PRINCIPAL ACTIVITIES OF THE  
U.S. INTERNATIONAL TRADE COMMISSION,  
FISCAL YEARS 1975-78

appendix a

Percentage distribution of employee compensation





## REPORTS SUBMITTED ON PROPOSED LEGISLATION

1. **Report on H.R. 5044** (Mr. Bauman)—To suspend until January 3, 1980, a portion of the duties on strontium nitrate. August 2, 1978.
2. **Report on H.R. 5265** (Mr. Rostenkowski)—To provide for the temporary suspension of duty on the importation of fluorspar. August 11, 1978.
3. **Report on H.R. 5551** (Mr. Flowers)—To suspend until the close of June 30, 1980, the duty on 2-methyl, 4-chlorophenol. August 1, 1978.
4. **Reports on H.R. 7108** (Mr. Edgar)—To amend the Tariff Schedules of the United States in order to suspend the duty on Yankee Dryer Cylinder Rolls until the close of December 31, 1977. April 4, 1978 (Ways and Means Committee), and July 28, 1978 (Finance Committee).
5. **Report on H.R. 8149** (Mr. Jones—Okla.)—To provide customs procedural reform, and for other purposes. January 11, 1978.
6. **Report on H.R. 8222** (Mr. de Lugo)—To apply duty-free treatment under certain circumstances to articles produced in the insular possessions of the United States, and for other purposes. September 6, 1978.
7. **Report on H.R. 8630** (Mr. Ruppe)—To increase the tariff on imported copper and to exclude copper imports from the Generalized System of Preferences created by the Trade Act of 1974. January 24, 1978.
8. **Report on H.R. 8814** (Mr. AuCoin)—To reduce until June 30, 1980, the column 2 rates of duty on woven fabrics of silk. May 16, 1978.
9. **Report on H.R. 9422** (Mr. Baucus)—To amend the provisions of Public Law 88-482 relating to imposition of quotas on certain meat and meat products. January 20, 1978.
10. **Reports on H.R. 9628** (Mr. Preyer)—To suspend until the close of June 30, 1980, the duty on certain nitrocellulose. January 10, 1978 (Ways and Means Committee), and August 11, 1978 (Finance Committee).
11. **Report on H.R. 9650** (Mr. Waggonner)—To suspend until the close of December 31, 1978, the duty on 1,3,5-Trimethyl-2,4,6-tris[3,5-di-tert-butyl-4-hydroxybenzyl] benzene. November 16, 1977.
12. **Report on H.R. 9695** (Mr. Udall)—To increase the duty on imported copper by an amount which offsets the cost incurred by copper producers in the United States in meeting domestic environmental requirements. February 24, 1978.
13. **Reports on H.R. 9911** (Mr. Duncan—Tenn.)—To continue until the close of June 30, 1981, the existing suspension of duties on certain forms of zinc. March 14, 1978 (Ways and Means Committee), and August 2, 1978 (Finance Committee).
14. **Reports on H.R. 10161** (Mr. St Germain)—For the relief of Eastern Telephone Supply and Manufacturing, Incorporated. January 24, 1978 (Ways and Means Committee), and August 8, 1978 (Finance Committee).
15. **Report on H.R. 10224** (Mr. Maguire)—To provide for the temporary suspension of the rate of duty on 2-methyl 5-ethyl pyridine, and for other purposes. March 30, 1978.
16. **Reports on H.R. 10625** (Mr. Bureson—Tex.)—To suspend the duty on natural graphite until the close of June 30, 1981. March 22, 1978 (Ways and Means Committee), and August 4, 1978 (Finance Committee).
17. **Report on H.R. 10635** (Mr. Kemp)—To amend the Tariff Schedules of the United States to provide duty-free treatment for horses. March 29, 1978.
18. **Report on H.R. 10853** (Mr. Holland)—To amend the Trade Act of 1974. April 28, 1978.
19. **Report on H.R. 11021** (Mr. Kemp)—To provide for the duty-free entry of live worms, if a product of Canada. March 30, 1978.
20. **Reports on H.R. 11409** (Mr. Burke—Mass.)—To extend indefinitely the period during which certain dyeing and tanning materials may be imported free of duty. May 10, 1978 (Ways and Means Committee), and August 4, 1978 (Finance Committee).
21. **Report on H. R. 11688** (Mr. Vanik)—To amend the Tariff Schedules of the United States in order to provide for the duty-free entry of dogs and cats, regardless of the purposes for which the animals are imported. May 16, 1978.

22. **Reports on H.R. 12165** (Mr. Vander Jagt)—To extend until the close of June 30, 1981, the existing suspension of duties on certain metal waste and scrap, unwrought metal, and other articles of metal. June 12, 1978 (Ways and Means Committee), and August 8, 1978 (Finance Committee).
23. **Report on H.R. 12198** (Mr. Cederberg)—To amend the Tariff Schedules of the United States to provide a temporary suspension of the duty on polystyrene foam. May 24, 1978.
24. **Report on H. R. 12216** (Mr. Hamilton)—For the relief of the Foundry United Methodist Church. May 24, 1978.
25. **Report on H.R. 12544** (Mr. Frenzel)—To amend the tariff schedules to provide for mixed animal feeds containing soybeans. July 26, 1978.
26. **Report on H.R. 12739** (Mr. Kemp)—To suspend the duty on live worms until the close of June 30, 1981. August 8, 1978.
27. **Report on H.R. 12882** (Mr. Ruppe)—To amend the Tariff Schedules of the United States to provide duty-free treatment for certain gloves and trousers which incorporate protective features designed specifically for use in forestry. July 21, 1978.
28. **Report on H.R. 13412** (Mr. McFall)—To amend the Tariff Schedules of the United States with respect to the rates of duty for montan wax. August 31, 1978.
29. **Report on H.R. 13490** (Mr. Neal)—For the relief of Wake Forest University, Winston-Salem, North Carolina. August 28, 1978.
30. **Report on H.R. 13657** (Mr. Waggonner)—To suspend the duty on mixtures of mashed or macerated hot red peppers and salt until the close of June 30, 1981. August 22, 1978.
31. **Report on H.R. 13672** (Mr. Steiger)—To suspend the duty on freight cars until the close of June 30, 1980. August 17, 1978.
32. **Report on H.R. 13910** (Mr. AuCoin)—To amend the Tariff Schedules of the United States to provide a temporary suspension of the duty on certain freight car parts. September 19, 1978.
33. **Report on S. 2414** (Mr. Weicker)—To amend the Tariff Schedules of the United States in order to prohibit the importation of coffee which is the product of Uganda. March 30, 1978.
34. **Report on S. 2643** (Mr. Curtis)—To amend the Tariff Schedules of the United States to provide that certain wood strips be admitted free of duty. July 20, 1978.
35. **Report on S. 2713** (Mr. Hathaway)—To suspend for eighteen months the duty on imported insulation. April 17, 1978.
36. **Report on S. 2847** (Mr. Johnston)—To modify the Tariff Schedules with regard to certain articles used in carnivals and parades. August 10, 1978.
37. **Report on S. 2985** (Mr. Hathaway)—To amend the Tariff Schedules of the United States to provide for an increase in the duties on imports of potatoes, and to reduce the quota for potatoes subject to the lower of the two rates of duty. August 18, 1978.
38. **Report on S. 3171** (Mr. Griffin)—To amend the Tariff Schedules of the United States to provide duty-free treatment for certain gloves and trousers which incorporate protective features designed specifically for use in forestry. July 20, 1978.
39. **Report on S. 3246** (Mr. Talmadge)—To amend the Tariff Act of 1930 to provide that, for purposes of determining the duty payable with respect to imported merchandise, the value of imported merchandise includes any export quota premium. August 11, 1978.
40. **Report on S. 3326** (Mr. Bentsen)—To suspend the duty on freight cars until the close of June 30, 1982. August 17, 1978.
41. **Report on S. 3329** (Mr. Long)—To suspend the duty on mixtures of mashed or macerated hot red peppers and salt until the close of June 30, 1981. August 22, 1978.
42. **Report on S. Res. 477** (Mr. Culver)—Expressing the disapproval of the Senate of the President's announcement of his intention to suspend the quota on meat imports and to permit additional meat imports. August 4, 1978.

KEY STATUTES INVOLVING THE  
U.S. INTERNATIONAL TRADE COMMISSION

**Sec. 201, Trade Act of 1974 (Escape-Clause Investigations),  
Import Relief for Domestic Industries**

**When:** The Commission conducts investigations upon its own motion or upon petition on behalf of a firm, a group of workers, or other entity representative of an industry to determine whether an article is being imported in such increased quantities as to be a substantial cause of serious injury, or the threat thereof, to the domestic industry producing an article like or directly competitive with the imported article.

**Duration:** The investigation must be completed not later than 6 months after being instituted.

**Finding:** If the Commission's finding is affirmative it must recommend a remedy to the President, who has discretion to take action to provide import relief, such as an increase in duties, the establishment of quantitative restrictions, the negotiation of orderly marketing agreements, or specified types of adjustment assistance to groups of workers, firms, or communities.

**Followup:** The Commission reports with respect to developments within an industry that has been granted import relief and advises the President of the probable economic effect of the reduction or the elimination of the tariff increase that has been granted.

**Sec. 337, Tariff Act of 1930  
(Investigations of Unfair Practices in Import Trade)**

**When:** The Commission, after receipt of a complaint under oath from an interested party or upon its own motion, conducts investigations to determine whether unfair methods of competition or unfair acts are occurring in the importation of articles into the United States or in their sale.

**Duration:** The investigation must be completed in no more than 1 year, or 18 months in a more complicated case, after the date of publication of notice of investigation in the *Federal Register*.

**Finding:** If the Commission determines that the importation of such articles is such that the effect or tendency is to destroy or substantially injure an efficiently and economically operated industry, or to prevent the establishment of such an industry, or to restrain or monopolize trade and commerce, it may issue orders excluding the articles from entry or issue cease and desist orders. The President may disapprove these actions within 60 days after issuance of the Commission's determination.

**Sec. 201(a), Antidumping Act, 1921 (Antidumping  
Investigations), Imports Marketed at Less Than Fair Value**

**When:** The Commission, after a finding by the Secretary of the Treasury that sales of imported articles are at less than fair value, conducts investigations to determine whether an industry in the United States is being or is likely to be injured, or is prevented from being established, as a result of such sales.

**Duration:** The investigation must be completed within 3 months of the receipt of advice from the Department of the Treasury.

**Finding:** If the Commission's determination is affirmative, the Secretary of the Treasury imposes a dumping duty on imports of the articles in question.

#### **Sec. 332, Tariff Act of 1930 (General-Purpose Investigations)**

**When:** Upon official request or upon its own motion, the Commission initiates a factfinding investigation on any matter involving tariffs and international trade. This broad provision allows the Commission to investigate trade matters of immediate concern to the Government and the public.

**Duration:** Unless otherwise directed, the Commission establishes an administrative deadline.

**Finding:** Unless the President or the Congress directs otherwise, the Commission's reports are made available to all interested parties, the general public, the President and executive departments, and the Congress.

#### **Sec. 22, Agricultural Adjustment Act, Import Interference With Agricultural Programs**

The Commission conducts investigations at the direction of the President to determine whether any articles are being or are practically certain to be imported into the United States under such conditions and in such quantities as to materially interfere with programs of the Department of Agriculture for agricultural commodities or products thereof, or to reduce substantially the amount of any product processed in the United States from such commodities or products, and makes findings and recommendations to the President. The President may restrict the imports in question by imposition of either import fees or quotas.

### **OTHER AREAS OF INVOLVEMENT BY STATUTE**

#### **Bestowal of Bounties or Grants on Imports**

The Commission determines, with respect to any duty-free article on which the Secretary of the Treasury has determined that a bounty or grant is

being paid, whether an industry in the United States is being or is likely to be injured, or is prevented from being established, by reason of the importation of such article. (Sec. 303, Tariff Act of 1930; 46 Stat. 687.)

#### **Uniform Statistical Data**

The Commission, in cooperation with the Secretary of the Treasury and the Secretary of Commerce, establishes for statistical purposes an enumeration of articles imported into the United States and exported from the United States, and seeks to establish comparability of such statistics with statistical programs for domestic production and programs for achieving international harmonization of trade statistics.

#### **Harmonized Commodity Code**

The Commission participates in the U.S. contribution to the technical work of the Harmonized System Committee under the Customs Cooperation Council to assure the recognition of the needs of the U.S. business community in the development of a Harmonized Code reflecting sound principles of commodity identification and specification and modern producing methods and trading practices. (Sec. 608(c)(2) of the Trade Act of 1974; 19 U.S.C. 1484.)

#### ***Tariff Schedules of the United States Annotated***

The Commission issues a publication containing U.S. tariff schedules and related material and considers questions concerning the arrangement of such schedules and the classification of articles. (Sec. 201, Tariff Classification Act of 1962, 76 Stat. 74; secs. 332(a) and 484(e), Tariff Act of 1930, 19 U.S.C. 1332(a) and 19 U.S.C. 1484(e).)

#### **Tariff Summaries**

The Commission prepares and publishes, from time to time, a series of summaries of trade and tariff information. These summaries contain descriptions (in terms of the Tariff Schedules of the United States) of the thousands of products imported into the United States, methods of production, and the extent and relative importance of U.S. consumption, production, and trade, to-



gether with certain basic factors affecting the competitive position and economic health of domestic industries. (Sec. 332, Tariff Act of 1930; 19 U.S.C. 1332.)

#### **Advice Concerning Trade Negotiations**

The Commission advises the President as to the probable economic effect on domestic industries and consumers of modification of duties and other barriers to trade which may be considered for inclusion in any proposed trade agreement with foreign countries. (Sec. 131, Trade Act of 1974; 19 U.S.C. 2151.)

#### **Generalized System of Preferences**

With respect to articles which may be considered for duty-free treatment when imported from designated developing countries, the Commission advises the President as to the probable economic effect of the removal of duty on the domestic industry and on consumers. (Secs. 131 and 503, Trade Act of 1974; 19 U.S.C. 2151, 2163.)

#### **East-West Trade Monitoring System**

The Commission monitors imports into the United States from nonmarket economy countries and makes a report not less frequently than once each calendar quarter on the effect of such imports on the production of like or directly competitive articles in the United States and on employment within the industry. (Sec. 410, Trade Act of 1974; 19 U.S.C. 2440.)

#### **Trade With Communist Countries**

The Commission makes investigations to determine whether increased imports of an article produced in a Communist country are causing market disruption in the United States. If the Commission's determination is in the affirmative, the President may take the same action as in a case involving injury to an industry, except that the action would apply only to imports of the article from the Communist country. (Sec. 406, Trade Act of 1974; 19 U.S.C. 2436.)







The Hearing Room