

CARBON STEEL BARS AND CARBON STEEL STRIP FROM THE UNITED KINGDOM

**Negative Determination
of "No Reasonable Indication of Injury"
in Inquiries Nos. AA1921-Inq.-8
and AA1921-Inq.-9 Under the
Antidumping Act, 1921, as Amended**

**USITC Publication 855
February 1978**

UNITED STATES INTERNATIONAL TRADE COMMISSION

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USITC REPORTS ON DUMPING INQUIRIES REGARDING CARBON STEEL BARS AND STRIP FROM THE UNITED KINGDOM

Treasury Investigation To Continue

The United States International Trade Commission today notified the Secretary of the Treasury that the pending department investigations on carbon steel bars and strip from the United Kingdom under the Antidumping Act, 1921, should not be terminated.

The USITC had been asked to determine if there was no reasonable indication of injury or the likelihood of injury to an industry in the United States from imports of such products from the United Kingdom possibly sold at less than fair value. The Commission made a negative determination in each case.

Four Commissioners--Chairman Daniel Minchew, George M. Moore, Catherine Bedell, and Italo H. Ablondi--concurred in the carbon steel bar determination. Commissioner Bill Alberger found that there was no reasonable indication of injury in this inquiry. The five Commissioners agreed on the carbon steel strip determination. Vice Chairman Joseph O. Parker did not participate in the determinations.

more

USITC REPORTS ON DUMPING INQUIRIES REGARDING CARBON STEEL BARS AND STRIP FROM
THE UNITED KINGDOM

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As a result of the USITC determinations, Treasury will continue its investigations, which it instituted under the Antidumping Act after receiving a complaint from Armco Steel Corp., Middletown, Ohio. Information developed by Treasury in its preliminary investigations indicated that there was substantial doubt as to whether a U.S. industry was being or was likely to be injured by imports of carbon steel bars and strip. Accordingly, on January 23, 1978, the USITC instituted its inquiries, which resulted in the determinations.

In 1977, U.S. producers' shipments of hot-rolled carbon steel bars amounted to 6 million short tons, and imports from the United Kingdom totaled 114,000 short tons, or 1.7 percent of domestic consumption. U.S. producers' shipments of carbon steel strip in 1977 were 1.9 million short tons, and imports from the United Kingdom amounted to 4,000 short tons. In 1977 there were known to be 53 U.S. firms producing hot-rolled carbon steel bars, 18 producing hot-rolled carbon steel strip, and 29 producing cold-rolled carbon steel strip. Furthermore, a large number of additional firms apparently were involved in the production of strip by slitting carbon steel sheet.

Copies of the Commission's determinations, Carbon Steel Bars and Carbon Steel Strip From the United Kingdom (USITC Publication 855), containing the views of the Commissioners with respect to inquiries Nos. AA1921-8 and 9, may be obtained by calling (202) 523-5178 or from the Office of the Secretary, 701 E Street NW., Washington, D.C. 20436.

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UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, D.C.

February 16, 1978

[AA1921-Inq.-8 and AA1921-Inq.-9]

CARBON STEEL BARS AND CARBON STEEL STRIP FROM THE UNITED KINGDOM

Commission Determines Not To Terminate Antidumping Investigations.

On January 17, 1978, the United States International Trade Commission received advice from the Department of the Treasury that, in accordance with section 201(c)(1) of the Antidumping Act of 1921, as amended, antidumping investigations were being initiated with respect to carbon steel bars and carbon steel strip from the United Kingdom, and that, pursuant to section 201(c)(2) of that act, information developed during Treasury's preliminary investigations led to the conclusion that 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 such carbon steel bars and carbon steel strip into the United States from the United Kingdom. ^{1/} Accordingly, the Commission on January 23, 1978, instituted inquiries Nos. AA1921-Inq.-8 (carbon steel bars from the United Kingdom) and AA1921-Inq.-9 (carbon steel strip from the United Kingdom) under section 201(c)(2) of the act, to determine whether there is no reasonable indication 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 such merchandise into the United States.

A public hearing was held on February 1, 1978, in Washington, D.C. Public notice both of the institution of the inquiries and of the hearing was duly given by posting copies of the notice at the Secretary's Office in the Commission in Washington, D.C., and at the Commission's Office in New York City, and by publishing the original notice in the Federal Register on January 26, 1978 (43 F.R. 3632).

^{1/} The Treasury advice defined carbon steel bars as those provided for in item numbers 608.45 and 608.46 of the Tariff Schedules of the United States (TSUS) and carbon steel strip as that provided for in TSUS item numbers 609.02, 609.03, and 609.04.

The Treasury Department instituted its investigations after receiving a properly filed complaint on December 5, 1977, from Armco Steel Corp., Middletown, Ohio. The Treasury Department's notice of its antidumping proceeding was published in the Federal Register of January 23, 1978 (43 F.R. 3231).

On the basis of information developed during the course of inquiry No. AA1921-Inq.-8 (carbon steel bars from the United Kingdom), the Commission (Chairman Daniel Minchew, and Commissioners George M. Moore, Catherine Bedell, and Italo H. Ablondi) 1/ 2/ does not determine that there is no reasonable indication 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 carbon steel bars from the United Kingdom that are allegedly being sold at less than fair value as indicated by the Department of the Treasury.

On the basis of information developed during the course of inquiry No. AA1921-Inq.-9 (carbon steel strip from the United Kingdom), the Commission (Chairman Daniel Minchew, and Commissioners George M. Moore, Catherine Bedell, Italo H. Ablondi, and Bill Alberger), 3/ does not determine that there is no reasonable indication 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 carbon steel strip from the United Kingdom that is allegedly being sold at less than fair value as indicated by the Department of the Treasury.

1/ Vice Chairman Joseph O. Parker did not participate in the determination.

2/ In inquiry No. AA1921-Inq.-8, Commissioner Bill Alberger determines that there is no reasonable indication 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 carbon steel bars from the United Kingdom that are allegedly being sold at less than fair value as indicated by the Department of the Treasury.

3/ Vice Chairman Joseph O. Parker did not participate in the determination.

STATEMENTS OF REASONS IN INQUIRY NO. AA1921-INQ.-8
(CARBON STEEL BARS FROM THE UNITED KINGDOM) 1/

Statement of Reasons for Negative Determination in Inquiry No AA1921-Inq.-8 by
Commissioners George M. Moore and Catherine Bedell 2/ 3/

On January 17, 1978, the United States International Trade Commission received advice from the Department of the Treasury that during the course of preliminary antidumping investigations with respect to carbon steel bars and carbon steel strip from the United Kingdom, Treasury had concluded from the information available to it "that 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 this merchandise into the United States." Acting on this advice, the Commission, on January 23, 1978, instituted inquiries Nos. AA1921-Inq.-8 (carbon steel bars from the United Kingdom) and AA1921-Inq.-9 (carbon steel strip from the United Kingdom) under section 201(c)(2) of the Antidumping Act, 1921, as amended, to determine whether there is no reasonable indication 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 such merchandise into the United States.

1/ The statements of reasons in inquiry No. AA1921-Inq.-9 (carbon steel strip from the United Kingdom) appear separately.

2/ Chairman Minchew concurs in the result. In determining in the negative he states:

In reaching my decision I have been influenced by the unique problems facing the domestic steel industry, especially with regard to world trade in steel products. This situation, coupled with the commitment of our government to vigorously enforce the laws against unfair trade practices (including dumping), convinces me of the necessity for the Department of the Treasury to continue its antidumping investigation of imports of carbon steel bars from the United Kingdom.

3/ Commissioner Ablondi concurs in the result.

Determination

On the basis of information developed during the course of this inquiry we do not determine that there is no reasonable indication that an industry in the United States is being or is likely to be injured, or is prevented from being established, 1/ by reason of the importation of carbon steel bars into the United States from the United Kingdom allegedly sold at less than fair value (LTFV) as indicated by the Department of the Treasury.

Discussion

Statutory criteria of section 201(c)(2).--Section 201(c)(2) of the Antidumping Act, 1921, as amended, under which this inquiry is being conducted, states, in effect, that if the Secretary of the Treasury concludes, during a preliminary investigation under the Antidumping Act, that there is substantial doubt regarding possible injury to an industry in the United States, he shall forward to the U.S. International Trade Commission his reasons for such doubt. Upon receipt of the Secretary's reasons, the Commission shall, within 30 days, determine whether there is no reasonable indication 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 merchandise allegedly sold in the United States at less than fair value.

The imported articles and the domestic industry.--The products subject to this inquiry are hot-rolled carbon steel bars. Hot-rolled carbon steel bars are produced by hot-rolling billets or slabs of carbon steel in bar mills. Hot-rolled carbon steel bars are produced in the United States at 87 mills operated by 53 firms.

Information received from the Department of the Treasury.--The Department of the Treasury advised the Commission that imports of carbon steel bars from the United Kingdom increased substantially from January-September 1976 to January-

1/ Prevention of establishment of an industry in this inquiry is not in question and will not be discussed further in these views.

September 1977, and they accounted for 1.4 percent of U.S. consumption in 1977. It noted that the alleged LFTV margins for such bars ranged from 2.6 to 12 percent, according to the petitioner. In making its determination in this inquiry, the Commission developed information from various sources and did not consider the information received from Treasury as determinative.

Market penetration by imports from the United Kingdom.--U.S. imports of hot-rolled carbon steel bars from the United Kingdom increased from 59,000 short tons in 1974 to 114,000 short tons in 1977, or by 93 percent. From 1976 to 1977 alone, the increase amounted to 48 percent. The ratio of imports of such merchandise from the United Kingdom to apparent U.S. consumption increased from 0.8 percent in 1974 to 1.7 percent in 1977. From 1976 to 1977 the ratio rose from 1.3 percent to 1.7 percent. It should be noted that the market for carbon steel bars in the United States is not homogeneous. All the exports from the United Kingdom are of so-called special quality, meeting the special high-precision requirements of customers in the forging and machining industries. These bars do not compete in the U.S. market with lower quality bars, known as merchant bars, but compete only with other special-quality bars produced by U.S. firms and imported from other countries. Only 20 percent of U.S. production of hot-rolled carbon steel bars is of special quality. As a result, the United Kingdom accounted for 5.1 percent of apparent U.S. consumption of special-quality hot-rolled carbon steel bars in 1977.

Other factors.--The instant inquiry has come before the Commission at a time when the evidence is mounting that the domestic steel industry (which produces the specific products in question) is in distress, experiencing declining production, shipments, employment, and profits. Information developed during the course of these inquiries confirms that U.S. producers' shipments, employment, and profitability have all fallen since 1974.

During 1974-77, while imports of bars from the United Kingdom were increasing, U.S. producers' shipments of hot-rolled carbon steel bars fell by 18 percent. Such increases in imports from the United Kingdom obviously could have exacerbated the injury to the domestic industry already inflicted by declining demand. The firms that responded to the Commission's questionnaires reported that person-hours worked by their production and related workers in the production of hot-rolled carbon steel bars fell by 10 percent between 1974 and 1977. In addition, the respondents to the Commission's questionnaires reported that their profits on their hot-rolled carbon steel bar operations deteriorated annually from 1974 through September 1977. All the reporting companies reported net profits on their bar operations in 1974, and all reported net losses on the same operations in January-September 1977.

In testimony before the Commission, the President of the British Steel Corp. (BSC), Houston, Tex., reported that BSC's hot-rolled carbon steel bars are sold at prices 5 to 10 percent below U.S. producers' prices. In addition, a sale of hot-rolled carbon steel bars from an independent U.K. supplier to a U.S. customer at a price about 20 percent below U.S. producers' prices has been confirmed.

Conclusion

On the basis of the above, we do not determine that there is no reasonable indication that an industry in the United States is being or is likely to be injured by reason of the importation of carbon steel bars from the United Kingdom allegedly sold at less than fair value as indicated by the Department of the Treasury.

STATEMENT OF REASONS FOR AFFIRMATIVE VOTE
OF COMMISSIONER BILL ALBERGER
ON CARBON STEEL BARS FROM THE UNITED KINGDOM

On January 17, 1978, the United States International Trade Commission received advice from the Department of the Treasury that during the course of preliminary antidumping investigations with respect to carbon steel bars and carbon steel strip from the United Kingdom, Treasury had concluded from the information available to it "that 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 this merchandise into the United States." Acting on this advice, the Commission, on January 23, 1978, instituted inquiries Nos. AA1921-Inq.-8 (carbon steel bars from the United Kingdom) and AA1921-Inq.-9 (carbon steel strip from the United Kingdom) under section 201(c)(2) of the Antidumping Act, 1921, as amended, to determine whether there is no reasonable indication 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 such merchandise into the United States.

Determination

On the basis of information developed during the course of these inquiries I determine that there is no reasonable indication that an industry in the United States is being or is likely to be injured, or

is prevented from being established,^{1/} by reason of the importation of carbon steel bars into the United States from the United Kingdom allegedly sold at less than fair value as indicated by the Department of the Treasury.

Discussion

Statutory criteria of section 201(c)(2)

Section (c)(2) of the Antidumping Act, 1921, as amended, under which this inquiry is being conducted, states, in effect, that if the Secretary of the Treasury concludes, during a preliminary investigation under the Antidumping Act, that there is substantial doubt regarding possible injury to an industry in the United States, he shall forward to the U.S. International Trade Commission his reasons for such doubt and the Commission shall, within thirty days, determine whether there is no reasonable indication 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 merchandise allegedly sold in the United States at less than fair value.

The imported article and the domestic industry

Hot-rolled carbon steel bars are produced by hot rolling billets or slabs of carbon steel in bar mills. They are produced at 87 mills operated by 53 firms. Most U.S. producers are located in the North Central states adjacent to the Great Lakes.

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1. Prevention of establishment of an industry in these inquiries is not in question and will not be discussed further in these views.

Information received from the Department of the Treasury

The Department of the Treasury advised the Commission that imports of carbon steel bars from the United Kingdom had increased substantially from January-September 1976 to January-September 1977, but that they only accounted for 1.4 percent of U.S. consumption in 1977. It noted that the alleged less-than-fair-value margins for such bars ranged from 2.6 - 12 percent, according to the petitioner. Treasury also indicated that there was no evidence to connect the subject imports to recent declines in employment and profitability reported by the domestic industry. In making its determinations in these inquiries, the Commission did not consider the information supplied by Treasury as determinative and in addition examined other evidence as follows.

Market penetration by imports from the United Kingdom

In this inquiry I have found the dominant factor to be considered is the extremely low level of import penetration of the domestic market. U.S. imports of hot-rolled carbon steel bars from the United Kingdom, alleged to be sold in the United States at less than fair value, amounted to only 114,000 short tons in 1977, or only 1.7 percent of apparent U.S. consumption. In 1975, the ratio of imports from the United Kingdom to domestic consumption amounted to only 1.5 percent, and in 1974 and 1976, the ratio was even lower. In addition, imports of hot-rolled carbon steel bars from the United Kingdom accounted for

a smaller proportion of total U.S. imports of carbon steel bars from all sources in 1977 than it accounted for in 1976. Moreover, imports of such merchandise from Canada and Japan were larger in 1977 than were imports from the United Kingdom.

Other factors

The instant inquiries have come before this Commission at a time when the evidence is mounting that the domestic steel industry (which produces the specific products in question) is in distress, reporting declining producing, shipments, employment, and profits. Information developed in the course of this investigation confirm that the domestic industry has suffered declining profits overall, and that it has experienced declining shipments of the products in question. Employment and profitability of the few producers that supplied such data to the Commission on their hot-rolled carbon steel bar and hot- and cold-rolled carbon steel strip operations also generally declined. However, it is my opinion that these declines cannot be attributed to U.S. imports of carbon steel bars from the United Kingdom. U.S. producers' shipments of hot-rolled carbon steel bars fell by over 1.2 million short tons between 1974 and 1977, while imports from the United Kingdom rose by only 55,000 short tons. Declining U.S. demand -- amounting to 1.1 million short tons during the period 1974-77 -- accounted for virtually all of the reduction in U.S. producers' shipments.

In addition to the above, although there is evidence that U.K. suppliers may sell the products in question in the U.S. market at lower prices than U.S. producers, such merchandise is generally sold in the United States at higher prices than is comparable merchandise from other foreign suppliers. One U.S. purchaser of hot-rolled carbon steel bars has reduced his purchases from the United Kingdom in favor of increased purchases from lower priced foreign sources. In addition, despite evidence of underselling in the U.S. market by U.S. imports of hot-rolled carbon steel bars from the United Kingdom, there seems to be little evidence of price suppression or depression for the U.S. products most directly in competition with the U.K. products. All of the imports of hot-rolled carbon steel bars from the United Kingdom are of special quality. Only two U.S. manufacturers reported their prices of such bars. Both firms reported substantial increases in prices of such products since January 1976.

Conclusion

On the basis of the above, I determine that there is no reasonable indication 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 carbon steel bars from the United Kingdom allegedly sold at less than fair value as indicated by the Department of the Treasury.

STATEMENT OF REASONS IN INQUIRY NO. AA1921-INQ.-9 (CARBON STEEL STRIP
FROM THE UNITED KINGDOM) 1/

Statement of Reasons for Negative Determination in inquiry No. AA1921-Inq.-9
by Commissioners George M. Moore, Catherine Bedell,
and Bill Alberger 2/ 3/

On January 17, 1978, the United States International Trade Commission received advice from the Department of the Treasury that during the course of preliminary antidumping investigations with respect to carbon steel bars and carbon steel strip from the United Kingdom, Treasury had concluded from the information available to it "that 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 this merchandise into the United States." Acting on this advice,

1/ The statement of reasons in inquiry No. AA1921-Inq.-8 (carbon steel bars from the United Kingdom) appears separately.

2/ Chairman Minchew concurs in the result. In determining in the negative he states:

In reaching my decision I have been influenced by the unique problems facing the domestic steel industry, especially with regard to world trade in steel products. This situation coupled with the commitment of our government to vigorously enforce the laws against unfair trade practices (including dumping), convinces me of the necessity for the Department of the Treasury to continue its antidumping investigation of imports of carbon steel strip from the United Kingdom.

3/ Commissioner Ablondi concurs in the result. In determining in the negative he states:

In the inquiry entitled New, On-The-Highway, Four-Wheeled, Passenger Automobiles from Belgium, Canada, France, Italy, Japan, Sweden, the United Kingdom, and West Germany, No. AA1921-Inq.-2, I expressed the view that imports accounting for less than 1 percent of domestic consumption, unaccompanied by other indicators, would result in a determination of no reasonable indication of injury. Each inquiry under sec. 201(c)(2) should be examined on its individual merits. While I would have considered the small market penetration in this inquiry as paramount, other indicators counterbalance this important factor. The evidence of large margins of underselling in the U.S. market (24 to 26 percent), combined with the uncertainties in the steel industry in the face of new Treasury regulations effective February 21, 1978, requires that Treasury's antidumping investigation of carbon steel strip from the United Kingdom continue. To do otherwise under the instant factual circumstances may withhold or delay relief under the antidumping laws.

the Commission, on January 23, 1978, instituted inquiries Nos. AA1921-Inq.-8 (carbon steel bars from the United Kingdom) and AA1921-Inq.-9 (carbon steel strip from the United Kingdom) under section 201(c)(2) of the Antidumping Act, 1921, as amended, to determine whether there is no reasonable indication 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 such merchandise into the United States.

Determination

On the basis of information developed during the course of this inquiry we do not determine that there is no reasonable indication that an industry in the United States is being or is likely to be injured, or is prevented from being established, 1/ by reason of the importation of carbon steel strip into the United States from the United Kingdom allegedly sold at less than fair value (LTFV) as indicated by the Department of the Treasury.

Discussion

Statutory criteria of section 201(c)(2).--Section (c)(2) of the Antidumping Act, 1921, as amended, under which this inquiry is being conducted, states, in effect, that if the Secretary of the Treasury concludes, during a preliminary investigation under the Antidumping Act, that there is substantial doubt regarding possible injury to an industry in the United States, he shall forward to the U.S. International Trade Commission his reasons for such doubt. Upon receipt of the Secretary's reasons, the Commission shall, within thirty days, determine whether there is no reasonable indication that an industry in the United States is being

1/ Prevention of establishment of an industry in this inquiry is not in question and will not be discussed further in these views.

or is likely to be injured, or is prevented from being established, by reason of the importation of merchandise allegedly sold in the United States at less than fair value.

The imported articles and the domestic industry.--The products subject to this inquiry are hot- and cold-rolled carbon steel strip. Carbon steel strip is produced by hot- or cold-rolling in strip rolling mills, or it can be produced by the slitting of carbon steel sheet. Hot-rolled carbon steel strip is produced in the United States at 33 rolling mills operated by 18 firms, and cold-rolled carbon steel strip is produced at 39 rolling mills operated by 29 firms. All but 2 of the 18 firms that produce hot-rolled strip also produce hot-rolled bars, and nearly a third of the cold-rolled strip rollers also produce hot-rolled bars, hot-rolled strip, or both. Most U.S. producers are located in the North Central States adjacent to the Great Lakes. Producers of carbon steel strip that slit purchased carbon steel sheet are numerous and may make up a large proportion of U.S. production and shipments.

Information received from the Department of the Treasury.--The Department of the Treasury advised the Commission that imports of carbon steel strip increased during January-September 1977, compared with the corresponding period of 1976, and these imports accounted for 0.2 percent of domestic consumption during January-September 1977. Alleged LTFV margins for carbon steel strip ranged from 24 to 26 percent. In making its determination in this inquiry, the Commission developed information from various sources and did not consider the information received from Treasury as determinative.

Market penetration by imports from the United Kingdom.--U.S. imports of carbon steel strip from the United Kingdom amounted to 3,931 short tons in 1977, or 0.2 percent of apparent U.S. consumption. Imports of carbon steel strip in 1976 had amounted to 3,612 short tons.

Other factors.--In general, these inquiries disclosed that the same indications of injury were present for U.S. producers of strip as for U.S. producers of bars. Declining shipments at a time of increasing imports of comparable products, declining employment, and deteriorating profitability were found to exist among the respondents to the Commission's questionnaires.

Comparable articles.--It is apparent that carbon steel strip and carbon steel sheet are comparable articles, being dissimilar only in their respective dimensions. That is, if a flat-rolled carbon steel product meets all the specifications for carbon steel strip, except that it exceeds 12 inches in width, it is classified as sheet, and, conversely, if a flat-rolled carbon steel product meets all the specifications for sheet, but is only 12 inches in width or less, it is classified for the purpose of the Tariff Schedules of the United States as strip. Therefore, products identical in all respects except that one is 12 inches wide and one is 12.1 inches wide will be classified as strip and sheet, respectively. End uses and production methods for the two products may be identical, and imports of sheet will impact upon domestic producers of both sheet and strip. In addition, some of the wider widths of sheet are imported into the United States, where they are slit by a simple operation into strip widths, thereby reducing the market for the strip produced in U.S. rolling mills.

Currently the Department of the Treasury is conducting antidumping investigations on imports of carbon steel sheet from the United Kingdom, West Germany, Belgium, France, Italy, and the Netherlands in response to a complaint against such imports by National Steel Corp. Another investigation is being conducted on imports of carbon steel sheet from Japan; that investigation was initiated on the basis of a complaint by United States Steel Corp. In its notice of its antidumping

proceeding with regard to cold-rolled and galvanized carbon steel sheet from the United Kingdom published in the Federal Register (December 2, 1977, 42 F.R. 61353), the Treasury Department states:

In assessing the injury caused by the alleged sales at less than fair value from each of the six countries of the European Economic Community, it has been considered appropriate to cumulate the shares of the market held by imports from each of the countries named. The products appear to be fungible. Under such circumstances, it would be unrealistic to attempt to differentiate the alleged injury caused by imports from one country rather than from another when it is the cumulative effect of all occurring within a discrete time frame that creates the problem.

The Treasury Department instituted that investigation, along with the investigations with regard to cold-rolled and galvanized carbon steel sheet from the other EEC countries and the investigation of cold-rolled carbon steel sheet from Japan without referral to the U.S. International Trade Commission for 30-day inquiries.

Market penetration from all sources alleged to be sold at LTFV.--Therefore, we have concluded that it may be appropriate to examine the impact of U.S. imports of carbon steel strip from the United Kingdom, alleged to be sold at less than fair value, with the impact of imports of cold-rolled carbon steel sheet from the United Kingdom, Japan, West Germany, Belgium, France, Italy, and the Netherlands, which are currently under investigation by the Department of the Treasury and which may ultimately be found to be sold at less than fair value.

U.S. imports of carbon steel strip and cold-rolled carbon steel sheet increased from 2.6 million short tons in 1974 to 3.4 million short tons in 1977, or by 31 percent. Imports alleged to have been sold in the United States at less than fair value, increased by the same percentage between 1974 and 1977 and accounted for 84

percent of total U.S. imports of the products in question in both years. Imports from the United Kingdom, West Germany, Belgium, France, Italy, the Netherlands, and Japan alleged to be sold at less than fair value increased from 2.2 million short tons (or 9.8 percent of apparent U.S. consumption) in 1974 to 2.8 million short tons (or 12.6 percent of apparent U.S. consumption) in 1977.

Conclusion

On the basis of the above, we do not determine that there is no reasonable indication that an industry in the United States is being or is likely to be injured by reason of the importation of carbon steel strip from the United Kingdom allegedly sold at less than fair value as indicated by the Department of the Treasury.

INFORMATION OBTAINED IN THE INVESTIGATION

Summary

On January 17, 1978, the U.S. International Trade Commission received advice from the Treasury Department in accordance with section 201(c) of the Antidumping Act, 1921, as amended, that antidumping investigations were being instituted by Treasury with respect to carbon steel bars and carbon steel strip from the United Kingdom and that information developed during Treasury's preliminary investigations led to the conclusion that there was substantial doubt whether an industry in the United States was being or was likely to be injured, or was prevented from being established, by reason of the importation of such merchandise into the United States. Accordingly, the Commission, on January 23, 1978, instituted inquiries Nos. AA1921-Inq.-8 and AA1921-inq.-9 under section 201(c)(2) of the act, to determine whether there is no reasonable indication 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 such merchandise into the United States. Affirmative determinations by the Commission will allow Treasury to terminate its investigations, while negative determinations will result in Treasury continuing its investigations into the nature and extent of sales at less than fair value.

The instant inquiries resulted from a complaint, filed on December 5, 1977, by Armco Steel Corp., Middletown, Ohio, that imports of carbon steel plates, carbon steel structural shapes, carbon steel cold-rolled sheets and coils, carbon steel wire rods, and carbon steel hot-rolled bars and bar shapes are being, or are likely to be, imported from the United Kingdom and sold in the United States at less than fair value within the meaning of the Antidumping Act, 1921, as amended. The complaint alleged that possible margins of sales at less than fair value ranged from 2.6 to 12 percent on bars and 24 to 26 percent on strip. The Treasury Department has already instituted its investigations on carbon steel plates and certain carbon steel structural shapes on the basis of the Armco complaint without referral to the U.S. International Trade Commission. In addition, Treasury had already initiated investigations of cold-rolled sheet from the United Kingdom as a result of a complaint filed by National Steel Corp., and carbon steel wire rods from the United Kingdom as a result of a complaint filed by Georgetown Steel Corp.

Hot-rolled carbon steel bars are rolled from billets in merchant-quality (general use) and special-quality grades. The latter grade serves superior quality requirements for forging, aircraft, and axle applications. An estimated 80 percent of domestic shipments are of merchant-quality bars. Carbon steel strip is produced by hot rolling billets in a bar mill or strip mill or by hot rolling slabs into sheets and coils, and slitting these products to strip of the desired width. Cold-rolled strip requires the additional sequence of chemical treatment and cold rolling prior to shipping or slitting and shipping.

The tariff rate on carbon steel bars is 7 percent ad valorem, and the rates of duty for strip range from 6 to 9.5 percent ad valorem; the heavier gages of strip receive the greater tariff protection. With one exception, the tariff rates on bars and strip have not been changed since 1963.

Bars and strip are produced in the United States by 73 companies with over 150 mills. Integrated steel companies produce both hot-rolled bars and hot- and cold-rolled strip. Mini steel mills as well as steel rerollers are also active in these areas of production. Integrated steel mills do not predominate in the cold-rolled-strip area. Instead, independent firms, many of which are buyers of sheet and coil for slitting into strip, account for the greater proportion of cold-rolled strip production. The domestic producers tend to be concentrated in the highly industrial States of the Great Lakes area; 43 of the 87 bar mills are in this area, as are 53 of the 72 strip mills.

Consumption of carbon steel bars and strip declined drastically in 1975 as a result of the recession. Some recovery occurred in 1976 and 1977, but 1977 consumption was still below 1974 levels. The consumption of bars declined less, proportionally, than did consumption of strip, but the reduction in consumption of bars was greater in actual volume. U.S. apparent consumption of the bars and strip covered by these inquiries declined from 10.3 million short tons in 1974 to 7.1 million short tons in 1975 and increased to 8.6 million short tons in 1977. Apparent U.S. consumption of hot-rolled carbon steel bars declined from 7.8 million short tons in 1974 to 5.5 million short tons in 1975 and increased to 6.6 million short tons in 1977. Apparent U.S. consumption of hot- and cold-rolled carbon steel strip declined from 2.6 million short tons in 1974 to 1.6 million short tons in 1975, and amounted to 2.0 million short tons in 1976 and 1.9 million short tons in 1977.

U.S. producers' shipments of the bars and strip covered by these inquiries declined from 9.7 million short tons in 1974 to 6.7 million short tons in 1975, increasing thereafter to 7.9 million short tons in 1977. U.S. producers' shipments of hot-rolled carbon steel bars declined from 7.2 million short tons in 1974 to 5.2 million short tons in 1975, but increased to 6.0 million short tons in 1977. U.S. producers' shipments of hot- and cold-rolled carbon steel strip declined from 2.5 million short tons in 1974 to 1.6 million short tons in 1975, increased to 2.0 million short tons in 1976, and declined to 1.9 million short tons in 1977.

Total U.S. imports of the bars and strip covered by these inquiries declined sharply from 757,000 short tons in 1974 to 434,000 short tons in 1976, but increased to 765,000 short tons in 1977. U.S. imports of hot-rolled carbon steel bars declined from 678,000 short tons in 1974 to 369,000 short tons in 1976, and increased to 691,000 short tons in 1977. U.S. imports of hot- and cold-rolled carbon steel strip declined from 79,000 short tons in 1974 to 52,000 short tons in 1975, increasing thereafter to 74,000 short tons in 1977.

The ratio of imports to apparent U.S. consumption of the bars and strip covered by these inquiries declined from 7.3 percent in 1974 to 5.5 percent in 1976 but amounted to 8.9 percent in 1977. The ratio of imports to apparent U.S. consumption of hot-rolled carbon steel bars declined from 8.7 percent in 1974 to 6.3 percent in 1976, but increased to 10.4 percent in 1977. The ratio of imports to apparent U.S. consumption of hot- and cold-rolled carbon steel strip increased from 3.1 percent in 1974 to 3.2 percent in 1975 and 1976, and increased further to 3.8 percent in 1977.

U.S. imports from the United Kingdom of the bars and strip covered by these inquiries amounted to 65,000 short tons in 1974 (0.6 percent of apparent U.S. consumption), 89,000 short tons in 1975 (1.3 percent of apparent U.S. consumption), 80,000 short tons in 1976 (1.0 percent of apparent U.S. consumption), and 118,000 short tons in 1977 (1.4 percent of apparent U.S. consumption).

U.S. imports from the United Kingdom of hot-rolled carbon steel bars amounted to 59,000 short tons in 1974 (0.8 percent of apparent U.S. consumption), 83,000 short tons in 1975 (1.5 percent of apparent U.S. consumption), 77,000 short tons in 1976 (1.3 percent of apparent U.S. consumption), and 114,000 short tons in 1977 (1.7 percent of apparent U.S. consumption).

U.S. imports from the United Kingdom of hot- and cold-rolled carbon steel strip declined from 6,400 short tons in 1974 (0.2 percent of apparent U.S. consumption) to 6,000 short tons in 1975 (0.4 percent of apparent U.S. consumption), and to 3,600 short tons 1976 (0.2 percent of apparent U.S. consumption). They amounted to 3,900 short tons in 1977 (0.2 percent of apparent U.S. consumption).

The United Kingdom accounted for 15.5 percent of total U.S. imports of the bars and strip covered by these inquiries in 1977, following both Japan and Canada in volume. The United Kingdom accounted for 16.5 percent of total U.S. imports of hot-rolled carbon steel bars during the same time period, again following Japan and Canada in volume. During 1977, the United Kingdom accounted for only 5.3 percent of total U.S. imports of hot- and cold-rolled carbon steel strip, falling behind Japan, Canada, West Germany, and Belgium.

It was stated by the complainant during the Commission's public hearing that a Great Lakes regional market might exist for carbon steel bars, especially those of special quality. The data collected by the Commission indicate that the ratio of imports of hot-rolled carbon steel bars from the

United Kingdom to apparent consumption of such merchandise in the North Central States amounted to 1.9 percent during January-September 1977. For special-quality hot-rolled carbon steel bars, the ratio of imports to total apparent U.S. consumption amounted to 5.1 percent in 1977, since virtually all imports are of special-quality bars and only 20 percent of domestic production is of such merchandise. The ratio of imports to apparent consumption of special-quality hot-rolled carbon steel bars in the North Central State^s was even greater in January-September 1977--amounting to 7.1 percent.

The U.S. steel industry on its overall operations has experienced declining revenues and profits since 1974. Although these declining profits cannot be tied directly to the industry's operations on carbon steel bars and carbon steel strip, limited responses to the Commission's questionnaires indicate that revenues and profits have declined on those operations also.

The Commission sought to obtain specific price information on hot-rolled carbon steel bars and carbon steel strip. The data received, however, do not permit comparisons in the U.S. market between U.S. producers' prices and prices applicable to U.S. imports from the United Kingdom of bars having nearly identical physical and chemical specifications. Testimony by the President of British Steel Corp. (Houston) at the Commission's public hearing, however, indicated that British Steel Corp.'s prices for carbon steel bars in the U.S. market are 5 to 10 percent below U.S. producers' prices and are 5 to 30 percent above the prices of imports from other sources. British Steel Corp. accounts for virtually all U.S. imports of hot-rolled carbon steel bars into the United States.

Introduction

On January 17, 1978, the United States International Trade Commission received advice from the Treasury Department that, in accordance with section 201(c) of the Antidumping Act, 1921, as amended, antidumping investigations were being initiated with respect to carbon steel bars and carbon steel strip from the United Kingdom and that information developed during Treasury's preliminary investigations led to the conclusion that there is substantial doubt 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 into the United States. ^{1/} The Treasury letter defined carbon steel bars as those provided for in item numbers 608.45 and 608.46 of the Tariff Schedules of the United States (TSUS) and carbon steel strip as that provided for in TSUS item numbers 609.02, 609.03, and 609.04. Accordingly, the Commission, on January 23, 1978, instituted inquiries Nos. AA1921-Inq.-8 and AA1921-Inq.-9 under section 201(c)(2) of the act, to determine whether there is no reasonable indication 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 such merchandise into the United States.

^{1/} Treasury's letter is presented in app. B.

A public hearing was held on February 1, 1978, in Washington, D.C. 1/ Notice of the institution of the inquiry and hearing was duly given by posting copies of the notice at the Secretary's Office in the Commission in Washington, D.C., and at the Commission's office in New York City, and by publishing the original notice in the Federal Register of January 26, 1978 (43 F.R. 3632). 2/

The Treasury Department instituted its investigations after receiving a complaint on December 5, 1977, from the Armco Steel Corp., of Middletown, Ohio. Treasury's notices of its antidumping proceedings were published in the Federal Register of January 23, 1978 (43 F.R. 3231). 3/

In the event that the U.S. International Trade Commission finds in the affirmative--that there is no reasonable indication 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 carbon steel bars from the United Kingdom (inquiry No. AA1921-Inq.-8) or carbon steel strip from the United Kingdom (inquiry No. AA1921-Inq.-9) that may be sold in the United States at less than fair value--the Treasury Department will terminate its investigations as to the fact or likelihood of sales at less than fair value of such merchandise. In the event that the Commission finds in the negative, the Treasury Department's investigations will continue. The Commission's determinations are due to be reported to the Secretary of the Treasury by no later than Thursday, February 16, 1978.

Description and Uses

Carbon steel

The steel bars and steel strip that were covered by the Treasury letter are of carbon steel--that is, steel that is not alloyed. According to the definitions given in the TSUS, steel is an alloy of carbon in iron which may contain other elements intended to enhance one or more properties and may contain elements unavoidably retained from raw materials, but iron must predominate, by weight, over each of the other elements. Carbon steel--that is, steel not alloyed by these other elements--is steel which does not contain one or more of the following elements in more than specified proportions by weight: Manganese, phosphorous, sulfur, silicon, copper, aluminum, chromium, cobalt, lead, nickel, tungsten, or maximum percentages

1/ Representatives of Armco Steel Corp. (the complainant in the instant inquiries) and British Steel Corp. (the largest importer of carbon steel bars from the United Kingdom) presented testimony to the Commission at the public hearing.

2/ A copy of the Commission's notice of inquiries and hearing is presented in app. C.

3/ Copies of Treasury's notices of its antidumping proceedings are presented in app. D.

of any other metallic element. It should be noted that carbon steel does not include stainless steel, i.e., any alloy steel enumerated above which contains less than 1 percent of carbon and over 11.5 percent of chromium.

Carbon steel bars

The TSUS defines bars as products of solid cross section not conforming completely to the respective specifications set forth in the TSUS for blooms, billets, slabs, sheet bars, wire rods, plates, sheets, strip, wire, rails, joint bars, or tie plates, and which have cross sections in the shape of circles, segments of circles, ovals, triangles, rectangles (flat bars), hexagons, or octagons. Carbon steel bars are generally produced in straight lengths but can also be produced in coils depending upon size and configuration. The carbon steel bars covered by the Treasury letter are hot rolled only.

In terms of tonnage and application, hot-rolled carbon steel bars are among the most important products made by the domestic steel industry. ^{1/} The ingots, blooms, or billets, from which carbon steel bars are produced, are heated in a furnace to a uniform heat and then passed through a series of rolls that form the steel to the desired shape and dimension. After being rolled, the bars are generally cut to standard straight lengths by hot shearing, hot sawing, or other means, depending on their size, cross-sectional configuration, and grade of steel. They are designated by dimension and by cross sectional configuration, i.e., "1 inch square," "2 inch oval," and so forth.

In general there are two major grades of hot-rolled carbon steel bars--merchant quality and special quality. Merchant-quality bars are produced to a variety of chemical and physical specifications, but the tolerances are broad and they are not designed to the rigorous specifications required for use in forging, heat treating, or other processes requiring close metallurgical control, internal soundness, and surface perfection. Merchant-quality bars are used in the production of noncritical components of most types of machinery, bridges, buildings, railway cars, earth-moving and road-building equipment, and agricultural implements, and for "wrought" grills, railings, furniture, and other products. An estimated 80 percent of U.S. production of hot-rolled carbon steel bars is of merchant quality bars.

Special-quality bars are ordered when the end use or the method of fabricating the end product requires characteristics not available in merchant-quality bars. Special-quality bars are made to exact chemical and physical specifications suitable for the production of many products that

^{1/} Although most carbon steel bars are hot rolled only, substantial quantities are also cold finished. Cold finishing includes such processes as cold drawing, cold rolling, turning, grinding, and polishing.

are made by forging, machining, drawing, cold heading, and heat treating. These bars are normally subdivided into forging-quality bars and free-machining-quality bars. Free-machining bars are further subdivided into three types of bars--resulfurized, leaded, and resulfurized and leaded bars. The addition of either sulfur or lead or both sulfur and lead during the melting process or through ladle additions facilitates the formation of small uniform chips during cutting (machining) operations on the bars. The formation of small uniform chips, in contrast to long, twisting rings, is desirable for trouble-free and economical high-speed machining operations. Quality tools, axles, gun parts, and many other precision products are made from special-quality bars. In addition, special-quality hot-rolled carbon steel bars are used for structural purposes.

Carbon steel strip

The TSUS defines strip as a flat-rolled product, whether or not corrugated or crimped, in coils or cut to length, under 0.1875 inch in thickness, and, if cold rolled, over 0.50 inch but not over 12 inches in width, or, if not cold rolled, not over 12 inches in width. The articles covered by the Treasury letter include both hot-rolled and cold-rolled carbon steel strip. Carbon steel strip is generally hot rolled from billets or slabs in bar mills or mills of the continuous type and can be finished in a wide variety of qualities and surfaces. Carbon steel strip may be cold rolled to improve its properties and its surface characteristics. Often carbon steel strip is produced by slitting carbon steel sheet and coils--flat products under 0.1875 inch in thickness and over 12 inches in width. Numerous firms slit purchased strip for sale to others or for their own use. Entrance into the industry as a slitter is economically feasible because equipment costs and space requirements are nominal compared with the cost of a hot-rolled bar or strip mill. Carbon steel strip may also be produced by cold rolling carbon steel bars and wire. Carbon steel strip is used in the manufacture of a multitude of articles by mass production methods in the automotive and other industries.

U.S. Tariff Treatment

The current column 1 rate of duty (the most-favored-nation rate of duty) applicable to bars of steel, other than alloy steel, not cold formed, and not coated or plated with metal, of the types provided for in TSUS items 608.45 and 608.46, is 7 percent ad valorem. For item 608.45, this rate has remained the same since 1963. However, the duty rate applicable to item 608.46 was reduced, as a result of concessions granted by the United States in the Kennedy round of trade negotiations under the General Agreement on Tariffs and Trade (GATT), from 10.5 percent ad valorem prior to 1968 to the current 7 percent rate, which became effective January 1, 1972. Item 608.45 provides for hot-rolled carbon steel bars valued not over 5 cents per pound;

item 608.46 provides for hot-rolled carbon steel bars valued over 5 cents per pound. The column 2 rates of duty, applicable to imports from designated Communist-dominated countries, are 20 percent ad valorem for both TSUS classifications.

On September 17, 1964, the Secretary of the Treasury issued a "finding of dumping" on imports from Canada of carbon steel bars (TSUS items 608.45 through 608.50) and of bar-shapes under 3 inches and structural shapes 3 inches and over, 609.80 et seq. (T.D. 56264, 29 F.R. 13319). 1/ The Secretary's finding of dumping was preceded by a determination by the U.S. Tariff Commission 2/ that a domestic industry was being injured by reason of the importation of such merchandise sold at less than fair value in the United States.

The ad valorem rates of duty for strip, other than alloy iron or steel, of the types covered by the instant investigation are 6 percent, 8.5 percent, and 9.5 percent for TSUS items 609.02, 609.03, and 609.04, respectively, for countries entitled to the column 1 rate. These rates have remained unchanged since 1963. The column 2 rate of duty is 25 percent ad valorem for each TSUS category.

None of the items covered above are subject to duty-free treatment under the Generalized System of Preferences, which grants such duty-free treatment to certain other products of designated beneficiary countries.

The following tabulation presents a description and lists the rates of duty for each of the TSUSA items being considered.

1/ U.S. Tariff Commission, Carbon Steel Bars and Shapes from Canada, Determination of Injury, TC Publication 135, 1964.

2/ Now the U.S. International Trade Commission.

Hot-rolled carbon steel bars and hot- and cold-rolled carbon steel strip:
U.S. rates of duty by TSUS item, 1978

TSUS item No.	Description	Rate of duty	
		Col. 1	Col. 2
	Bars of steel, except deformed concrete reinforcing bars: Other than alloy steel: Not cold formed: Not coated or plated with metal:		
608.45	Valued not over 5 cents per pound-----	7% ad val.	20% ad val.
608.46	Valued over 5 cents per pound-----	7% ad val.	20% ad val.
	Strip, of iron or steel, not cut, not pressed, and not stamped to nonrectangular shape (except as provided in item 609.17): Other than alloy iron or steel:		
609.02	Not over 0.01 inch in thickness-----	6% ad val.	25% ad val.
609.03	Over 0.01 but not over 0.05 inch in thickness---	8.5% ad val.	25% ad val.
609.04	Over 0.05 inch in thickness-----	9.5% ad val.	25% ad val.

Nature and Extent of Alleged Sales at Less Than Fair Value

On December 5, 1977, the Department of the Treasury received a complaint from G. H. McClure, Senior Vice President, Commercial, Armco Steel Corp., Middletown, Ohio, alleging that carbon steel plates, carbon steel structural shapes, carbon steel cold-rolled sheets and coils, carbon steel wire rods, and carbon steel hot-rolled bars and bar shapes are being, or are likely to be, imported from the United Kingdom and sold in the United States at less than fair value within the meaning of the Antidumping Act, 1921, as amended. The complainant further alleged that the industries in the United States producing the like or directly competitive domestic merchandise are being, or are likely to be, injured by reason of the importation of such merchandise.

The Armco complaint was also submitted in support of an earlier complaint (dated October 20, 1977) by National Steel Corp. with respect to cold-rolled sheets and coils of carbon steel from the United Kingdom, and a petition presented to the Department of the Treasury on November 8, 1977, by the Honorable Charles Vanik, Chairman of the Subcommittee on Trade of the Committee on Ways and Means of the U.S. House of Representatives, insofar as that petition pertains to cold-rolled carbon steel sheet, carbon steel plates, and carbon steel structural shapes from the United Kingdom.

The carbon steel strip (covered in the Armco complaint under the term carbon steel cold-rolled sheets and coils) and carbon steel bars that are the subject of these inquiries are alleged by the petitioner to be sold at less-than-fair-value (LTFV) margins of 2.6 to 12 percent on the bars and 24 to 26 percent on the strip.

According to its letter, the information available to Treasury with respect to imports of carbon steel bars from the United Kingdom indicated that those imports increased substantially during the period January-September 1977 over the corresponding period of 1976. However, such imports accounted for only 1.4 percent of domestic consumption during that period. With regard to imports of carbon steel strip, the information available to Treasury indicated that those imports also increased during the first 9 months of 1977 over the corresponding period of 1976. However, imports of carbon steel strip from the United Kingdom accounted for only 0.2 percent of domestic consumption during January-September 1977.

Furthermore, the letter continues, although in recent years profitability and employment declined throughout the domestic industry producing the classes or kinds of merchandise covered in these inquiries, there was no evidence before Treasury that those declines were caused by imports or the alleged sale of carbon steel bars or strip at less than fair value from the United Kingdom.

Accordingly, from the available information, the Department of the Treasury concluded that there was substantial doubt that an industry in the United States was being or was likely to be injured, or was prevented from being established, by reason of the alleged sales at less than fair value from the United Kingdom.

It appears that the Department of the Treasury referred the instant inquiries to the U.S. International Trade Commission for two reasons. First, the ratios of imports to apparent U.S. consumption of both hot-rolled carbon steel bars and hot- and cold-rolled carbon steel strip were extremely low. Second, the complaint did not specifically allege that such imports from the United Kingdom, that may be sold in the United States at less than fair value, were a cause of their injury.

At the same time that Treasury instituted its investigations on carbon steel bars and strip and referred those cases to the U.S. International Trade Commission for 30-day inquiries, it also instituted investigations of

imports of carbon steel plates and certain carbon steel structural shapes from the United Kingdom without referral to the U.S. International Trade Commission. 1/

On December 2, 1977, the Treasury Department instituted an investigation into the nature and extent of LTFV sales of cold-rolled and galvanized carbon steel sheet from the United Kingdom as a result of a complaint filed by National Steel Corp., and an additional investigation based on the Armco complaint was not considered necessary. On December 22, 1977, the Treasury Department instituted an investigation into the nature and extent of LTFV sales of carbon steel wire rods from the United Kingdom as a result of a complaint filed by Georgetown Steel Corp., and an additional investigation based on the Armco complaint was not considered necessary. 2/

In addition to the above cited investigations and inquiries involving carbon steel products from the United Kingdom, many of the same products from other countries of the European Community and Japan are also subject to current Treasury Department investigations under the Antidumping Act, 1921, as amended. On January 18, 1978, the Treasury Department advised the U.S. International Trade Commission that carbon steel plates from Japan are being or are likely to be sold in the United States at less-than-fair- value, and on January 23, 1978, the U.S. International Trade Commission instituted investigation No. AA1921-179 to determine 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 into the United States. Selected data on current antidumping investigations and inquiries on carbon steel products before the Department of the Treasury and the U.S. International Trade Commission are presented in appendix G.

1/ See Treasury notices of investigations in app. E.

2/ See Treasury notices of investigations in app. F.

Note.-- This paragraph and the following paragraph appear in the report at the request of Commissioner Ablondi.

In the Federal Register of February 13, 1978 (43 F.R. 6065), the Treasury Department announced regulations applicable to the information required to be filed at the time of importation of certain articles of steel. As was there indicated, the Secretary intends to implement a "trigger price mechanism". This mechanism will consist of four parts: (1) the establishment of trigger prices for most steel mill products imported into the United States; (2) adoption of a new Special Summary Steel Invoice (SSSI) applicable to imports of all steel mill products; (3) the continuous collection and analysis of data concerning the cost of production and prices of steel mill products in the countries that are the principal exporters of such products to the United States, and the condition of the domestic steel industry; and (4) where appropriate, the expedited initiation and disposition of proceedings under the Antidumping Act, 1921, as amended, with respect to imports below the trigger prices. Continued on following page.

The Domestic Industry

General

Carbon steel bars and carbon steel strip are produced by 73 companies in over 150 plants located throughout the United States. 1/ The types of companies producing carbon steel bars and strip range from the giant integrated steel companies that produce both bars and strip as well as other iron and steel products to the small steel service centers or slitting firms that specialize in cutting steel strip to order from purchased sheets and coils.

Hot-rolled bars.--Three categories of producers roll carbon steel bars in the United States--integrated steel companies, mini steel mills, and steel rerollers (firms that purchase billets from domestic or foreign sources and roll these billets into bars). Fifty-three companies operate 87 mills that produce or are capable of producing carbon steel bars, according to the American Iron and Steel Institute directory of bar producers. 2/

The greatest concentration of bar mills is in the highly industrialized belt extending from Illinois through Ohio and into Pennsylvania; 43 of the 87 mills are located in these three States alone. Texas (7 mills) and California (5 mills) are also important bar producing states.

Note continued from page 11.

Effective February 21, 1978, importers must file with Customs the new SSSI form, which will be used to compare import prices with trigger prices. Steel products exported on or after the publication date of their "base" trigger prices will be monitored by Customs. The base prices for 17 of the 32 categories of products being compared by Customs were published in the Federal Register of January 9, 1978 (43 F.R. 1464), and the remaining base prices will be disclosed in the future. Treasury has also published a series of "extras"--to allow for differences in quality and dimensions--for 16 of the 17 steel mill products for which base prices were previously announced.

Among the 32 product categories for which trigger prices are being established are hot-rolled carbon bars, hot-rolled strip, and cold-rolled strip. Of these three categories, only the base price for hot-rolled carbon bars has been announced--\$308 per net ton (340 per metric ton). In addition, importation charges (i.e., freight, insurance, interest, and handling) on such bars have been announced: these charges range from \$35.40 per net ton on imports entering Pacific ports to \$59.13 per net ton on imports entering Great Lakes ports. The extras charges for hot-rolled carbon bars have not yet been announced, nor have the base prices for either hot- or cold-rolled strip.

1/ Numerous additional firms produce strip by slitting purchased sheets and coil.

2/ Stainless steel and alloy steel bar mills are not included in this classification.

Carbon steel bars and strip: Number of domestic companies and plants producing carbon steel bars and strip, and major geographic location of mills by States, 1977

Item	: Hot-rolled : bar mills	: Hot-rolled : strip mills	: Cold-rolled : strip mills
Total number of--	:	:	:
Firms-----	53 :	18 :	29
Mills-----	87 :	33 :	39
Number of States where mills are located-----	25 :	13 :	14
Geographic location:	:	:	:
Pennsylvania-----	17 :	7 :	9
Illinois-----	14 :	5 :	2
Ohio-----	12 :	5 :	6
Texas-----	7 :	- :	-
New York-----	4 :	2 :	3
California-----	5 :	2 :	1
Michigan-----	1 :	3 :	7
All other-----	23 :	10 :	11
	:	:	:

Source: American Iron and Steel Institute.

The 10 largest bar producers, based on tonnage, are: Armco Steel Corp. (4 mills); Bethlehem Steel Corp. (7 mills); CF & I Corp. (1 mill); Interlake, Inc. (2 mills); Jones and Laughlin Steel Co. (2 mills); North Star Steel Co. (1 mill); Nucor Corp. (3 mills); Republic Steel Corp. (6 mills); Sharon Steel Corp. (2 mills); and United States Steel Corp. (10 mills). North Star Steel and Nucor are both mini steel mills with restricted product lines, compared with the integrated steel mills. As a result, bars represent a larger proportion of the total output of Nucor and North Star in comparison with the larger more diversified bar producers.

Strip.--Domestic strip producers generally fall into two classifications: hot-rolled strip producers (18 companies operating 33 plants); and cold-rolled strip producers (29 companies operating 39 plants). The manufacturers that operate hot-rolled strip mills are primarily integrated steel companies, many of which are also the major hot-rolled bar producers. Only 2 of the 18 hot-rolled strip producers are not hot-rolled bar producers. In addition, 8 of the 29 cold-rolled strip producers are also hot-rolled strip and bar producers. Forty-nine carbon steel strip mills are located in the industrial belt running from Illinois to Pennsylvania (22 hot-rolled strip mills and 27 cold-rolled strip mills).

Hot-rolled bar producers often roll flat bars that fall within the dimensional limits, as specified by the TSUS, for strip. These companies are primarily bar producers and do not consider themselves to be in the hot-rolled strip business.

Many companies produce cold-rolled strip, either by cold rolling hot-rolled strip or by slitting cold-rolled sheet or coil. Because of the bifurcation existing in this industry, based on technology, it has not been possible to identify all producers of strip or to determine the quantity of strip that they produce. Published data on U.S. strip production may significantly understate U.S. production of strip, especially that share of output which is accounted for by independent slitters of sheet and coil.

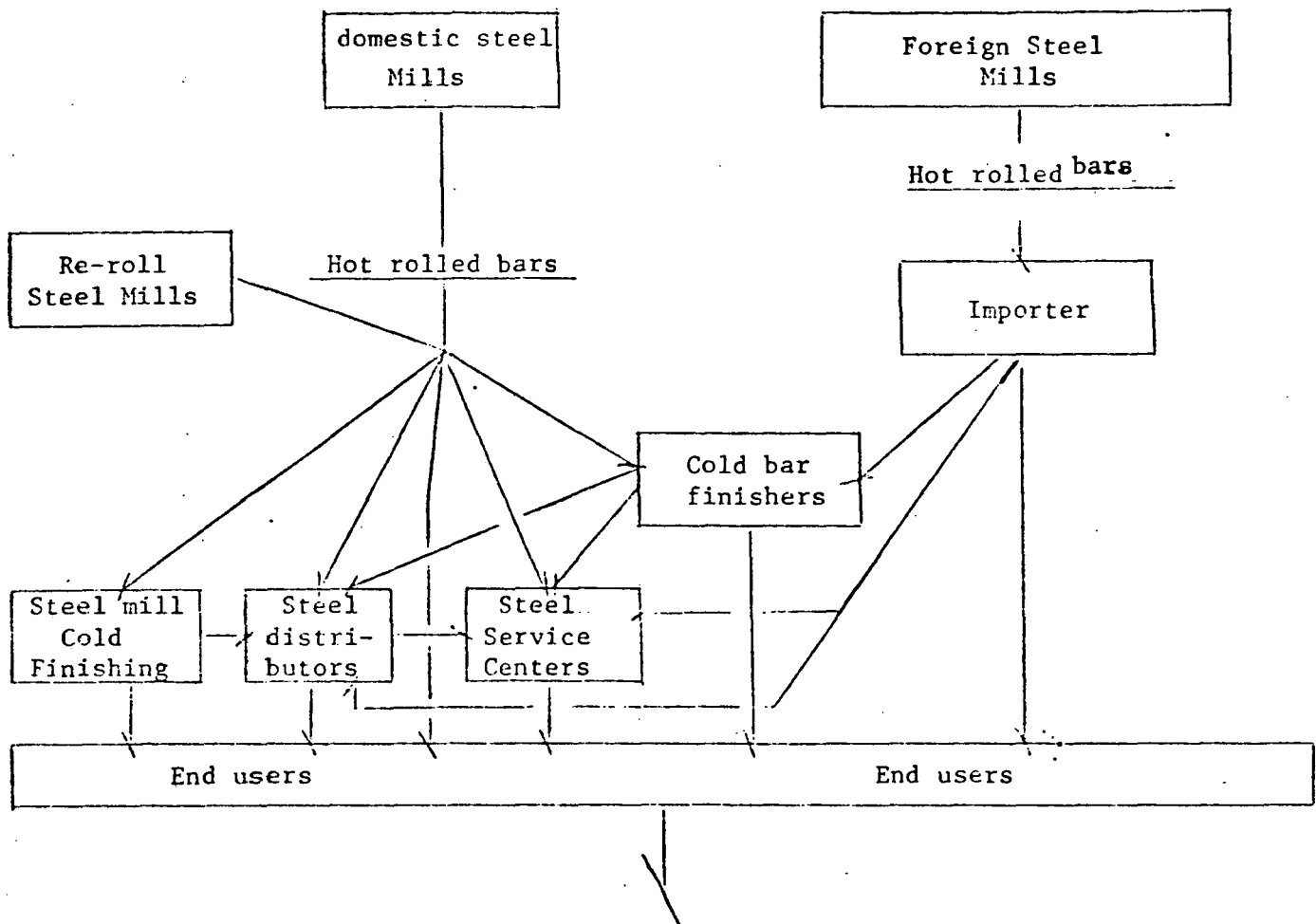
Channels of Distribution

Hot-rolled carbon steel bars and hot- and cold-rolled carbon steel strip move to the end-user market through a conglomeration of channels as shown in the diagram below. The bulk of the domestic steel mills' shipments are of merchant-quality bars. These bars generally move to the end-user market directly or through distributors and steel service centers. Special-quality grades of bars move through the same channels or to cold finishers who grind, turn, draw, or otherwise further process the bars to enhance the bar surface, physical properties, and dimensional specification; certain mills also perform this work and thereby add additional channels to the overall distribution system.

Thirty-two percent of all domestic bar shipments were sold directly to the automotive market in 1976. The automotive market is the largest bar market. Approximately 11 percent of all domestic hot-rolled bars were shipped to steel distributors or service centers.

The channels of distribution for carbon steel strip are similar to those for bars, except for the addition of a new channel, the strip-slitting firms. Steel service centers and slitters purchase sheets and coils from the importers or domestic steel mills and slit the steel to customer width requirements. In certain instances the customers may be distributors who stock standard-width strip for their customers.

Hot-rolled bars: Channels of distribution of domestic and imported hot-rolled carbon steel bars



While the channels of distribution discussed above for carbon steel bars and strip are numerous, they represent only a fraction of the total. Once bars and strip steel products enter the first level end-user markets the number of users and uses increases sharply as does the number of channels of distribution.

U.S. Consumption

As shown in the following table, about half of apparent U.S. consumption of carbon steel strip in 1977 was of hot-rolled strip and about half was of cold-rolled strip. Altogether, hot-rolled carbon steel bars accounted for three-quarters of the aggregate consumption of the products covered herein. Such consumption was 31 percent lower in 1975 than in 1974, and by 1977 had only recovered to 83 percent of the 1974 level (see table 1, app. A).

Hot-rolled carbon steel bars and hot- and cold-rolled carbon steel strip: Apparent U.S. consumption, 1974-77

(In 1,000 short tons)

Year	Carbon steel strip			Hot-rolled carbon steel bars	Total
	Hot-rolled	Cold-rolled	Total		
1974-----	1,314	1,236	2,550	7,788	10,338
1975-----	912	693	1,605	5,529	7,130
1976-----	1,142	880	2,022	5,835	7,856
1977-----	1,029	921	1,950	6,643	8,593

Source: Compiled from statistics of the American Iron and Steel Institute and official statistics of the U.S. Department of Commerce.

U.S. Producers' Shipments

As shown in the following table, U.S. producers' shipments of hot-rolled carbon steel bars accounted for about three-quarters of the total shipments of all products covered by these inquiries. In the aggregate, U.S. producers' shipments in 1975 were 31 percent below the 1974 level and in 1977 were still 19 percent below the 1974 level (see table 1).

Hot-rolled carbon steel bars and hot- and cold-rolled carbon steel
strip: U.S. producers' shipments, 1974-77

(In 1,000 short tons)

Year	Carbon steel strip			Hot-rolled carbon steel bars	Total
	Hot-rolled	Cold-rolled	Total		
1974-----	1,285	1,206	2,491	7,234	9,726
1975-----	888	671	1,559	5,180	6,735
1976-----	1,120	841	1,962	5,511	7,473
1977-----	999	882	1,881	5,987	7,868

Source: Compiled from statistics of the American Iron and Steel Institute.

U.S. Imports

U.S. imports from all sources

As shown in the table below and in tables 1 and 2, U.S. imports of the products covered by these inquiries fell by 43 percent between 1974 and 1976 but increased in tonnage by 76 percent in 1977. Total imports in 1977 were slightly higher than they had been in 1974. About 90 percent of the import tonnage in 1977 consisted of hot-rolled carbon steel bars.

Hot-rolled carbon steel bars and hot- and cold-rolled carbon steel
strip: U.S. imports for consumption, 1974-77

(In 1,000 short tons)

Year	Carbon steel strip			Hot-rolled carbon steel bars	Total
	Hot-rolled	Cold-rolled	Total		
1974-----	35	44	79	678	757
1975-----	26	26	52	419	741
1976-----	23	42	66	369	435
1977-----	32	42	74	691	765

Source: Compiled from official statistics of the U.S. Department of Commerce.

The ratio of total imports to apparent consumption, as shown in the table below and in tables 1 and 3, generally was higher in 1977 than in the preceding years. In each year, the ratio of imports of bars to apparent consumption was higher than were the ratios of imports of strip to apparent consumption.

Hot-rolled carbon steel bars and hot- and cold-rolled carbon steel strip:
 Ratios of total imports for consumption from all sources to apparent U.S.
 consumption, 1974-77

(In percent)					
Year	Carbon steel strip			Hot-rolled carbon steel bars	Total
	Hot-rolled	Cold-rolled	Total		
1974-----	2.6 :	3.6 :	3.1 :	8.7 :	7.3
1975-----	2.8 :	3.8 :	3.2 :	7.6 :	6.6
1976-----	2.0 :	4.8 :	3.2 :	6.3 :	5.5
1977-----	3.1 :	4.5 :	3.8 :	10.4 :	8.9

Source: Compiled from official statistics of the U.S. Department of Commerce.

In 1977, Japan, Canada and the United Kingdom accounted for 35.1, 21.5, and 15.5 percent of total U.S. imports, respectively, as shown in table 4. U.S. imports of hot-rolled carbon steel bars and hot- and cold-rolled carbon steel strip, by Tariff Schedules of the United States Annotated (TSUSA) item and by major sources are presented in tables 5 and 6.

U.S. imports from the United Kingdom

As shown in the following table and in tables 1 and 2, U.S. imports from the United Kingdom of the products covered by these inquiries were 82 percent greater in volume in 1977 than they had been in 1974. Hot-rolled carbon steel bars accounted for 97 percent of the subject imports from the United Kingdom and were responsible for the increasing volume of total imports from the United Kingdom. Imports from the United Kingdom of carbon steel strip, nearly all of which was cold rolled, were 38 percent less in 1977 than they had been in 1974.

Hot-rolled carbon steel bars and hot- and cold-rolled carbon steel strip: U.S. imports for consumption from the United Kingdom, 1974-77

(In 1,000 short tons)

Year	Carbon steel strip			Hot-rolled carbon steel bars	Total
	Hot-rolled	Cold-rolled	Total		
1974-----	2.4	3.9	6.4	58.9	65.2
1975-----	2.7	3.2	6.0	83.3	89.2
1976-----	.1	3.5	3.6	76.6	80.2
1977-----	.2	3.7	3.9	114.4	118.3

Source: Compiled from official statistics of the U.S. Department of Commerce.

The following table and tables 1 and 3 indicate that overall, imports from the United Kingdom of the products covered by these inquiries accounted for a growing share of U.S. apparent consumption during the period 1974-77, however, all of the increase was accounted for by hot-rolled carbon steel bars. In 1977, such imports accounted for 1.7 percent of domestic consumption, while imports of carbon steel strip from the United Kingdom accounted for only 0.2 percent of apparent U.S. consumption.

Hot-rolled carbon steel bars and hot- and cold-rolled carbon steel strip:
Ratio of imports from the United Kingdom to apparent U.S. consumption,
1974-77

(In percent)

Year	Carbon steel strip			Hot-rolled carbon steel bars	Total
	Hot-rolled	Cold-rolled	Total		
1974-----	0.2	0.3	0.2	0.8	0.6
1975-----	.3	.5	.4	1.5	1.3
1976-----	1/	.4	.2	1.3	1.0
1977-----	1/	.4	.2	1.7	1.4

1/ Less than 0.05 percent.

Source: Compiled from official statistics of the U.S. Department of Commerce.

The United Kingdom share of the imports of the products covered by these inquiries is shown in the following table. The data presented show that the United Kingdom accounted for an increasing share of total U.S. imports of all of the products covered by these inquiries as a result of its increasing imports of hot-rolled carbon steel bars. The United Kingdom's share of total U.S. imports of strip, however, is declining.

Hot-rolled carbon steel bars and hot- and cold-rolled carbon steel strip:
Share of total U.S. imports from all sources accounted for by imports
from the United Kingdom, 1974-77

(In percent)					
Year	Carbon steel strip			Hot-rolled carbon steel bars	Total
	Hot-rolled	Cold-rolled	Total		
1974-----	7.0	8.9	8.1	8.7	8.6
1975-----	10.6	12.4	11.5	19.9	19.0
1976-----	.3	8.3	5.5	20.8	18.5
1977-----	.7	9.0	5.3	16.5	15.5

Source: Compiled from official statistics of the U.S. Department of Commerce.

As indicated in table 4, Japan and Canada account for a greater volume of imports than the United Kingdom in all of the product categories listed above, and for certain strip categories, West Germany and Belgium are also more important suppliers than is the United Kingdom.

Hot-rolled bars, bar shapes, hot- and cold-rolled strip, and cold-rolled sheet

Tables 7 through 12 present data on U.S. producers' shipments, exports, imports and apparent U.S. consumption of carbon steel bars and light bar shapes and carbon steel strip and sheet. Although the addition of data on light bar shapes and sheet to the data previously presented for carbon steel bars and carbon steel strip makes each of the figures larger, sometimes substantially so, the trends remain the same as those previously presented. The ratios of imports from the United Kingdom to apparent U.S. consumption change by only a few tenths of a percent. For imports from other sources, the ratios become substantially larger with the inclusion of the additional product classes, as shown in the following table.

Ratio of imports from the United Kingdom and from all countries to apparent U.S. consumption, by categories, 1974-77

Year	Ratio of imports to apparent U.S. consumption of--						
	Hot-rolled:			Hot- and cold-:			
	Hot-rolled:	carbon	Hot- and	rolled carbon	Total,	Total, bars,	
	carbon	steel bars	cold-rolled	steel strip	bars	bar shapes,	
	steel	and	carbon	and cold-	and	strip, and	
	bars	light bar	steel strip	rolled carbon	strip	sheet	
		shapes		steel sheet			
Imports from the United Kingdom							
1974---	0.8	0.7	0.2	0.3	0.6	0.4	
1975---	1.5	1.4	.4	.5	1.3	.7	
1976---	1.3	1.2	.2	.2	1.0	.4	
1977---	1.7	1.5	.2	.3	1.4	.6	
Imports from all countries							
1974---	8.7	12.2	3.1	11.6	7.3	11.8	
1975---	7.6	9.1	3.2	13.1	6.6	12.0	
1976---	6.3	7.8	3.2	11.0	5.5	10.2	
1977---	10.4	12.1	3.8	15.1	8.9	14.3	

Source: Compiled from official statistics of the U.S. Department of Commerce.

The Market for Carbon Steel Bars in the North Central States ^{1/}

Hot-rolled carbon steel bars move into almost all markets in all parts of the United States. However, the North Central States--namely, Wisconsin, Illinois, Michigan, Indiana, Ohio, Minnesota, Iowa, Missouri, North Dakota, South Dakota, Nebraska, and Kansas receive the greatest quantity of shipments of carbon steel bars. The carbon steel bar markets are large and highly developed in this region because of the number of heavy industries concentrated there, i.e., automotive and machinery and equipment manufacturers. A complete system of railroads, super highways, some rivers, and four major ports of entry facilitate the movement of bars to the

^{1/} Counsel for Armco contended in the public hearing that the nature of the market for carbon steel bars warranted a separate examination of the Great Lakes area market for such articles; no similar contention has been made with regard to carbon steel strip. Data for the Great Lakes area separately are not available, but it is believed to be approximated by data for the North Central States. See the transcript of the hearing, p. 18.

bar buyers and users in the North Central States. As a result of this easy access and the concentration of industry, a greater quantity of carbon steel bar imports enters through the Great Lakes ports of Buffalo, Cleveland, Chicago, and Detroit than through any other ports in the United States.

An analysis of consumption in the North Central States based on port-of-entry data and domestic shipments into this region presents only a slightly different picture than does national consumption data. Imports of hot-rolled carbon steel bars into the North Central States during the first 9 months of 1977 amounted to 281,000 short tons, and domestic shipments to customers in that region amounted to 3.3 million short tons, resulting in apparent consumption for the region of about 3.5 million short tons. Imports of hot-rolled carbon steel bars accounted for about 7.9 percent of North Central States consumption, compared with a 10.4-percent ratio on a nationwide basis during the full year 1977. Imports from the United Kingdom into the North Central States amounted to 66,500 short tons in January-September 1977, or 1.9 percent of North Central States consumption, in contrast with a nationwide import-penetration ratio of 1.7 percent during the full year 1977.

The Market for Special-Quality Carbon Steel Bars

U.S. producers contend that only 20 percent of all domestic bars are of special quality; importers assert that virtually all of their bars are of special quality. On a nationwide basis, it is estimated, therefore, that in 1977, U.S. shipments of special-quality hot-rolled carbon steel bars amounted to 1.6 million short tons, while imports from all sources amounted to 765,000 short tons and imports from the United Kingdom amounted to 118,000 short tons. Apparent U.S. consumption of special-quality bars, on this basis, amounted to 2.3 million short tons. The ratio of imports from all sources to apparent U.S. consumption of special-quality bars would be about 32.7 percent, and the ratio of imports from the United Kingdom to apparent U.S. consumption would be 5.1 percent.

On the basis described above, only 652,000 short tons of U.S.-made special-quality carbon steel bars were shipped to the North Central States during January-September 1977. Imports into that region from all sources amounted to as much as 281,000 short tons, and apparent consumption of special-quality carbon steel bars amounted to an estimated 933,000 short tons. Imports from all sources accounted for an estimated 30 percent of apparent consumption in the North Central States in January-September 1977, and the corresponding ratio for imports from the United Kingdom is an estimated 7.1 percent.

Importers of Bars and Strip from the United Kingdom

U.S. Customs Service data for 1977 reveal that a number of firms imported hot-rolled carbon steel bars from the United Kingdom during the period January-September 1977. British Steel Corp. (BSC) Houston, Tex., however was the only importer to enter hot-rolled carbon steel bars in quantity.

The British Steel Corp. imports a full line of steel items, including hot-rolled carbon steel bars. BSC does not handle merchant-quality bars, however, and concentrates on the importation of forging-quality and free-machining-quality bars. British Steel Corp. (Houston) indicated that forging-quality bars are sold to only one distributor, * * *. These bars represent * * * percent of BSC's total hot-rolled carbon steel bar imports. The remaining hot-rolled carbon steel bars are all free-machining carbon steel bars.

U.S. Customs Service data for January-September 1977 also reveal that 27 importers actively entered carbon steel strip from the United Kingdom during that period. BSC is not a major source of U.S. imports of carbon steel strip.

The Bar and Strip Industries in the United Kingdom

The United Kingdom, similar to most other industrialized market economy countries, produced steel during the past 3 years at rates far below capacity. During the first 11 months of 1977, for example, the United Kingdom's rate of utilization of capacity to produce crude steel was about 69 percent, substantially less than that in the United States but some 5 percentage points greater than that of the European Community as a whole. Table 13 shows that U.K. shipments of hot-rolled carbon steel bars and carbon steel strip declined substantially from 1973 to 1975, recovered somewhat in 1976, and have since remained relatively stable. If it is assumed that the United Kingdom operated at close to capacity during the peak year 1973 and that its capacity to produce the steel items subject to these inquiries has not changed materially since that time, 1/ then during January-October 1977 the United Kingdom operated at utilization rates ranging from 70 percent on cold-rolled strip to 80 percent on hot-rolled bars.

Table 14 shows the potential of the United Kingdom to produce specified steel products during 1974-76, and the expected production potential for the years 1977-80. Although the products specified in the table differ from the definitions of the items under consideration in these inquiries, the table

1/ Most industrialized countries' production of steel peaked in 1974, but the United Kingdom's production in that year was curtailed by a labor strike. Thus 1973, especially the second half of the year, is generally considered as the most recent period during which the United Kingdom's steel industry operated at rates approximating full capacity.

does afford an indication of likely short-run developments in U.K. capacity to produce various rolled steel products. From the table and from conversations with officials of the British Steel Corp. and the British Independent Steel Producers Association, considered in conjunction with the currently depressed conditions prevailing throughout world steel markets, it appears unlikely that any substantial increases in U.K. capacity to produce hot-rolled carbon steel bars or carbon steel strip will take place in the next 2 or 3 years. 1/

The iron and steel industry of the United Kingdom is divided into a large Government-owned sector, i.e., the British Steel Corp., 2/ and a much smaller private sector consisting of some 120 firms. Although BSC supplies about 85 percent of the United Kingdom's total production of crude steel, the private sector accounts for a substantial share of production in certain product categories. For example, the private sector supplied the following percentages of total U.K. production of these nonalloy steel products in 1976: Bright steel bars--99 percent; light sections, rails, and hot-rolled bars (including reinforcing bars in lengths)--59 percent; hot-rolled carbon steel strip--18 percent, and cold-rolled carbon steel strip--76 percent.

As testified at the public hearing, in recent years BSC has accounted for almost all U.S. imports of hot-rolled carbon steel bars from the United Kingdom but for very few imports of carbon steel strip. 3/ BSC executives stated that the firm has two hot-rolled bar mills and one strip mill that produce the items under consideration in these inquiries. A multitude of much smaller firms in the private sector produce hot-rolled carbon steel bars and carbon steel strip.

British Steel Corp. (Houston) acts as the sole agent for BSC in the United States, selling only steel produced in BSC's mills in the United Kingdom. BSC (Houston) does not warehouse bars or strip but acts only as the importer to assure the proper and timely entry of orders destined for stock bins at customers' plants. Prior to 1968, the forerunners of BSC (U.K.) sold their products in the United States through a variety of agents

1/ * * *

2/ The BSC is the third largest crude steel producer in the world and the leading producer of government-owned steel in the market economies of the world. App. H presents an excerpt on the United Kingdom and BSC from a draft study by the Commission's staff entitled "A Survey and Analysis of Government Ownership in Market Economy Countries: A Study of Steel, Automobiles, and Iron Ore," January 1978.

3/ See the transcript of the hearing, p. 128.

and independent importers. In 1968, however, the ground work of organizing BSC started, and several importers, such as British Wide Flange, of Houston, Tex., were acquired. Later, the staffs of the different importing firms were consolidated in Houston.

Profitability of Selected U.S. Steel Producers, 1974-76

The industry

Financial data of steel companies ranging from the giant integrated U.S. Steel Corp. to the mini steel mills such as Nucor Corp. and Washington Steel Corp. are presented in tables 15 and 16. The profit-and-loss data shown therein are an amalgam of data obtained from public sources and used without benefit of financial notes or corrections for the various accounting procedures each source applied to its data. These data are presented with consideration for the variations within and between steel companies during the difficult economic period 1974 through 1976.

The gross income for the hot-rolled bar and strip producers declined from \$31.9 billion in 1974 to \$28.2 billion in 1975. This 11.6-percent drop was directly tied to the downturn in demand for steel during the 1974-75 recession; steel shipments by these 15 producers fell by 24.5 million short tons during this period. Steel shipments recovered somewhat in 1976 (by 7.6 million short tons), leading to improved revenues of \$30.6 billion (up 8.6 percent) in that year. However, overall operating profits declined each year from 15.5 percent of sales in 1974 to 9.2 percent in 1976. The net-income-to-sales ratio nearly halved, falling from 6.5 percent in 1974 to 3.7 percent in 1976. The first, third, fourth, and fifth columns in tables 15 and 16 explain, in part, the basis for these steel companies' poor performance, showing the deteriorating relationship between revenues and costs.

Shipments.--Based on shipments in 1974, the 15 steel producers appear to have reduced their capacity utilization by over 25 percent. ^{1/} As a result, all the indicators moved negatively with respect to their profitability.

While total shipments by domestic steel producers declined in 1975 relative to 1974, the share of total shipments by the producers shown in the tables also declined somewhat relative to total U.S. shipments of carbon steel products, which were also declining. The note on table 15 shows that shipments by the 15 companies fell from 89.2 percent of total domestic shipments in 1974 to 87.8 percent in 1976. One factor contributing to this modest drop in domestic market share by the 15 producers probably was the growing market penetration by new mini mills.

^{1/} Steel shipments during a peak period serve as a relative indicator of industry or company capacity. Shipments during 1974 were only slightly behind the level of shipments in 1973, which was a peak year.

Employment costs.--Because of the nature of a steel operation and modern worker-income-protecting contracts, such as Supplemental Unemployment Benefit Plans (SUB benefits), labor costs contribute heavily to declining steel mill profitability as capacity utilization decreases. The steel industry reduced its work force in 1974 and 1975, and many thousands of workers remained unemployed as late as January 1978. However, substantial payments continued to unemployed workers under the SUB program by the steel firms. As capacity utilization has fallen, therefore, the ratio of employment costs to revenues has risen. The 15-company average increased from 31.7 percent in 1974 to 37.4 percent in 1976.

Cost of goods sold.--The average overall cost of goods sold as a proportion of net sales and revenues rose from 75.3 percent in 1974 to 80.0 percent in 1976. The increase in this ratio is indicative of the rising costs of labor, raw materials, and energy without full cost pass-through. The ratio of cost of goods sold to income increased annually for all companies, with only three or four exceptions. Inland maintained the lowest ratios of cost of goods sold to revenue. The actual declines in such ratios for Inland can be attributed chiefly to the efficiencies of its modern mill facilities.

General sales and administrative costs.--General sales and administrative costs rose from 3.9 percent of net revenues in 1974 to 4.5 percent in 1975 and 4.6 percent in 1976, as revenues were reduced and sales costs such as expenses of keeping sales offices open and salesmen on the road increased substantially.

Company profits.--Individual company profits were generally down over the 1974-76 period. The actual declines varied considerably in size and some firms increased their net-income-to-revenue ratio in 1975 over 1974, as a result of the nature of the individual markets that they served. For example, a mill that sold plate to builders of off-shore oil rigs would not have cut back production during the recession because demand for this particular end use remained strong.

Profitability of Selected U.S. Steel Producers in 1976 and 1977

Total profitability models are provided for five companies--U.S. Steel Corp., Bethlehem Steel Corp., Armco Steel Corp., Inland Steel Corp., and Northwestern Steel and Wire Co. (see tables 17 through 27). These models are based on information obtained from 10-Q forms filed quarterly by these companies with the Securities and Exchange Commission. These five firms produce a range of steel products. With the exception of Northwestern, all five produce both hot-rolled carbon steel bars and carbon steel strip. Northwestern Steel and Wire operates a mini mill.

Returns on net worth and assets

Both financial indicators, return on net worth (RONW) and return on assets (ROA), are extremely weak for the selected five steel companies, as shown in the following table.

Return on assets and return on net worth ratios for selected domestic producers, January-September 1976 and January-September 1977

(In percent)					
Company	January-September 1976		January-September 1977		
	Return on assets	Return on net worth	Return on assets	Return on net worth	
Armco-----	0.02	0.03	0.01	0.01	
Bethlehem-----	.4	.5	1/	1/	
Inland Steel Corp-----	.9	.14	.7	.11	
Northwestern Steel and Wire Corp-----	.1	.11	.9	.9	
U.S. Steel Corp-----	.8	.9	.6	.7	

1/ Less than 0.01 percent.

Source: Securities and Exchange Commission, 10-Q Reports.

Debt and leverage

The five steel companies studied carried debts ranging from 5.2 percent to 35.8 percent of their total assets on September 30, 1977. Three of the five firms reported higher debt ratios on September 30, 1977, than they had reported on September 30, 1976, as shown below.

Ratios of debt to total assets for domestic steel producers, September 30, 1976 and September 30, 1977

(In percent)			
Company	September 30 of--		
	1976	1977	
Northwestern Steel and Wire Co-----	6.84	5.18	
U.S. Steel Corp-----	18.28	15.72	
Armco Steel Corp-----	24.00	25.21	
Bethlehem Steel Corp-----	21.58	25.59	
Inland Steel Corp-----	33.01	35.78	

Source: Securities and Exchange Commission, 10-Q reports.

Company profits

For each of the five steel firms studied, the level of profits in relation to net revenues in 1977 was lower than it had been in 1976. However, three firms--U.S. Steel Corp., Northwestern Steel and Wire, and Inland Steel--maintained levels of profit above 6 percent. Bethlehem Steel and Armco performed more poorly.

Ratios of net profit before taxes to net revenues for 5 domestic steel producers, January-September 1976 and January-September 1977

(In percent)

Company	January-September--	
	1976	1977
U.S. Steel Corp-----	17.11	12.67
Northwestern Steel and Wire Co-----	10.02	9.00
Inland Steel Corp-----	9.77	7.68
Armco Steel Corp-----	3.52	1.54
Bethlehem Steel Corp-----	7.80	.54

Source: Securities and Exchange Commission, 10-Q reports.

Some of Bethlehem's weakness is evidenced in the decline in the company's cash position, an increase in accounts receivable, and a major upward shift--from 85.8 percent to 92.7 percent--in the ratio of the cost of goods sold to revenues between January-September 1976 and January-September 1977.

Pricing Practices

The domestic steel producers

Domestic steel mills develop a price for each inquiry received from a prospective customer. The price is built up, starting from a published base price, through the addition of a myriad of "extras" charges ranging from quantity extras to metallurgical extras. The base-price list changes regularly (Armco has changed its base-price list three times since December 1974). In addition, discounting from the base-price list is common during periods of weak demand. Extras charges change less frequently. For example, Armco's dimensional extras for bars, established on May 21, 1974, did not change again until July 26, 1976. Domestic mills normally quote their prices f.o.b. the nearest shipping point, although the quote sometimes

includes delivery. U.S. steel mills also have a practice of using "price in effect on date of delivery pricing," often at additional cost to their buyers.

Importers

Upon inquiry, an importer selling to the U.S. market normally offers an approximate price and terms, provided the steel item is a standard one. This tentative bid is based on knowledge of mill and market conditions in the country of exportation. The importer then contacts the parent mills or, if the importer is an independent, several possible supplying mills for a current price. The terms and conditions vary from mill to mill and from product to product. All importers interviewed by the U.S. International Trade Commission staff stressed that carbon steel products produced by mills in European Community countries are priced based on supply and demand, in contrast to the fixed base-price system used by the U.S. steel producers. Once the importer obtains his quotes he confirms his bid to his customer by phone or teletype and follows that, if the bid is accepted, with a written contract. Foreign mill prices are quoted "firm," that is, there are no increases in the price to the customer, even though steel mill costs may escalate in the interim.

The British Steel Corp. (Houston) bids on potential business from standard price lists. BSC executives state that their prices do not vary from the price list in effect at the time of the price request from the customer.

Development of price data

Questionnaires requesting pricing data on common types and sizes of hot-rolled carbon steel bars and carbon steel strip were mailed to several domestic firms known to produce hot-rolled carbon steel bars or carbon steel strip. Questionnaires were also mailed to steel importers known to import the items being investigated. In an effort to develop comparative pricing information, importers who specialized in steel products from countries other than the United Kingdom were included in the mailing. Because of the time constraints of a 30-day inquiry, not all of the questionnaires have yet been received or tabulated.

Price comparisons.--British Steel Corp. provided price data on several types of carbon steel bars: forging-quality bars, leaded free-machining-quality bars, and unleaded (resulfurized) free-machining-quality bars. Limited data on comparable products were supplied by two U.S. producers--Armco Steel Corp., and Republic Steel Corp.

However, accurate price comparisons on identical products cannot be made. The specific chemistries or the dimensions of the bars sold in the U.S. market by British Steel Corp., Republic Steel Corp., and Armco Steel

Corp., for which the Commission obtained pricing data, are too diverse. The price data obtained by the Commission are presented in table 28. A representative of British Steel Corp., in testimony before the Commission, stated that its prices in the U.S. market have been 5 to 10 percent below U.S. producers' prices, ^{1/} but that they have also been 5 to 30 percent above the prices for carbon steel bars imported from other sources.

Unit values for hot-rolled carbon steel bar imports from the United Kingdom, Japan, Canada, West Germany, and Belgium are presented in table 5. Unit values can at best allow only a rough comparison of the foreign values of imports because of potential variations in product mix. The data, however, do indicate that bars imported from the United Kingdom were generally higher in unit value than those from most other foreign suppliers in 1977, although carbon steel bars from West Germany were slightly higher in unit value than those from the United Kingdom. Also, imports from the United Kingdom of flats, rounds, and other bars have trended upward in unit value while bars from other suppliers have moved downward irregularly in unit value.

The unit values of U.S. imports of carbon steel strip are presented in table 6 and indicate that the strip obtained from the United Kingdom in 1977 was substantially higher in unit value than was strip from any of the other foreign sources listed. The lowest valued imports were from Belgium; imports from Japan, Canada, and West Germany were valued between the Belgian imports and those from the United Kingdom.

Results of the U.S. International Trade Commission's Questionnaire Responses

The U.S. International Trade Commission mailed questionnaires to a limited number of U.S. steel producers requesting data on their shipments and inventories of hot-rolled carbon steel bars and hot- and cold-rolled carbon steel strip, employment related to the production of such merchandise, and financial data related to the production and sale of such merchandise. U.S. producers that accounted for ***percent of the U.S. producers' shipments of hot-rolled carbon steel bars and ***percent of total U.S. producers' shipments of hot- and cold-rolled carbon steel strip responded to the questionnaires with usable information. In addition, those firms and others provided the Commission with information on lost sales.

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^{1/} See the transcript of the hearing, p. 129.

Evidence of Lost Sales

In connection with the Commission's inquiries, the British Steel Corp., the largest supplier of hot-rolled carbon steel bars from the United Kingdom, supplied the Commission with its U.S. customer list. The list consists of 12 U.S. purchasers. * * *

Armco Steel Corp supplied the Commission with its sales of carbon steel products to the firms that had been listed as customers by the British Steel Corp. In some cases, Armco's sales to these firms declined between 1974 and 1977, and in some cases they increased. However, the data presented included all carbon steel products and was not limited to sales of bars and strip. In addition, Armco supplied the Commission with a listing of names of consignees from ships manifests for imports of carbon steel bars and bar shapes and carbon strip and sheet from the United Kingdom. It also provided the Commission with data on Armco's sales to those firms in 1975 and 1977. * * *.

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APPENDIX 1

Statistical Tables

Table 1.--Hot-rolled carbon steel bars and hot- and cold-rolled carbon steel strip: U.S. producers' shipments, exports of domestic merchandise, imports for consumption, and apparent consumption, by categories, 1974-77

Category and year	U.S. producers' shipments	U.S. exports	U.S. imports			Apparent U.S. consumption	Ratio to apparent U.S. con- sumption of imports from--		
			From the United Kingdom	From all other sources	Total		The United Kingdom	All other sources	All sources
	Short tons	Short tons	Short tons	Short tons	Short tons		Percent	Percent	Percent
Hot-rolled carbon steel bars and hot- and cold-rolled carbon steel strip:									
1974-----	9,725,931	145,103	65,239	691,589	756,828	10,337,656	0.6	6.7	7.3
1975-----	6,734,863	75,987	89,234	381,477	470,711	7,129,587	1.3	5.3	6.6
1976-----	7,472,702	50,799	80,235	354,356	434,591	7,856,494	1.0	4.5	5.5
1977-----	<u>1/</u> 7,867,664	<u>1/</u> 39,691	118,314	647,030	765,344	8,593,317	1.4	7.5	8.9
Hot-rolled carbon steel bars:									
1974-----	7,234,451	124,622	58,870	618,929	677,799	7,787,628	.8	7.9	8.7
1975-----	5,180,474	69,932	83,252	335,389	418,641	5,529,183	1.5	6.1	7.6
1976-----	5,510,921	45,251	76,623	292,425	369,048	5,834,718	1.3	5.0	6.3
1977-----	<u>1/</u> 5,986,861	<u>1/</u> 34,870	114,383	577,034	691,417	6,643,408	1.7	8.7	10.4
Hot- and cold-rolled carbon steel strip:									
1974-----	2,491,480	20,481	6,369	72,660	79,029	2,550,028	.2	2.9	3.1
1975-----	1,559,389	6,055	5,982	46,088	52,070	1,605,404	.4	2.8	3.2
1976-----	1,961,781	5,548	3,612	61,931	65,543	2,021,776	.2	3.0	3.2
1977-----	<u>1/</u> 1,880,803	<u>1/</u> 4,821	3,931	69,996	73,927	1,949,909	.2	3.6	3.8
Hot-rolled carbon steel strip:									
1974-----	1,284,933	5,610	2,444	32,244	34,688	1,314,011	.2	2.4	2.6
1975-----	888,411	2,210	2,742	23,134	25,876	912,077	.3	2.5	2.8
1976-----	1,120,423	1,920	68	23,022	23,090	1,141,593	<u>2/</u>	2.0	2.0
1977-----	<u>1/</u> 998,676	<u>1/</u> 1,895	212	32,178	32,390	1,029,171	<u>2/</u>	3.1	3.1
Cold-rolled carbon steel strip:									
1974-----	1,206,547	14,871	3,925	40,416	44,341	1,236,017	.3	3.3	3.6
1975-----	670,978	3,845	3,240	22,954	26,194	693,327	.5	3.3	3.8
1976-----	841,358	3,628	3,544	38,909	42,453	880,183	.4	4.4	4.8
1977-----	<u>1/</u> 882,127	<u>1/</u> 2,926	3,719	37,818	41,537	920,738	.4	4.1	4.5

1/ Partly estimated on the basis of data available for January-November 1977.

2/ Less than 0.05 percent.

Source: U.S. shipments and exports compiled from shipment and export statistics of the American Iron and Steel Institute, except as noted; imports compiled from official statistics of the U.S. Department of Commerce.

Table 2.--Hot-rolled carbon steel bars and hot- and cold-rolled carbon steel strip: U.S. imports for consumption, by categories and by principal sources, 1974-77

(In short tons)

Category and year	United Kingdom	Japan	Canada	West Germany	Belgium	All other sources	Total
Hot-rolled carbon steel bars and hot- and cold-rolled carbon steel strip:							
1974-----	65,239	222,177	51,576	150,814	106,980	160,042	756,828
1975-----	89,234	128,640	31,678	76,863	45,899	98,397	470,711
1976-----	80,235	182,437	58,231	21,735	29,213	62,740	434,591
1977-----	118,314	268,150	164,872	30,649	55,451	127,908	765,344
Hot-rolled carbon steel bars:							
1974-----	58,870	209,903	37,960	122,695	100,886	147,485	677,799
1975-----	83,252	111,918	22,138	64,304	43,658	93,371	418,641
1976-----	76,623	166,260	41,271	5,269	25,418	54,207	369,048
1977-----	114,383	249,758	146,475	12,683	51,270	116,848	691,417
Hot- and cold-rolled carbon steel strip:							
1974-----	6,369	12,274	13,616	28,119	6,094	12,557	79,029
1975-----	5,982	16,722	9,540	12,559	2,241	5,026	52,070
1976-----	3,612	16,177	16,960	16,466	3,795	8,533	65,543
1977-----	3,931	18,392	18,397	17,966	4,181	11,060	73,927
Hot-rolled carbon steel strip:							
1974-----	2,444	6,464	7,698	6,465	5,774	5,843	34,688
1975-----	2,742	11,145	5,182	3,761	2,241	805	25,876
1976-----	68	7,458	5,641	2,447	2,900	4,576	23,090
1977-----	212	10,301	6,379	4,181	4,088	7,229	32,390
Cold-rolled carbon steel strip:							
1974-----	3,925	5,810	5,918	21,654	320	6,714	44,341
1975-----	3,240	5,577	4,358	8,798	0	4,221	26,194
1976-----	3,544	8,719	11,319	14,019	895	3,957	42,453
1977-----	3,719	8,091	12,018	13,785	93	3,831	41,537

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table 3.--Hot-rolled carbon steel bars and hot- and cold-rolled carbon steel strip: Ratios of U.S. imports for consumption to apparent U.S. consumption, by categories and by principal sources, 1974-77

(In percent)							
Category and year	United Kingdom	Japan	Canada	West Germany	Belgium	All other sources	Total
Hot-rolled carbon steel bars and hot- and cold-rolled carbon steel strip:							
1974-----	0.6	2.2	0.5	1.5	1.0	1.5	7.3
1975-----	1.3	1.8	.4	1.1	.6	1.4	6.6
1976-----	1.0	2.3	.7	.3	.4	.8	5.5
1977-----	1.4	3.1	1.9	.4	.6	1.5	8.9
Hot-rolled carbon steel bars:							
1974-----	.8	2.6	.5	1.6	1.3	1.9	8.7
1975-----	1.5	2.0	.4	1.2	.8	1.7	7.6
1976-----	1.3	2.9	.7	.1	.4	.9	6.3
1977-----	1.7	3.7	2.2	.2	.8	1.8	10.4
Hot- and cold-rolled carbon steel strip:							
1974-----	.2	.5	.5	1.2	.2	.5	3.1
1975-----	.4	1.0	.6	.8	.1	.3	3.2
1976-----	.2	.8	.8	.8	.2	.4	3.2
1977-----	.2	.9	1.0	.9	.2	.6	3.8
Hot-rolled carbon steel strip:							
1974-----	.2	.5	.6	.5	.4	.4	2.6
1975-----	.3	1.2	.6	.4	.2	.1	2.8
1976-----	<u>1/</u>	.6	.5	.2	.3	.4	2.0
1977-----	<u>1/</u>	1.0	.6	.4	.4	.7	3.1
Cold-rolled carbon steel strip:							
1974-----	.3	.5	.5	1.8	<u>1/</u>	.5	3.6
1975-----	.5	.8	.6	1.3	-	.6	3.8
1976-----	.4	1.0	1.3	1.6	.1	.4	4.8
1977-----	.4	.9	1.3	1.5	<u>1/</u>	.4	4.5

1/ Less than 0.05 percent.

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table 4.--Hot-rolled carbon steel bars and hot- and cold-rolled carbon steel strip: Percentage distribution of U.S. imports for consumption, by categories and by principal sources, 1974-77

(In percent)

Category and year	United Kingdom	Japan	Canada	West Germany	Belgium	All other sources	Total
Hot-rolled carbon steel bars and hot- and cold-rolled carbon steel strip:							
1974-----	8.6	29.5	6.8	19.9	14.1	21.1	100.0
1975-----	19.0	27.3	6.7	16.3	9.8	20.9	100.0
1976-----	18.5	42.0	13.4	5.0	6.7	14.4	100.0
1977-----	15.5	35.1	21.5	4.0	7.2	16.7	100.0
Hot-rolled carbon steel bars:							
1974-----	8.7	30.9	5.6	18.1	14.9	21.8	100.0
1975-----	19.9	26.7	5.3	15.4	10.4	22.3	100.0
1976-----	20.8	45.0	11.2	1.4	6.9	14.7	100.0
1977-----	16.5	36.2	21.2	1.8	7.4	16.9	100.0
Hot- and cold-rolled carbon steel strip:							
1974-----	8.1	15.5	17.2	35.6	7.7	15.9	100.0
1975-----	11.5	32.1	18.3	24.1	4.3	9.7	100.0
1976-----	5.5	24.7	25.9	25.1	5.8	13.0	100.0
1977-----	5.3	24.8	24.9	24.3	5.7	15.0	100.0
Hot-rolled carbon steel strip:							
1974-----	7.0	18.7	22.3	18.6	16.6	16.8	100.0
1975-----	10.6	43.1	20.0	14.5	8.7	3.1	100.0
1976-----	.3	32.3	24.4	10.6	12.6	19.8	100.0
1977-----	.7	31.8	19.7	12.9	12.6	22.3	100.0
Cold-rolled carbon steel strip:							
1974-----	8.9	13.1	13.3	48.9	.7	15.1	100.0
1975-----	12.4	21.3	16.6	33.6	-	16.1	100.0
1976-----	8.3	20.5	26.7	33.1	2.1	9.3	100.0
1977-----	9.0	19.5	28.9	33.2	.2	9.2	100.0

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table 5.--Hot-rolled carbon steel bars: U.S. imports for consumption, by categories and TSUSA items, and by principal sources, 1974-77

Source and year	Hot-rolled carbon steel bars					
	Valued not over 5 cents			Valued over 5 cents		
	per pound			per pound		
	Flats	Rounds	Other	Flats	Rounds	Other
	(608.4520)	(608.4540)	(608.4560)	(608.4620)	(608.4640)	(608.4660)
Quantity (short tons)						
United Kingdom:						
1974-----	0	0	0	2,885	40,682	15,303
1975-----	0	2,376	0	1,010	67,559	12,307
1976-----	0	0	0	258	57,899	18,466
1977-----	0	0	0	1,343	92,060	20,980
Japan:						
1974-----	0	0	0	98,948	94,566	16,389
1975-----	0	0	0	37,015	57,094	17,809
1976-----	0	0	0	101,822	49,016	15,422
1977-----	0	0	57	136,115	94,637	18,949
Canada:						
1974-----	0	0	0	12,514	19,640	5,806
1975-----	0	0	0	6,606	11,050	4,482
1976-----	0	0	0	11,308	10,639	19,324
1977-----	155	0	614	21,948	24,139	99,619
West Germany:						
1974-----	0	0	0	73,171	41,676	7,848
1975-----	0	0	0	32,478	26,820	5,006
1976-----	0	0	0	1,314	2,418	1,537
1977-----	0	0	0	1,773	7,895	3,015
Belgium:						
1974-----	0	0	0	56,994	22,548	21,344
1975-----	0	0	0	19,644	10,468	13,546
1976-----	0	0	0	13,706	6,041	5,671
1977-----	27	0	0	31,138	9,334	10,771
All other:						
1974-----	322	905	158	88,400	39,379	18,322
1975-----	234	120	4	61,160	21,470	10,379
1976-----	193	61	42	36,701	5,957	11,251
1977-----	0	0	69	46,799	36,862	33,118
Total:						
1974-----	322	905	158	332,912	258,490	85,012
1975-----	234	2,496	4	157,917	194,461	63,529
1976-----	193	61	42	165,111	131,970	71,671
1977-----	182	0	740	239,116	264,927	186,452

See footnotes at end of table.

Table 5.--Hot-rolled carbon steel bars: U.S. imports for consumption, by categories and TSUSA items, and by principal sources, 1974-77--Continued

Source and year	Hot-rolled carbon steel bars						
	Valued not over 5 cents			Valued over 5 cents			
	per pound			per pound			
	Flats	Rounds	Other	Flats	Rounds	Other	
	(608.4520)	(608.4540)	(608.4560)	(608.4620)	(608.4640)	(608.4660)	
	Value (1,000 dollars)						
United Kingdom:							
1974-----	-	-	-	752	8,236	3,251	
1975-----	-	61	-	308	15,803	3,013	
1976-----	-	-	-	75	14,969	4,983	
1977-----	-	-	-	401	25,568	6,163	
Japan:							
1974-----	-	-	-	31,520	22,043	4,594	
1975-----	-	-	-	12,113	16,919	6,611	
1976-----	-	-	-	19,417	11,929	4,070	
1977-----	-	-	26	25,654	25,614	5,100	
Canada:							
1974-----	-	-	-	3,218	4,666	1,424	
1975-----	-	-	-	1,954	2,885	1,174	
1976-----	-	-	-	2,853	2,475	3,585	
1977-----	13	-	26	5,578	5,903	16,119	
West Germany:							
1974-----	-	-	-	23,336	13,410	2,813	
1975-----	-	-	-	8,242	10,517	2,121	
1976-----	-	-	-	347	671	361	
1977-----	-	-	-	404	2,220	918	
Belgium:							
1974-----	-	-	-	18,552	7,078	7,168	
1975-----	-	-	-	5,269	2,862	4,448	
1976-----	-	-	-	2,860	1,229	1,252	
1977-----	2	-	-	5,879	1,767	2,059	
All other:							
1974-----	26	70	8	28,360	11,731	6,473	
1975-----	6	12	/	15,018	5,571	2,750	
1976-----	13	5	4	7,151	1,357	2,333	
1977-----	-	-	3	8,016	8,400	6,533	
Total:							
1974-----	26	70	8	105,738	67,164	25,723	
1975-----	6	73	/	42,904	54,559	20,117	
1976-----	13	5	4	32,703	32,630	16,584	
1977-----	15	-	55	45,932	69,472	36,892	

See footnotes at end of table.

Table 5.--Hot-rolled carbon steel bars: U.S. imports for consumption, by categories and TSUSA items, and by principal sources, 1974-77--Continued

Source and year	Hot-rolled carbon steel bars					
	Valued not over 5 cents			Valued over 5 cents		
	per pound			per pound		
	Flats	Rounds	Other	Flats	Rounds	Other
	(608.4520)	(608.4540)	(608.4560)	(608.4620)	(608.4640)	(608.4660)
	Unit value (per short ton)					
United Kingdom:						
1974-----	-	-	-	\$261	\$202	\$212
1975-----	-	\$26	-	305	234	245
1976-----	-	-	-	291	259	270
1977-----	-	-	-	299	278	294
Japan:						
1974-----	-	-	-	319	233	280
1975-----	-	-	-	327	296	371
1976-----	-	-	-	191	243	264
1977-----	-	-	\$456	188	271	269
Canada:						
1974-----	-	-	-	257	238	245
1975-----	-	-	-	296	261	262
1976-----	-	-	-	252	233	186
1977-----	\$84	-	42	254	245	162
West Germany:						
1974-----	-	-	-	319	322	358
1975-----	-	-	-	254	392	424
1976-----	-	-	-	264	278	235
1977-----	-	-	-	228	281	304
Belgium:						
1974-----	-	-	-	326	314	336
1975-----	-	-	-	268	273	328
1976-----	-	-	-	209	203	221
1977-----	74	-	-	189	189	191
All other:						
1974-----	81	77	51	321	298	353
1975-----	26	100	<u>2/</u>	246	259	265
1976-----	67	82	95	195	228	207
1977-----	-	-	43	171	228	197
Total:						
1974-----	81	77	51	318	260	303
1975-----	26	29	<u>2/</u>	272	281	317
1976-----	67	82	95	198	247	231
1977-----	82	-	74	192	262	198

1/ Less than 0.5 short ton.

2/ Not available.

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table 6.-- Hot- and cold-rolled carbon steel strip: U.S. imports for consumption, by categories and TSUSA items, and by principal sources, 1974-77

Source and year	Hot-rolled carbon steel strip			Cold-rolled carbon steel strip		
	Not over 0.01 inch in thickness (609.0220)	Over 0.01 but not over 0.05 inch in thickness (609.0320)	Over 0.05 inch in thickness (609.0420)	Not over 0.01 inch in thickness (609.0240)	Over 0.01 but not over 0.05 inch in thickness (609.0340)	Over 0.05 inch in thickness (609.0440)
	Quantity (short tons)					
United Kingdom:						
1974-----	0	2,220	224	154	3,088	683
1975-----	0	2,742	0	99	2,631	510
1976-----	0	68	0	200	2,680	664
1977-----	0	2	210	45	2,980	694
Japan:						
1974-----	0	3,328	3,136	328	4,874	608
1975-----	103	610	10,432	535	4,300	742
1976-----	0	546	6,912	624	5,224	2,871
1977-----	11	904	9,386	862	6,192	1,037
Canada:						
1974-----	0	535	7,163	0	4,778	1,140
1975-----	0	306	4,876	0	3,836	522
1976-----	0	438	5,203	0	9,365	1,954
1977-----	<u>1/</u>	467	5,912	33	9,988	1,997
West Germany:						
1974-----	58	128	6,279	1,572	19,140	942
1975-----	47	0	3,714	1,166	6,738	894
1976-----	60	0	2,387	1,722	11,493	804
1977-----	14	173	3,994	3,966	9,526	293
Belgium:						
1974-----	0	0	5,774	0	320	0
1975-----	0	114	2,127	0	0	0
1976-----	0	0	2,900	0	0	895
1977-----	0	0	4,088	8	5	80
All other:						
1974-----	74	89	5,680	1,498	3,971	1,245
1975-----	48	84	673	1,038	2,545	638
1976-----	22	132	4,422	1,097	2,460	400
1977-----	<u>1/</u>	107	7,122	794	2,577	460
Total:						
1974-----	132	6,300	28,256	3,552	36,171	4,618
1975-----	198	3,856	21,822	2,838	20,050	3,306
1976-----	82	1,184	21,824	3,643	31,222	7,588
1977-----	25	1,653	30,712	5,708	31,268	4,561

Table 6.--Hot- and cold- rolled carbon steel strip: U.S. imports for consumption, by categories and TSUSA items, and by principal sources, 1974-77--Continued

Source and year	Hot-rolled carbon steel strip			Cold-rolled carbon steel strip		
	Not over	Over 0.01		Not over	Over 0.01	
	0.01	but not	Over 0.05	0.01	but not	Over 0.05
	inch in	over 0.05	inch in	inch in	over 0.05	inch in
	thickness	inch in	thickness	thickness	inch in	thickness
	(609.0220)	thickness	(609.0420)	(609.0240)	thickness	(609.0440)
		(609.0320)			(609.0340)	
	Value (1,000 dollars)					
United Kingdom:						
1974-----	-	614	144	159	2,163	500
1975-----	-	679	-	103	2,322	403
1976-----	-	105	-	257	2,585	534
1977-----	-	2	61	86	2,931	736
Japan:						
1974-----	-	802	1,066	392	1,562	203
1975-----	236	210	2,472	747	1,731	237
1976-----	-	180	1,579	850	2,152	686
1977-----	34	324	2,160	1,314	3,113	388
Canada:						
1974-----	-	166	2,131	-	1,674	302
1975-----	-	123	1,201	-	1,585	184
1976-----	-	184	1,439	-	4,126	557
1977-----	3	184	1,713	19	4,485	775
West Germany:						
1974-----	71	71	2,258	1,933	6,957	481
1975-----	64	-	1,636	1,579	3,756	533
1976-----	76	-	1,068	1,850	5,870	383
1977-----	20	96	1,406	4,727	5,873	316
Belgium:						
1974-----	-	-	1,982	-	133	-
1975-----	-	61	637	-	-	-
1976-----	-	-	684	-	-	208
1977-----	-	-	907	11	8	32
All other:						
1974-----	112	56	1,384	2,872	5,766	849
1975-----	93	99	190	2,473	4,649	518
1976-----	22	131	981	2,700	4,768	313
1977-----	1	52	1,531	2,453	5,459	462
Total:						
1974-----	183	1,709	8,965	5,356	18,255	2,335
1975-----	393	1,172	6,136	4,902	14,043	1,875
1976-----	98	600	5,751	5,657	19,501	2,681
1977-----	58	658	7,778	8,610	21,869	2,709

See footnotes at end of table.

Table 6.--Hot- and cold-rolled carbon steel strip: U.S. imports for consumption, by categories and TSUSA items, and by principal sources, 1974-77--Continued

Source and year	Hot-rolled carbon steel strip			Cold-rolled carbon steel strip		
	Not over 0.01 inch in thickness (609.0220)	Over 0.01 : but not over 0.05 inch in thickness (609.0320)	Over 0.05 : inch in thickness (609.0420)	Not over 0.01 inch in thickness (609.0240)	Over 0.01 : but not over 0.05 inch in thickness (609.0340)	Over 0.05 : inch in thickness (609.0440)
	Unit value (per short ton)					
United Kingdom:						
1974-----	-	\$277	\$643	\$1,032	\$700	\$732
1975-----	-	248	-	1,040	883	790
1976-----	-	1,544	-	1,285	965	804
1977-----	-	1,000	290	1,911	984	1,061
Japan:						
1974-----	-	241	340	1,195	320	334
1975-----	\$2,291	344	237	1,396	403	319
1976-----	-	330	228	1,362	412	239
1977-----	3,091	358	230	1,524	503	374
Canada:						
1974-----	-	310	298	-	350	265
1975-----	-	402	246	-	413	352
1976-----	-	420	277	-	441	285
1977-----	2/	394	290	576	449	388
West Germany:						
1974-----	1,224	555	360	1,230	363	511
1975-----	1,362	-	440	1,354	557	596
1976-----	1,267	-	447	1,074	511	476
1977-----	1,429	555	352	1,192	617	1,078
Belgium:						
1974-----	-	-	343	-	416	-
1975-----	-	535	299	-	-	-
1976-----	-	-	236	-	-	232
1977-----	-	-	222	1,375	1,600	400
All other:						
1974-----	1,514	629	244	1,917	1,452	682
1975-----	1,938	1,179	282	2,382	1,827	812
1976-----	1,000	992	222	2,461	1,938	783
1977-----	2/	486	215	3,089	2,118	1,004
Total:						
1974-----	1,386	271	317	1,508	505	505
1975-----	1,985	304	281	1,727	700	567
1976-----	1,195	507	264	1,553	625	353
1977-----	2,320	398	253	1,508	699	594

1/ Less than 0.5 short ton.

2/ Not available.

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table 7--Hot-rolled carbon steel bars (and light bar shapes) and hot- and cold-rolled carbon steel strip (and cold-rolled carbon steel sheet): U.S. producers' shipments, exports of domestic merchandise, imports for consumption, and apparent consumption, by categories, 1974-77

Category and year	U.S. producers' shipments	U.S. exports	U.S. imports			Apparent U.S. consumption	Ratio to apparent U.S. con- sumption of imports from--		
			From the	From all	Total		The	All	All
			United Kingdom	other sources			United Kingdom	other sources	sources
	Short tons	Short tons	Short tons	Short tons	Short tons	Short tons	Percent	Percent	Percent
Hot-rolled carbon steel bars, light bar shapes, hot- and cold-rolled carbon steel strip, and cold-rolled carbon steel sheet, total:									
1974-----	28,446,796	445,374	137,278	3,608,622	3,745,900	31,747,322	0.4	11.4	11.8
1975-----	20,042,972	159,347	166,426	2,538,573	2,704,999	22,588,624	.7	11.3	12.0
1976-----	26,115,008	231,396	123,476	2,826,185	2,949,661	28,833,273	.4	9.8	10.2
1977-----	1/26,326,748	1/152,641	194,047	4,166,109	4,360,156	30,534,263	.6	13.7	14.3
Hot-rolled carbon steel bars and light bar shapes:									
1974-----	8,216,083	155,104	64,585	1,054,659	1,119,244	9,180,223	.7	11.5	12.2
1975-----	5,916,317	93,811	88,090	497,740	585,830	6,408,336	1.4	7.7	9.1
1976-----	6,352,887	67,296	83,432	449,958	533,390	6,818,981	1.2	6.6	7.8
1977-----	1/7,002,641	1/43,052	116,152	838,457	954,609	7,914,198	1.5	10.6	12.1
Hot- and cold-rolled carbon steel strip and cold-rolled carbon steel sheet:									
1974-----	20,230,713	290,270	72,693	2,553,963	2,626,656	22,567,099	.3	11.3	11.6
1975-----	14,126,655	65,536	78,336	2,040,833	2,119,169	16,180,288	.5	12.6	13.1
1976-----	19,762,121	164,100	40,044	2,376,227	2,416,271	22,014,292	.2	10.8	11.0
1977-----	1/19,324,107	1/109,589	77,895	3,327,652	3,405,547	22,620,065	.3	14.8	15.1

1/ Partly estimated on the basis of data available for January-November 1977.

Source: U.S. shipments and exports compiled from shipment and export statistics of the American Iron and Steel Institute, except as noted imports compiled from official statistics of the U.S. Departmtne of Commerce.

Table 8.--Hot-rolled carbon steel bars (and light bar shapes) and hot- and cold-rolled carbon steel strip (and cold-rolled carbon steel sheet): U.S. imports for consumption, by categories and by principal sources, 1974-77

(In short tons)							
Category and year	United Kingdom	Japan	Canada	West Germany	Belgium	All other sources	Total
Hot-rolled carbon steel bars, light bar shapes, hot- and cold-rolled carbon steel strip, and cold-rolled carbon steel sheets, total:							
1974-----	137,278	1,256,459	93,546	752,035	456,097	1,050,485	3,745,900
1975-----	166,426	890,286	67,163	380,757	220,507	979,860	2,704,999
1976-----	123,476	1,503,180	100,498	241,372	116,030	865,110	2,949,661
1977-----	194,047	1,471,404	256,468	788,162	427,238	1,222,837	4,360,156
Hot-rolled carbon steel bars and light bar shapes:							
1974-----	64,585	421,331	55,742	164,335	233,198	180,053	1,119,244
1975-----	88,090	177,072	33,691	72,666	72,825	141,486	585,830
1976-----	83,432	264,018	57,994	11,743	42,019	74,189	533,390
1977-----	116,152	418,993	177,397	15,577	84,799	141,691	954,609
Hot- and cold-rolled carbon steel strip and cold-rolled carbon steel sheets:							
1974-----	72,693	835,128	37,804	587,700	222,899	870,432	2,626,656
1975-----	78,336	713,214	33,472	308,091	147,682	838,374	2,119,169
1976-----	40,044	1,239,162	42,504	229,629	74,011	790,921	2,416,271
1977-----	77,895	1,052,411	79,071	772,585	342,439	1,081,146	3,405,547

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table 9.--Hot-rolled carbon steel bars (including light bar shapes) and hot- and cold-rolled carbon steel strip (including cold-rolled carbon steel sheet): Ratios of U.S. imports for consumption to apparent U.S. consumption, by categories and by principal sources, 1974-77

(In percent)							
Category and year	United Kingdom	Japan	Canada	West Germany	Belgium	All other sources	Total
Hot-rolled carbon steel bars, light bar shapes, hot- and cold-rolled carbon steel strip, and cold-rolled carbon steel sheets, total:							
1974-----	0.4	4.0	0.3	2.4	1.4	3.3	11.8
1975-----	.7	3.9	.3	1.7	1.0	4.4	12.0
1976-----	.4	5.3	.3	.8	.4	3.0	10.2
1977-----	.6	4.9	.8	2.6	1.4	4.0	14.3
Hot-rolled carbon steel bars and light bar shapes:							
1974-----	.7	4.6	.6	1.8	2.5	2.0	12.2
1975-----	1.4	2.8	.5	1.1	1.1	2.2	9.1
1976-----	1.2	3.8	.9	.2	.6	1.1	7.8
1977-----	1.5	5.3	2.2	.2	1.1	1.8	12.1
Hot- and cold-rolled carbon steel strip and cold-rolled carbon steel sheets:							
1974-----	.3	3.7	.2	2.6	1.0	3.8	11.6
1975-----	.5	4.4	.2	1.9	.9	5.2	13.1
1976-----	.2	5.7	.2	1.0	.3	3.6	11.0
1977-----	.3	4.7	.3	3.4	1.5	4.9	15.1

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table 10.--Hot-rolled carbon steel bars (including light bar shapes) and hot- and cold-rolled carbon steel strip (including cold-rolled carbon steel sheet): Percentage distribution of U.S. imports for consumption, by categories and by principal sources, 1974-77

(In percent)							
Category and year	United Kingdom	Japan	Canada	West Germany	Belgium	All other sources	Total
Hot-rolled carbon steel bars, light bar shapes, hot- and cold-rolled carbon steel strip, and cold-rolled carbon steel sheets, total:							
1974-----	3.7	33.5	2.5	20.1	12.2	28.0	100.0
1975-----	6.2	32.9	2.5	14.1	8.2	36.1	100.0
1976-----	4.2	51.0	3.4	8.2	3.9	29.3	100.0
1977-----	4.5	33.7	5.9	18.1	9.8	28.0	100.0
Hot-rolled carbon steel bars and light bar shapes:							
1974-----	5.8	37.6	5.0	14.7	20.8	16.1	100.0
1975-----	15.0	30.2	5.8	12.4	12.4	24.2	100.0
1976-----	15.6	49.5	10.9	2.2	7.9	13.9	100.0
1977-----	12.2	43.8	18.5	2.0	8.8	14.7	100.0
Hot- and cold-rolled carbon steel strip and cold-rolled carbon steel sheets:							
1974-----	2.8	31.8	1.4	22.4	8.5	33.1	100.0
1975-----	3.7	33.7	1.6	14.5	7.0	39.5	100.0
1976-----	1.7	51.2	1.8	9.5	3.1	32.7	100.0
1977-----	2.3	30.9	2.3	22.7	10.1	31.7	100.0

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table 11.--Light bar shapes and hot-rolled carbon steel bars: U.S. imports for consumption, by categories and TSUSA items, and by principal sources, 1974-77

(Quantity in short tons; value in thousands of dollars; unit value per short ton)								
Source and year	Carbon steel bar shapes having maximum cross-sectional dimensions of less than 3 inches				Hot-rolled carbon steel bars	Total, light-bar shapes and hot-rolled carbon steel bars	Share (percent) of total ac- counted for by hot- rolled carbon steel bars	
	Angles	Channels	Other	Subtotal				
	(609.8050)	(609.8070)	(609.8090)					
	:	:	:	:				
	:	:	:	:				
	Quantity							
United Kingdom:	:	:	:	:	:	:	:	:
1974-----	3,853	0	1,862	5,715	58,870	64,585	:	91.2
1975-----	1,517	1,111	2,210	4,838	83,252	88,090	:	94.5
1976-----	1,047	0	5,762	6,809	76,623	83,432	:	91.8
1977-----	69	4	1,696	1,769	114,383	116,152	:	98.5
Japan:	:	:	:	:	:	:	:	:
1974-----	199,346	11,230	852	211,428	209,903	421,331	:	49.8
1975-----	58,698	3,320	3,136	65,154	111,918	177,072	:	63.2
1976-----	91,407	4,552	1,794	97,753	166,260	264,013	:	63.0
1977-----	158,102	9,760	1,373	169,235	249,758	418,993	:	59.6
Canada:	:	:	:	:	:	:	:	:
1974-----	15,345	547	1,890	17,782	37,960	55,742	:	68.1
1975-----	7,334	643	3,576	11,553	22,138	33,691	:	65.7
1976-----	13,950	1,381	1,392	16,723	41,271	57,994	:	71.2
1977-----	28,570	676	1,676	30,922	146,475	177,397	:	82.6
West Germany:	:	:	:	:	:	:	:	:
1974-----	39,708	1,560	372	41,640	122,695	164,335	:	74.7
1975-----	7,884	328	150	8,362	64,304	72,666	:	88.5
1976-----	1,126	494	4,854	6,474	5,269	11,743	:	44.9
1977-----	527	1,303	1,064	2,894	12,683	15,577	:	81.4
Belgium:	:	:	:	:	:	:	:	:
1974-----	76,884	44,518	10,910	132,312	100,886	233,198	:	43.3
1975-----	18,471	6,441	4,255	29,167	43,658	72,825	:	59.9
1976-----	4,744	5,054	6,803	16,601	25,418	42,019	:	60.5
1977-----	16,339	11,599	5,591	33,529	51,270	84,799	:	60.5
All other:	:	:	:	:	:	:	:	:
1974-----	106,186	4,078	2,304	112,568	147,485	260,053	:	56.7
1975-----	46,590	773	752	48,115	93,371	141,486	:	65.9
1976-----	13,543	5,263	1,176	19,982	54,207	74,189	:	73.1
1977-----	16,817	7,342	684	24,843	116,848	141,691	:	82.5
Total:	:	:	:	:	:	:	:	:
1974-----	441,322	61,933	18,190	521,445	677,799	1,199,244	:	56.6
1975-----	140,494	12,616	14,079	167,189	418,641	585,830	:	71.5
1976-----	125,817	16,744	21,781	164,342	369,048	533,390	:	69.2
1977-----	220,424	30,684	12,084	236,192	691,417	954,609	:	72.4

Table 11.--Light bar shapes and hot-rolled carbon steel bars: U.S. imports for consumption, by categories and TSUSA items, and by principal sources, 1974-77--Continued

(Quantity in short tons; value in thousands of dollars; unit value per short ton)								
Source and year	Carbon steel bar shapes having maximum cross-sectional dimensions of less than 3 inches				Hot-rolled carbon steel bars	Total, light-bar shapes and hot-rolled carbon steel bars	Share (percent) of total ac- counted for by hot- rolled carbon steel bars	
	Angles	Channels	Other	Subtotal				
	(609.8050)	(609.8070)	(609.8090)					
	Value							
United Kingdom:								
1974-----	977	-	440	1,417	13,659	15,076		90.6
1975-----	337	406	374	1,117	21,976	23,093		95.2
1976-----	260	-	1,159	1,419	22,326	23,745		94.0
1977-----	29	6	488	523	32,132	32,655		98.4
Japan:								
1974-----	61,421	3,287	202	64,910	63,592	128,502		49.5
1975-----	16,678	965	855	18,498	39,799	58,297		68.3
1976-----	15,552	997	385	16,934	40,881	57,925		70.6
1977-----	25,792	2,184	253	28,229	56,394	84,623		66.6
Canada:								
1974-----	3,831	197	381	4,409	9,606	14,015		68.5
1975-----	1,860	177	860	2,897	6,229	9,126		68.2
1976-----	3,311	365	388	4,064	6,765	10,829		62.5
1977-----	7,123	197	483	7,803	27,613	35,416		78.0
West Germany:								
1974-----	11,936	504	244	12,684	42,268	54,952		76.9
1975-----	2,974	98	226	3,298	24,675	27,973		88.2
1976-----	274	110	1,291	1,675	1,547	3,222		48.0
1977-----	97	247	324	668	3,542	4,210		84.1
Belgium:								
1974-----	21,870	13,195	3,439	38,504	32,472	70,976		45.8
1975-----	6,243	2,354	1,301	9,898	16,308	26,206		62.2
1976-----	1,099	1,391	1,853	4,343	6,357	10,700		59.4
1977-----	3,062	3,100	1,470	7,632	9,707	17,339		56.0
All other:								
1974-----	32,168	1,086	730	33,984	50,407	84,391		59.7
1975-----	12,094	204	284	12,582	26,524	39,106		67.8
1976-----	2,600	1,210	335	4,145	14,875	18,910		78.7
1977-----	3,113	1,819	210	5,142	22,952	28,094		81.7
Total:								
1974-----	132,203	18,269	5,436	155,908	212,004	367,912		57.6
1975-----	40,186	4,204	3,900	48,290	135,511	183,801		73.7
1976-----	23,096	4,073	5,411	32,580	92,751	125,331		74.0
1977-----	39,216	7,553	3,228	49,997	152,366	202,363		75.3

Table 11.--Light bar shapes and hot-rolled carbon steel bars: U.S. imports for consumption, by categories and TSUSA items, and by principal sources, 1974-77--Continued

(Quantity in short tons; value in thousands of dollars; unit value per short ton)							
Source and year	Carbon bar shapes having maximum cross- sectional dimensions of less than 3 inches				Hot-rolled carbon steel bars	Average, light-bar shapes and hot-rolled carbon steel bars	Share (per- cent) of total accounted for by carbon steel
	Angles	Channels	Other	Average			
	(609.8050)	(609.8070)	(609.8090)				
	Unit value						
United Kingdom:							
1974-----	\$254	-	\$236	\$248	\$232	233	-
1975-----	222	\$365	169	231	264	262	-
1976-----	248	-	201	208	291	285	-
1977-----	420	1,500	288	296	281	281	-
Japan:							
1974-----	308	293	237	307	303	305	-
1975-----	284	291	273	284	356	329	-
1976-----	170	219	215	173	246	219	-
1977-----	163	224	184	167	226	202	-
Canada:							
1974-----	250	360	202	248	253	251	-
1975-----	254	275	240	251	281	271	-
1976-----	237	264	279	243	164	187	-
1977-----	249	291	288	252	189	200	-
West Germany:							
1974-----	301	323	656	305	344	334	-
1975-----	377	299	1,507	394	384	385	-
1976-----	243	223	266	259	294	274	-
1977-----	184	190	305	231	279	270	-
Belgium:							
1974-----	284	296	315	291	322	304	-
1975-----	338	365	306	339	374	360	-
1976-----	232	275	272	262	250	255	-
1977-----	187	267	263	228	189	204	-
All other:							
1974-----	303	266	317	302	342	325	-
1975-----	260	264	378	261	284	276	-
1976-----	192	230	285	207	274	255	-
1977-----	185	248	307	207	196	198	-
Total:							
1974-----	300	295	299	299	313	307	-
1975-----	286	333	277	289	324	314	-
1976-----	184	243	248	198	251	235	-
1977-----	178	246	267	212	220	212	-

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table 12.--Cold-rolled carbon steel sheet and hot- and cold-rolled carbon steel strip: U.S. imports for consumption, by categories and by principal sources, 1974-77

(Quantity in short tons; value in thousands of dollars; unit value per short ton)						
Source and year	Cold-rolled carbon steel sheet (TSUSA item 608.8744)	Carbon steel strip			Total, cold-rolled carbon steel sheet and carbon steel strip	Share (percent) of total accounted for by carbon steel strip
		Cold-rolled	Hot-rolled	Sub-total		
Quantity						
United Kingdom:						
1974-----	66,324	3,925	2,444	6,369	72,693	8.8
1975-----	72,354	3,240	2,742	5,982	78,336	7.6
1976-----	36,432	3,544	68	3,612	40,044	9.0
1977-----	73,964	3,719	212	3,931	77,895	5.0
Japan:						
1974-----	822,854	5,810	6,464	12,274	835,128	1.5
1975-----	696,492	5,577	11,145	16,722	713,214	2.3
1976-----	1,222,985	8,719	7,458	16,177	1,239,162	1.3
1977-----	1,034,019	8,091	10,301	18,392	1,052,411	1.7
Canada:						
1974-----	24,188	5,918	7,698	13,616	37,804	36.0
1975-----	23,932	4,358	5,182	9,540	33,472	28.5
1976-----	25,544	11,319	5,641	16,960	42,504	39.9
1977-----	60,674	12,018	6,379	18,397	79,071	23.3
West Germany:						
1974-----	559,581	21,654	6,465	28,119	587,700	4.8
1975-----	295,532	8,798	3,761	12,559	308,091	4.1
1976-----	213,163	13,215	2,447	15,662	228,825	6.8
1977-----	754,619	13,785	4,181	17,966	772,585	2.3
Belgium:						
1974-----	216,805	320	5,774	6,094	222,899	2.7
1975-----	145,441	0	2,241	2,241	147,682	1.5
1976-----	70,216	895	2,900	3,795	74,011	5.1
1977-----	338,258	93	4,088	4,181	342,439	1.2
All other:						
1974-----	857,875	6,714	6,111	12,825	870,701	1.5
1975-----	833,348	4,221	805	5,026	838,374	.6
1976-----	782,388	4,761	4,576	9,337	791,725	1.2
1977-----	1,070,086	3,831	7,229	11,060	1,081,146	1.0
Total:						
1974-----	2,547,627	44,341	34,956	79,297	2,626,924	3.0
1975-----	2,067,099	26,194	25,876	52,070	2,119,169	2.5
1976-----	2,350,728	42,453	23,090	65,543	2,416,271	2.7
1977-----	3,331,620	41,537	32,390	73,927	3,405,547	2.2

Table 12.--Cold-rolled carbon steel sheet and hot- and cold-rolled carbon steel strip: U.S. imports for consumption, by categories and by principal sources, 1974-77--Continued

(Quantity in short tons; value in thousands of dollars; unit value per short ton)							
Source and year	Cold-rolled carbon steel sheet (TSUSA item 608.8744)	Carbon steel strip			Total, cold-rolled carbon steel sheet and carbon steel strip	Share (percent) of total accounted for by carbon steel strip	
		Cold- rolled	Hot- rolled	Sub- total			
Value							
United Kingdom:							
1974-----	17,768	2,822	758	3,580	21,348	16.8	
1975-----	15,712	2,828	679	3,507	19,219	18.2	
1976-----	9,612	3,376	105	4,134	13,746	30.1	
1977-----	16,934	3,753	63	3,816	20,750	18.4	
Japan:							
1974-----	212,295	2,157	1,868	4,025	216,320	1.9	
1975-----	178,427	2,715	2,918	5,633	184,060	3.1	
1976-----	292,207	3,688	1,868	5,556	297,763	1.9	
1977-----	287,455	4,815	2,518	7,333	294,788	2.5	
Canada:							
1974-----	5,763	1,976	2,297	4,273	10,036	42.6	
1975-----	6,213	1,769	1,324	3,093	9,306	33.2	
1976-----	7,462	4,683	2,297	6,980	14,442	48.3	
1977-----	19,060	5,279	1,900	7,179	26,239	27.4	
West Germany:							
1974-----	162,541	9,371	2,400	11,771	174,312	6.8	
1975-----	70,182	5,868	1,700	8,266	78,448	10.5	
1976-----	52,630	8,103	2,400	10,503	63,133	16.6	
1977-----	185,303	10,916	1,522	12,438	197,741	6.3	
Belgium:							
1974-----	64,576	133	1,982	2,115	66,691	3.2	
1975-----	31,085	-	698	698	31,783	2.2	
1976-----	16,804	208	1,982	2,190	18,994	11.5	
1977-----	80,631	51	907	958	81,589	1.2	
All other:							
1974-----	252,997	9,487	1,552	11,039	264,036	4.2	
1975-----	189,556	7,640	382	7,324	196,880	3.7	
1976-----	169,709	7,781	2,205	9,333	179,042	5.2	
1977-----	256,680	8,374	1,584	9,958	266,638	3.7	
Total:							
1974-----	715,940	25,946	10,857	36,803	752,743	4.9	
1975-----	491,175	20,820	7,701	28,521	519,696	5.5	
1976-----	548,424	27,839	10,857	38,696	587,120	6.6	
1977-----	846,063	33,188	8,494	41,682	887,745	4.7	

Table 12.--Cold-rolled carbon steel sheet and hot- and cold-rolled carbon steel strip: U.S. imports for consumption, by categories and by principal sources, 1974-77--Continued

Source and year	Cold-rolled carbon steel sheet (TSUSA item 608.8744)	Carbon steel strip			cold-rolled carbon steel sheet and carbon steel strip	Share (per-cent) of total account for by carbon steel strip
		Cold-rolled	Hot-rolled	Average		
Unit value (per short ton)						
United Kingdom:						
1974-----	\$ 268	\$ 719	\$ 310	\$ 562	\$ 294	-
1975-----	217	873	248	586	245	-
1976-----	264	953	1,544	1,145	343	-
1977-----	229	1,009	297	971	266	-
Japan:						
1974-----	258	371	289	328	259	-
1975-----	256	487	262	337	258	-
1976-----	239	423	250	343	240	-
1977-----	278	595	244	399	280	-
Canada:						
1974-----	238	334	298	314	265	-
1975-----	260	406	255	324	278	-
1976-----	292	414	407	412	340	-
1977-----	314	439	298	390	332	-
West Germany:						
1974-----	291	433	371	419	297	-
1975-----	238	667	452	658	255	-
1976-----	247	613	981	671	276	-
1977-----	246	792	364	692	256	-
Belgium:						
1974-----	298	416	343	347	299	-
1975-----	214	-	311	311	215	-
1976-----	239	232	683	577	257	-
1977-----	238	548	222	229	238	-
All other:						
1974-----	295	1,413	254	861	303	-
1975-----	228	1,810	475	1,457	235	-
1976-----	217	1,634	482	1,000	226	-
1977-----	240	2,186	219	900	247	-
Total:						
1974-----	281	585	312	464	287	-
1975-----	238	795	298	548	245	-
1976-----	233	656	470	590	243	-
1977-----	254	799	262	564	261	-

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table 13.-- Production, deliveries from production, and exports of steel by the United Kingdom, total and by specified products, 1973-76, January-October 1976 and January-October 1977

(In millions of metric tons)							
Item <u>1</u> /	:	:	:	:	:	Jan.-Oct.--	
	1973	1974	1975	1976	:	1976	1977
	:	:	:	:	:	:	:
Production of crude steel--	26.59	22.32	20.10	22.27	:	18.44	17.41
Total deliveries from	:	:	:	:	:	:	:
production: <u>2</u> /	:	:	:	:	:	:	:
Hot-rolled bars-----	1.42	1.36	1.12	1.15	:	.94	.94
Bright steel bars-----	.65	.62	.44	.47	:	.39	.40
Hot-rolled strip-----	1.62	1.14	1.01	1.20	:	1.00	.94
Cold-rolled strip-----	.58	.55	.36	.45	:	.37	.37
Exports:	:	:	:	:	:	:	:
All steel products-----	4.28	3.38	3.22	3.71	:	3.06	3.76
Bars and other rods <u>3</u> --	.28	.22	.26	.32	:	.25	.36
Bright steel bars-----	.10	.09	.05	.05	:	.04	.04
Hoop and strip:	:	:	:	:	:	:	:
Cold-rolled-----	.10	.08	.06	.08	:	.06	.07
Other-----	.06	.05	.03	.04	:	.03	.03
	:	:	:	:	:	:	:

1/ Alloy products are excluded from all items shown except total production of crude steel and exports of all steel products.

2/ Includes material for conversion into other products shown; e.g., hot-rolled strip includes strip for the production of cold-rolled strip and tubes.

3/ Excludes reinforcing bars and bright steel bars.

Source: Iron and Steel Statistics Bureau, Iron and Steel Industry-Statistics for the United Kingdom (annual and monthly), various issues.

Table 14.--United Kingdom Steel production: Potential, 1974-76, expected potential, 1977-80, and rate of utilization of potential in 1976, by categories

Item	Production potential			Expected production potential				Rate of utilization of production potential in 1976
	1974	1975	1976	1977	1978	1979	1980	
	Million metric tons	Million metric tons	Million metric tons	Million metric tons	Million metric tons	Million metric tons	Million metric tons	
	tons	tons	tons	tons	tons	tons	tons	Percent
Steel, total-----	27.8	27.0	29.2	30.0	32.9	33.4	33.7	76.4
Coils-----	8.0	7.3	7.3	8.2	9.2	9.6	9.8	78.0
Flat products, excluding coils:								
Hoop and strip for tube making-----	1.8	1.8	1.8	1.9	1.9	1.9	1.9	72.6
Plate 1/-----	2.6	2.6	2.7	2.9	3.2	3.3	3.2	68.1
Hot rolled sheet 2/--	.1	.1	.1	.3	.3	.3	.3	3/
Cold reduced sheet---	5.6	6.1	5.7	5.9	6.0	6.1	6.1	67.3
Total flat products-----	10.2	10.6	10.3	11.0	11.5	11.6	11.5	3/
Heavy and light sections 4/-----	7.7	7.4	7.3	7.6	7.9	8.1	8.1	72.0
Wire rod-----	2.3	2.5	2.7	3.1	3.4	3.4	3.4	74.4
Total finished rolled products, excluding coils----	20.2	20.4	20.3	21.7	22.7	23.1	23.1	70.9

1/ 3 mm or greater in thickness, including wide flats.

2/ Less than 3 mm in thickness.

3/ Not available.

4/ Including tube rounds and squares.

5/ Partly estimated.

Source: European Coal and Steel Community Commission, Investment in the Community Coalmining and Iron and Steel Industries, report on the 1977 survey, position as of Jan. 1, 1977, in the 9 countries of the Community, August 1977.

Table 15.--Steel shipments and profit-and-loss experience of selected U.S. steel producers, 1974-76

Company and year	Steel shipments	Net sales and revenue	Employment costs	Cost of sales	General, selling, and administrative expenses	Operating profit	Net income
	<u>1,000</u> <u>short tons</u>	<u>1,000</u> <u>dollars</u>	<u>1,000</u> <u>dollars</u>	<u>1,000</u> <u>dollars</u>	<u>1,000</u> <u>dollars</u>	<u>1,000</u> <u>dollars</u>	<u>1,000</u> <u>dollars</u>
U.S. Steel Corp.:							
1974-----	25,519	9,339,184	3,301,860	6,722,100	300,600	1,521,892	630,272
1975-----	17,501	8,380,347	3,290,358	6,181,200	320,700	1,203,719	559,614
1976-----	19,486	8,724,703	3,578,295	6,728,800	318,800	941,350	410,300
Bethlehem Steel Corp.:							
1974-----	16,300	5,488,700	2,072,000	4,052,478	210,842	815,900	342,000
1975-----	11,900	5,028,300	2,139,200	3,854,300	220,000	552,600	242,000
1976-----	12,800	5,304,700	2,313,600	4,082,100	234,700	515,300	168,000
Armco Steel Corp.:							
1974-----	6,561	3,219,508	794,569	2,629,539	210,131	446,748	203,609
1975-----	5,046	3,070,254	858,734	2,641,167	231,157	272,818	116,661
1976-----	5,082	3,164,870	973,512	2,760,310	259,913	234,881	123,726
National Steel Corp.:							
1974-----	8,790	2,727,774	725,545	2,169,036	78,609	468,012	175,764
1975-----	6,190	2,241,167	724,851	1,974,136	92,429	206,555	58,041
1976-----	7,844	2,840,542	885,155	2,497,506	104,230	270,444	85,737
Republic Steel Corp.:							
1974-----	8,156	2,741,370	808,713	2,206,220	94,160	400,338	170,706
1975-----	6,057	2,333,281	791,386	1,930,042	85,623	199,332	72,198
1976-----	6,535	2,545,645	911,471	2,155,013	89,069	156,703	65,869
Inland Steel Co.:							
1974-----	6,121	2,450,289	618,198	1,455,572	85,760	371,859	148,009
1975-----	4,873	2,124,019	628,706	1,233,542	80,712	238,015	83,350
1976-----	5,600	2,400,691	737,612	1,349,901	84,024	283,396	104,045
Jones & Laughlin Steel Corp.:							
1974-----	6,087	2,216,646	642,848	1,818,328	65,344	359,089	144,529
1975-----	4,011	1,686,975	615,909	1,558,400	67,698	80,622	30,652
1976-----	5,097	2,052,333	735,325	1,867,470	72,877	123,502	44,445
Wheeling-Pittsburgh Steel Corp.:							
1974-----	3,297	1,043,715	352,480	845,850	53,590	144,275	73,418
1975-----	2,397	836,686	348,619	739,966	53,128	43,592	563
1976-----	2,816	935,571	374,778	834,167	55,916	45,488	3,237

Table 15.--Steel shipments and profit-and-loss experience of selected U.S. steel producers, 1974-76--Continued

Company and year	Steel shipments	Net sales and revenue	Employment costs	Cost of sales	General, selling, and administrative expenses	Operating profit	Net income
	<u>1,000</u> <u>short tons</u>	<u>1,000</u> <u>dollars</u>	<u>1,000</u> <u>dollars</u>	<u>1,000</u> <u>dollars</u>	<u>1,000</u> <u>dollars</u>	<u>1,000</u> <u>dollars</u>	<u>1,000</u> <u>dollars</u>
Interlake, Inc.:							
1974-----	961	593,764	159,990	447,726	45,996	93,627	38,999
1975-----	712	640,831	194,404	457,733	74,985	92,991	34,375
1976-----	797	708,876	221,797	528,235	77,907	91,574	37,905
Kaiser Steel Corp.:							
1974-----	2,008	654,489	267,532	505,854	35,861	114,463	66,792
1975-----	1,672	724,782	304,595	587,972	45,273	103,720	80,247
1976-----	1,616	689,954	316,464	612,486	48,178	51,320	31,934
Cyclops Corp.:							
1974-----	1,282	652,919	183,620	561,885	35,939	53,739	19,509
1975-----	694	483,561	153,751	417,993	38,915	(1,098)	(6,843)
1976-----	849	565,215	176,287	489,950	41,189	35,663	11,397
Northwestern Steel & Wire Co.:							
1974-----	1,277	308,469	84,539	243,160	6,738	64,588	34,159
1975-----	955	304,261	91,966	254,063	217	49,954	26,826
1976-----	839	258,637	94,752	222,540	188	34,693	16,544
Laclede:							
1974-----	642	208,867	61,421	160,827	2,100	35,688	17,080
1975-----	506	176,004	64,032	140,803	15,840	11,755	3,717
1976-----	549	188,105	73,817	161,770	15,048	7,425	2,662
Nucor Corp.:							
1974-----	295	160,417	31,597	122,641	17,067	23,532	9,680
1975-----	344	121,467	33,444	95,811	12,483	17,421	7,582
1976-----	585	175,768	41,542	142,236	14,745	23,867	8,697
Washington Steel Corp.:							
1974-----	56	87,432	15,177	70,091	4,584	14,566	6,028
1975-----	32	61,677	12,982	50,868	4,452	8,010	2,897
1976-----	44	86,076	16,359	73,924	4,994	9,033	4,980
Totals:							
1974-----	87,352	31,893,543	10,120,089	24,011,307	1,247,321	4,928,316	2,077,554
1975-----	62,890	28,213,612	10,252,937	21,660,263	1,268,627	3,080,006	1,311,880
1976-----	70,539	30,641,686	11,450,766	24,508,408	1,421,778	2,824,639	1,122,140

Source: Compiled from the annual financial reports and other public data for the firms listed.

Note.--The 15 companies shown accounted for 89.2 percent of total U.S. steel shipments in 1974, 88.9 percent in 1975, and 87.8 percent in 1976.

Table 16.--Shipments and income as a share of the total and financial ratios for selected U.S. steel producers, 1974-76

(In percent)

Company and year	Shipments as a share of total shipments	Net income and reve- nue as a share of of total income and revenue	Share of sales accounted for by--				
			Employment costs	Cost of sales	General, selling, and adminis- trative expenses	Operating profit	Net income
U.S. Steel Corp.:							
1974-----	29.1	29.2	35.4	71.9	3.2	16.3	6.7
1975-----	27.9	29.7	39.3	73.8	3.8	14.4	6.7
1976-----	27.6	28.5	41.0	77.1	3.7	10.8	4.7
Bethlehem Steel Corp.:							
1974-----	18.7	17.1	38.5	73.8	3.8	15.2	6.4
1975-----	19.0	17.8	43.0	76.7	4.4	11.1	4.8
1976-----	18.1	17.3	39.3	77.0	4.6	14.4	6.7
Armco Steel Corp.:							
1974-----	7.5	10.0	24.9	81.6	6.5	14.0	6.4
1975-----	8.0	10.9	28.2	86.0	7.5	9.0	3.8
1976-----	7.2	10.3	30.9	87.2	8.2	7.5	3.9
National Steel Corp.:							
1974-----	9.3	8.6	26.6	80.4	3.4	17.2	6.2
1975-----	9.8	7.9	32.3	88.1	4.1	9.2	2.6
1976-----	11.2	9.3	31.2	87.9	3.7	9.5	3.0
Republic Steel Corp.:							
1974-----	10.1	8.6	29.5	79.5	2.8	14.6	6.4
1975-----	9.6	8.3	33.9	82.7	3.7	8.5	3.1
1976-----	9.3	8.3	35.8	84.7	3.5	6.2	2.6
Inland Steel Co.:							
1974-----	7.0	7.7	25.2	59.4	3.5	15.2	13.0
1975-----	7.7	7.5	29.8	58.1	3.7	11.3	4.0
1976-----	7.9	7.8	30.9	56.2	3.5	11.9	4.5
Jones & Laughlin Steel Corp.:							
1974-----	7.0	7.0	29.0	82.0	2.9	16.2	15.5
1975-----	6.4	6.0	36.5	92.4	4.0	4.8	1.8
1976-----	7.2	6.7	35.8	91.0	3.6	6.0	2.2
Wheeling-Pittsburgh Steel Corp.:							
1974-----	3.8	3.3	33.8	81.0	5.1	13.8	7.0
1975-----	3.8	3.0	41.7	88.4	6.3	5.2	.1
1976-----	4.0	3.1	40.1	89.2	6.0	4.9	.3

Table 16.--Shipments and income as a share of the total and financial ratios for selected U.S. steel producers, 1974-76
(In percent)

Company and year	Shipments as a share of total shipments	Net income and reve- nue as a share of of total income and revenue	Share of sales accounted for by--				
			Employment costs	Cost of sales	General, selling, and adminis- trative expenses	Operating profit	Net income
Interlake, Inc.:							
1974-----	1.1	1.9	26.9	75.4	7.7	15.8	6.6
1975-----	1.1	2.3	30.3	71.4	11.0	14.5	5.4
1976-----	2.3	2.3	31.1	89.0	7.0	12.9	5.3
Kaiser Steel Corp.:							
1974-----	2.3	2.1	40.9	77.2	5.4	17.5	10.2
1975-----	2.7	2.6	42.0	81.1	6.2	14.3	11.1
1976-----	1.2	2.3	45.9	74.5	11.0	7.4	6.3
Cyclops Corp.:							
1974-----	1.5	2.0	28.1	86.0	5.5	8.2	3.0
1975-----	1.1	(1.7)	31.8	86.4	8.0	(.2)	(1.4)
1976-----	1.2	1.8	31.2	86.7	7.3	6.3	2.0
Northwestern Steel & Wire Co.:							
1974-----	1.5	1.0	27.4	78.8	2.2	20.9	11.1
1975-----	1.5	1.1	30.2	83.5	.1	16.4	8.8
1976-----	1.2	.8	36.6	86.8	.1	13.4	6.4
Laclede Steel Co.:							
1974-----	.7	.7	29.4	77.0	1.0	17.1	8.2
1975-----	.8	.6	36.4	80.0	8.9	6.7	2.1
1976-----	.7	.6	39.2	86.0	8.0	4.0	1.4
Nucor Corp.:							
1974-----	.3	.5	19.7	76.4	10.6	14.7	6.0
1975-----	.5	.4	27.5	78.9	10.3	14.3	6.2
1976-----	.8	.6	23.6	80.9	8.3	13.6	4.9
Washington Steel Corp.:							
1974-----	.1	.3	17.4	80.1	5.2	16.7	6.9
1975-----	.1	.2	21.0	82.5	7.2	13.0	4.7
1976-----	.1	.3	21.0	85.9	5.8	13.0	4.7
Total:							
1974-----	100.0	100.0	31.7	75.3	3.9	15.5	6.5
1975-----	100.0	100.0	36.3	76.8	4.5	10.9	4.6
1976-----	100.0	100.0	37.4	80.0	4.6	9.2	3.7

Source: Compiled from data presented in table 15.

Table 17.--Total profitability model for Armco Steel Corp., January-September 1976

TOTAL PROFITABILITY MODEL

PROFIT PROFILE

MARGIN	SALES(NETTED)	100.00%	
MANAGEMENT	COST OF GOODS	87.34	NET PROFIT
		-----	-----
	GROSS MARGIN	12.66	NET SALES
	EXPENSES	9.14	

	NET PROFIT	3.52% *****	3.52%

ASSET INVESTMENT MIX

			NET PROFIT	

ASSET	CASH(OR EQUIVALENT)	0.69%	TOTAL ASSETS	
MANAGEMENT	ACCOUNTS RECEIVABLE	11.04		NET PROFIT

	INVENTORY	14.48%	NET SALES *****	0.02%
	PLANT AND EQUIPMENT	64.37	TOTAL ASSETS	NET WORTH
	ALL OTHER	9.44		-----
		-----		***** 0.03%
	TOTAL	100.00% *****	58.77X	

SOURCES OF INVESTMENT MIX

			TOTAL ASSETS	

FINANCIAL	CURRENT DEBT+		NET WORTH	
MANAGEMENT	LONG TERM DEBT	24.00% *****	TOTAL DEBT+ *****	1.32
	NET WORTH	76.00	NET WORTH	

	TOTAL	100.00%		

Source: Securities and Exchange Commission, 10-Q reports.

Table 18.--Total profitability model for Armco Steel Corp., January-September 1977

TOTAL PROFITABILITY MODEL

PROFIT PROFILE

MARGIN	SALES (NETTED)	100.00%	
MANAGEMENT	COST OF GOODS	89.34	NET PROFIT
		-----	-----
	GROSS MARGIN	10.66	NET SALES
	EXPENSES	9.12	

	NET PROFIT	1.54% *****	1.54%

ASSET INVESTMENT MIX

			NET PROFIT	

ASSET	CASH (OR EQUIVALENT)	0.41%	TOTAL ASSETS	
MANAGEMENT	ACCOUNTS RECEIVABLE	11.07		NET PROFIT

	INVENTORY	14.01%	NET SALES *****	0.01%
	PLANT AND EQUIPMENT	65.83	TOTAL ASSETS	NET WORTH
	ALL OTHER	8.67		-----
			*****	0.01%
	TOTAL	100.00% *****	62.64X	

SOURCES OF INVESTMENT MIX

			TOTAL ASSETS	

			NET WORTH	
FINANCIAL	CURRENT DEBT+		TOTAL ASSETS=	
MANAGEMENT	LONG TERM DEBT	25.21% *****	TOTAL DEBT+ *****	1.34
	NET WORTH	74.79	NET WORTH	

	TOTAL	100.00%		

Source: Securities and Exchange Commission, 10-Q reports.

Table 19.--Total profitability model for Bethlehem Steel Corp., January-September 1976

TOTAL PROFITABILITY MODEL

PROFIT PROFILE

MARGIN	SALES (NETTED)	100.00%	
MANAGEMENT	COST OF GOODS	85.78	NET PROFIT
		-----	-----
	GROSS MARGIN	14.22	NET SALES
	EXPENSES	6.42	

	NET PROFIT	7.80% *****	7.80%

ASSET INVESTMENT MIX

				NET PROFIT	

ASSET	CASH (OR EQUIVALENT)	5.80%		TOTAL ASSETS	
MANAGEMENT	ACCOUNTS RECEIVABLE	5.86			NET PROFIT

	INVENTORY	8.09%	NET SALES *****	0.04%	NET WORTH
	PLANT AND EQUIPMENT	75.95	TOTAL ASSETS		
	ALL OTHER	4.30		*****	0.05%

	TOTAL	100.00% *****	48.11X		

SOURCES OF INVESTMENT MIX

				TOTAL ASSETS	

				NET WORTH	
FINANCIAL	CURRENT DEBT+		TOTAL ASSETS=		
MANAGEMENT	LONG TERM DEBT	21.58% *****	TOTAL DEBT+ *****	1.28	
	NET WORTH	78.42	NET WORTH		

	TOTAL	100.00%			

Source: Securities and Exchange Commission, 10-Q reports.

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Table 20.--Total profitability model for Bethlehem Steel Corp., January-September 1977

TOTAL PROFITABILITY MODEL

PROFIT PROFILE

MARGIN	SALES (NETTED)	100.00%	
MANAGEMENT	COST OF GOODS	92.71	NET PROFIT
		-----	-----
	GROSS MARGIN	7.29	NET SALES
	EXPENSES	6.75	

	NET PROFIT	0.54% *****	0.54%

ASSET INVESTMENT MIX

				NET PROFIT	

ASSET	CASH (OR EQUIVALENT)	2.04%		TOTAL ASSETS	
MANAGEMENT	ACCOUNTS RECEIVABLE	8.47			NET PROFIT

	INVENTORY	8.05%	NET SALES *****	0.00%	NET WORTH
	PLANT AND EQUIPMENT	77.60	TOTAL ASSETS		
	ALL OTHER	3.84		*****	0.00%

	TOTAL	100.00% *****	50.12X		

SOURCES OF INVESTMENT MIX

				TOTAL ASSETS	

				NET WORTH	
FINANCIAL	CURRENT DEBT+		TOTAL ASSETS=		
MANAGEMENT	LONG TERM DEBT	25.59% *****	TOTAL DEBT+ *****	1.34	
	NET WORTH	74.41	NET WORTH		

	TOTAL	100.00%			

Source: Securities and Exchange Commission, 10-Q reports.

Table 21.--Total profitability model for Inland Steel Corp., January-September 1976

TOTAL PROFITABILITY MODEL

PROFIT PROFILE

MARGIN	SALES (NETTED)	100.00%		
MANAGEMENT	COST OF GOODS	83.13	NET PROFIT	
		-----	-----	
	GROSS MARGIN	16.87	NET SALES	
	EXPENSES	7.10		

	NET PROFIT	9.77% *****	9.77%	

ASSET INVESTMENT MIX

				NET PROFIT	

ASSET	CASH (OR EQUIVALENT)	4.64%		TOTAL ASSETS	
MANAGEMENT	ACCOUNTS RECEIVABLE	12.76			NET PROFIT

	INVENTORY	15.18%	NET SALES *****	0.09%	NET WORTH
	PLANT AND EQUIPMENT	62.86	TOTAL ASSETS		
	ALL OTHER	4.56		*****	0.14%

	TOTAL	100.00% *****	92.90%		

SOURCES OF INVESTMENT MIX

				TOTAL ASSETS	

FINANCIAL	CURRENT DEBT+		TOTAL ASSETS=		
MANAGEMENT	LONG TERM DEBT	33.01% *****	TOTAL DEBT+ *****	1.49	
	NET WORTH	66.99	NET WORTH		

	TOTAL	100.00%			

Source: Securities and Exchange Commission, 10-Q reports.

Table 22.--Total profitability model for Inland Steel Corp., January-September 1977

TOTAL PROFITABILITY MODEL

PROFIT PROFILE

MARGIN	SALES (NETTED)	100.00%		
MANAGEMENT	COST OF GOODS	85.33	NET PROFIT	
		-----	-----	
	GROSS MARGIN	14.67	NET SALES	
	EXPENSES	6.98		

	NET PROFIT	7.68% *****	7.68%	

ASSET INVESTMENT MIX

			NET PROFIT	

ASSET	CASH (OR EQUIVALENT)	4.38%	TOTAL ASSETS	
MANAGEMENT	ACCOUNTS RECEIVABLE	13.70		NET PROFIT

	INVENTORY	13.79%	NET SALES *****	0.07%
	PLANT AND EQUIPMENT	63.36	TOTAL ASSETS	NET WORTH
	ALL OTHER	4.77		-----
		-----		*****
	TOTAL	100.00% *****	92.49%	0.11%

SOURCES OF INVESTMENT MIX

			TOTAL ASSETS	

FINANCIAL	CURRENT DEBT+		NET WORTH	
MANAGEMENT	LONG TERM DEBT	35.78% *****	TOTAL DEBT+ *****	1.56
	NET WORTH	64.22	NET WORTH	

	TOTAL	100.00%		

Source: Securities and Exchange Commission, 10-Q reports.

Table 23.--Total profitability model for Northwestern Steel and Wire Co., January-September 1976

TOTAL PROFITABILITY MODEL

PROFIT PROFILE

MARGIN	SALES (NETTED)	100.00%	
MANAGEMENT	COST OF GOODS	86.82	NET PROFIT
		-----	-----
	GROSS MARGIN	13.18	NET SALES
	EXPENSES	3.17	

	NET PROFIT	10.02% *****	10.02%

ASSET INVESTMENT MIX

			NET PROFIT	

ASSET	CASH (OR EQUIVALENT)	17.53%	TOTAL ASSETS	
MANAGEMENT	ACCOUNTS RECEIVABLE	7.29		NET PROFIT

	INVENTORY	26.45%	NET SALES *****	0.10%
	PLANT AND EQUIPMENT	44.77	TOTAL ASSETS	NET WORTH
	ALL OTHER	3.96		-----
		-----		***** 0.11%
	TOTAL	100.00% *****	98.91%	

SOURCES OF INVESTMENT MIX

			TOTAL ASSETS	

FINANCIAL	CURRENT DEBT+		NET WORTH	
MANAGEMENT	LONG TERM DEBT	6.84% *****	TOTAL DEBT+ *****	1.07
	NET WORTH	93.16	NET WORTH	

	TOTAL	100.00%		

Source: Securities and Exchange Commission, 10-Q reports.

Table 24.--Total profitability model for Northwestern Steel and Wire Co., January-September 1977

TOTAL PROFITABILITY MODEL

PROFIT PROFILE

MARGIN	SALES(NETTED)	100.00%	
MANAGEMENT	COST OF GOODS	87.83	NET PROFIT
		-----	-----
	GROSS MARGIN	12.17	NET SALES
	EXPENSES	3.18	

	NET PROFIT	9.00% *****	9.00%

ASSET INVESTMENT MIX

				NET PROFIT	

ASSET	CASH(OR EQUIVALENT)	21.25%		TOTAL ASSETS	
MANAGEMENT	ACCOUNTS RECEIVABLE	6.98			NET PROFIT

	INVENTORY	25.12%	NET SALES *****	0.09%	NET WORTH
	PLANT AND EQUIPMENT	43.59	TOTAL ASSETS		
	ALL OTHER	3.07		*****	0.09%

	TOTAL	100.00% *****	99.75X		

SOURCES OF INVESTMENT MIX

				TOTAL ASSETS	

				NET WORTH	
FINANCIAL	CURRENT DEBT+		TOTAL ASSETS=		
MANAGEMENT	LONG TERM DEBT	5.18% *****	TOTAL DEBT+ *****	1.05	
	NET WORTH	94.82	NET WORTH		

	TOTAL	100.00%			

Source: Securities and Exchange Commission, 10-Q reports.

Table 25.--Total profitability model for U.S. Steel Corp., January-September 1976

TOTAL PROFITABILITY MODEL

PROFIT PROFILE

MARGIN	SALES (NETTED)	100.00%	
MANAGEMENT	COST OF GOODS	77.94	NET PROFIT
		-----	-----
	GROSS MARGIN	22.06	NET SALES
	EXPENSES	4.94	

	NET PROFIT	17.11% *****	17.11%

ASSET INVESTMENT MIX

			NET PROFIT	

ASSET	CASH (OR EQUIVALENT)	2.07%	TOTAL ASSETS	
MANAGEMENT	ACCOUNTS RECEIVABLE	6.22		NET PROFIT

	INVENTORY	8.55%	NET SALES *****	0.08%
	PLANT AND EQUIPMENT	77.52	TOTAL ASSETS	NET WORTH
	ALL OTHER	5.65		-----
		-----	*****	0.09%
	TOTAL	100.00% *****	43.85%	

SOURCES OF INVESTMENT MIX

			TOTAL ASSETS	

FINANCIAL	CURRENT DEBT+		NET WORTH	
MANAGEMENT	LONG TERM DEBT	18.28% *****	TOTAL DEBT+ *****	1.22
	NET WORTH	81.72	NET WORTH	

	TOTAL	100.00%		

Source: Securities and Exchange Commission, 10-Q reports.

Table 26.--Total profitability model for U.S. Steel Corp., January-September 1977

TOTAL PROFITABILITY MODEL

PROFIT PROFILE

MARGIN	SALES (NETTED)	100.00%		
MANAGEMENT	COST OF GOODS	81.95	NET PROFIT	
		-----	-----	
	GROSS MARGIN	18.05	NET SALES	
	EXPENSES	5.38		

	NET PROFIT	12.67% *****	12.67%	

ASSET INVESTMENT MIX

				NET PROFIT	

ASSET	CASH (OR EQUIVALENT)	1.88%		TOTAL ASSETS	
MANAGEMENT	ACCOUNTS RECEIVABLE	6.95			NET PROFIT

	INVENTORY	9.36%	NET SALES *****	0.06%	NET WORTH
	PLANT AND EQUIPMENT	77.57	TOTAL ASSETS		
	ALL OTHER	5.25		*****	0.07%

	TOTAL	100.00% *****	44.73X		

SOURCES OF INVESTMENT MIX

				TOTAL ASSETS	

				NET WORTH	

FINANCIAL	CURRENT DEBT+		TOTAL ASSETS=		
MANAGEMENT	LONG TERM DEBT	15.72% *****	TOTAL DEBT+ *****	1.19	
	NET WORTH	84.28	NET WORTH		

	TOTAL	100.00%			

Source: Securities and Exchange Commission, 10-Q reports.

Table 27.--Financial data for selected steel producers, September 30, 1976 and September 30, 1977

(In millions of dollars)										
Company	Sales ^{1/}	Cost of goods sold ^{1/}	General sellings and administrative expenses ^{1/}	Cash	Accounts receivable	Inventory	Plant and equipment	Other assets	Long term debt	Short term debt
U.S. Steel Corp.:										
1976-----	7,161	5,869	326	311	934	1,284	11,646	849	1,934	812
1977-----	6,589	5,135	385	301	1,113	1,339	12,419	840	2,250	276
Bethlehem Steel Corp.:										
1976-----	4,026	3,454	259	485	490	677	6,356	360	1,027	779
1977-----	4,109	3,726	271	163	679	646	6,222	308	1,005	1,047
Armco Steel Corp.:										
1976-----	2,387	2,085	218	28	448	588	2,614	383	530	445
1977-----	2,636	2,355	240	17	466	590	2,770	365	505	556
Inland Steel Corp.:										
1976-----	1,808	1,503	128	90	248	295	1,223	89	482	160
1977-----	2,009	1,714	140	95	298	300	1,376	104	615	162
Northwestern Steel and Wire Co.:										
1976-----	259	225	8	46	19	69	117	10	3	15
1977-----	264	232	8	56	18	66	115	8	2	11

^{1/} Data shown are for January-September 1976 and January-September 1977.

Source: Securities and Exchange Commission, 10-Q reports.

Note.--All numbers are rounded.

Table 28.--Special-quality carbon steel bars: Importer's and domestic producers' lowest net selling prices, f.o.b. domestic shipping point, by types and by quarters 1976 and 1977

Type of bar and company	1976				1977				Total price increase
	Jan.-	Apr.-	July-	Oct.-	Jan.-	Apr.-	July-	Oct.-	
	Mar.	June	Sept.	Dec.	Mar.	June	Sept.	Dec.	
	<u>Per net</u> <u>ton</u>	<u>Per net</u> <u>ton</u>	<u>Per net</u> <u>ton</u>	<u>Per net</u> <u>ton</u>	<u>Per net</u> <u>ton</u>	<u>Per net</u> <u>ton</u>	<u>Per net</u> <u>ton</u>	<u>Per net</u> <u>ton</u>	<u>Percent</u>
x	x	x	x	x	x	x	x	x	x

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Table 29.--Hot-rolled carbon steel bars: U.S. producers' shipments, by specified companies, 1974-77

Company	1974	1975	1976	1977
Quantity (short tons)				
Armco Steel Corp -----	xxx	xxx	xxx	xxx
Bethlehem Steel Corp -----	xxx	xxx	xxx	xxx
Inland Steel Co.-----	xxx	xxx	xxx	xxx
Laclede Steel Co -----	xxx	xxx	xxx	xxx
Republic Steel Corp -----	xxx	xxx	xxx	xxx
Total-----	xxx	xxx	xxx	xxx
Value (1,000 dollars)				
Armco Steel Corp.-----	xxx	xxx	xxx	<u>1/</u> xxx
Bethlehem Steel Corp.-----	xxx	xxx	xxx	xxx
Inland Steel Co.-----	xxx	xxx	xxx	xxx
Laclede Steel Co.-----	xxx	xxx	xxx	xxx
Republic Steel Corp.-----	xxx	xxx	xxx	xxx
Total-----	xxx	xxx	xxx	xxx
Unit value (per short ton)				
Armco Steel Corp.-----	xxx	xxx	xxx	xxx
Bethlehem Steel Corp.-----	xxx	xxx	xxx	xxx
Inland Steel Co.-----	xxx	xxx	xxx	xxx
Laclede Steel Co.-----	xxx	xxx	xxx	xxx
Republic Steel Corp.-----	xxx	xxx	xxx	xxx
Total-----	xxx	xxx	xxx	xxx
Percentage distribution (by quantity)				
Armco Steel Corp.-----	xxx	xxx	xxx	xxx
Bethlehem Steel Corp.-----	xxx	xxx	xxx	xxx
Inland Steel Co.-----	xxx	xxx	xxx	xxx
Laclede Steel Co.-----	xxx	xxx	xxx	xxx
Republic Steel Corp.-----	xxx	xxx	xxx	xxx
Total-----	xxx	xxx	xxx	xxx

1/ January-September 1977 data annualized.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Note.--The 5 firms listed in this table accounted for xxx percent of total U.S producers' shipments of hot-rolled carbon steel bars during the period 1974-77.

Table 30.--Hot-and cold-rolled carbon steel strip: U.S. producers' shipments, by specified companies, 1974-77

Company	1974	1975	1976	1977
Quantity (net tons)				
Armco Steel Corp-----	xxx	xxx	xxx	xxx
Bethlehem Steel Corp-----	xxx	xxx	xxx	xxx
Laclede Steel Co-----	xxx	xxx	xxx	xxx
Total-----	xxx	xxx	xxx	xxx
Value (1,000 dollars)				
Armco Steel Corp-----	xxx	xxx	xxx	xxx
Bethlehem Steel Corp-----	xxx	xxx	xxx	xxx
Laclede Steel Co-----	xxx	xxx	xxx	xxx
Total-----	xxx	xxx	xxx	xxx
Unit value (per ton)				
Armco Steel Corp-----	xxx	xxx	xxx	xxx
Armco Steel Corp-----	xxx	xxx	xxx	xxx
Bethlehem Steel Corp-----	xxx	xxx	xxx	xxx
Laclede Steel Co-----	xxx	xxx	xxx	xxx
Total-----	xxx	xxx	xxx	xxx
Percentage distribution (by quantity)				
Armco Steel Corp-----	xxx	xxx	xxx	xxx
Bethlehem Steel Corp-----	xxx	xxx	xxx	xxx
Laclede Steel Co-----	xxx	xxx	xxx	xxx
Total-----	xxx	xxx	xxx	xxx

1/ January-September 1977 data annualized.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission

Note.--The 3 firms listed in this table accounted for xxx percent of total U.S. producers' shipments of hot- and cold-rolled carbon steel strip during the period 1974-77.

Table 31.--Hot-rolled carbon steel bars: U.S. producers' inventories held by specified companies as of Jan. 1, of 1974-78

Company	As of Jan. 1--					
	1974	1975	1976	1977	1978	
	Quantity (short tons)					
Bethlehem Steel Corp-----	xxx	xxx	xxx	xxx	xxx	xxx
Inland Steel Co-----	xxx	xxx	xxx	xxx	xxx	xxx
Republic Steel Corp-----	xxx	xxx	xxx	xxx	xxx	xxx
Total-----	xxx	xxx	xxx	xxx	xxx	xxx
	Change in inventory (short tons)					
Bethlehem Steel Corp-----	xxx	xxx	xxx	xxx	xxx	xxx
Inland Steel Co-----	xxx	xxx	xxx	xxx	xxx	xxx
Republic Steel Corp-----	xxx	xxx	xxx	xxx	xxx	xxx
Total-----	xxx	xxx	xxx	xxx	xxx	xxx
	Change in inventory (percent)					
Bethlehem Steel Corp-----	xxx	xxx	xxx	xxx	xxx	xxx
Inland Steel Co-----	xxx	xxx	xxx	xxx	xxx	xxx
Republic Steel Corp-----	xxx	xxx	xxx	xxx	xxx	xxx
Total-----	xxx	xxx	xxx	xxx	xxx	xxx

1/ Not available.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Note.--The 3 firms listed in this table accounted for xxx percent of total U.S. producers' shipments of hot-rolled carbon steel bars during 1974-77.

Table 32.-- Person-hours worked by production and related workers producing hot-rolled carbon steel bars and hot- and cold-rolled carbon steel strip, by categories and by specified companies, 1974-77

(In thousands of person-hours)				
Product category and company	1974	1975	1976	1977
Hot-rolled carbon steel bars and hot- and cold-rolled carbon steel strip:				
Armco-----	xxx	xxx	xxx	xxx
Bethlehem-----	xxx	xxx	xxx	xxx
Republic-----	xxx	xxx	xxx	xxx
Total-----	xxx	xxx	xxx	xxx
Hot-rolled carbon steel bars:				
Armco-----	xxx	xxx	xxx	xxx
Bethlehem-----	xxx	xxx	xxx	xxx
Republic-----	xxx	xxx	xxx	xxx
Total-----	xxx	xxx	xxx	xxx
Hot- and cold-rolled carbon steel strip:				
Armco-----	xxx	xxx	xxx	xxx
Bethlehem-----	xxx	xxx	xxx	xxx
Republic-----	xxx	xxx	xxx	xxx
Total-----	xxx	xxx	xxx	xxx

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Note.--The 3 firms listed above accounted for about xxx percent of total U.S. producers' shipments of hot-rolled carbon steel bars and hot- and cold-rolled carbon steel strip during 1974-77.

Table 33.-- Profit-and-loss experience of producers of hot-rolled carbon steel bars on their hot-rolled carbon steel bar operations, 1974-76, and January-September 1977

(In thousands of dollars)								
Company and year	Net sales	Cost of goods sold	Gross profit or (loss)	General, selling, and administrative expenses	Net operating profit or (loss)	Other income or (expense)	Net profit or (loss) before tax	
Armco Steel Corp.:								
1974-----	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
1975-----	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
1976-----	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
January-September 1977-----	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
Bethlehem Steel Corp.:								
1974-----	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
1975-----	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
1976-----	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
January-September 1977-----	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
Republic Steel Corp.:								
1974-----	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
1975-----	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
1976-----	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
January-September 1977-----	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
Total:								
1974-----	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
1975-----	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
1976-----	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
January-September 1977-----	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx

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1/ Less than (0.05).

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Table 34.-- Ratio of selected financial data to net sales of producers of hot-rolled carbon steel bars on their hot-rolled carbon steel bar operations, 1974-76, and January-September 1977

(In thousands of dollars)

Company and year	Net sales	Cost of goods sold	Gross profit or (loss)	General selling and administrative expenses	Net operating profit or (loss)	Other income or (expense) net	Net profit or (loss) before tax
Armco Steel Corp.:							
1974-----	xxx	xxx	xxx	xxx	xxx	xxx	xxx
1975-----	xxx	xxx	xxx	xxx	xxx	xxx	xxx
1976-----	xxx	xxx	xxx	xxx	xxx	xxx	xxx
January-September--							
1977-----	xxx	xxx	xxx	xxx	xxx	xxx	xxx
Bethlehem Steel Corp.:							
1974-----	xxx	xxx	xxx	xxx	xxx	xxx	xxx
1975-----	xxx	xxx	xxx	xxx	xxx	xxx	xxx
1976-----	xxx	xxx	xxx	xxx	xxx	xxx	xxx
January-September--							
1977-----	xxx	xxx	xxx	xxx	xxx	xxx	xxx
Republic Steel Corp.:							
1974-----	xxx	xxx	xxx	xxx	xxx	xxx	xxx
1975-----	xxx	xxx	xxx	xxx	xxx	xxx	xxx
1976-----	xxx	xxx	xxx	xxx	xxx	xxx	xxx
January-September--							
1977-----	xxx	xxx	xxx	xxx	xxx	xxx	xxx
Total:							
1974-----	xxx	xxx	xxx	xxx	xxx	xxx	xxx
1975-----	xxx	xxx	xxx	xxx	xxx	xxx	xxx
1976-----	xxx	xxx	xxx	xxx	xxx	xxx	xxx
January-September--							
1977-----	xxx	xxx	xxx	xxx	xxx	xxx	xxx

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Table 35.-- Profit-and-loss experience of producers of hot- and cold-rolled steel strip on their hot- and cold-rolled carbon steel strip operations, 1974-76, and January-September 1977

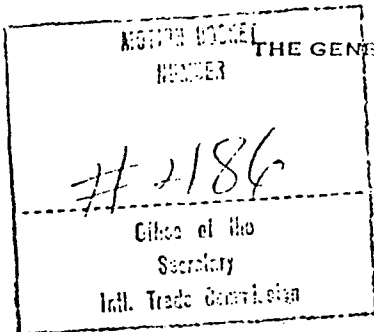
Company and year	Net sales	Cost of goods sold	Gross profit or (loss)	General, selling, and administrative expenses	Net operating profit or (loss)	Other income or (expense)	Net profit or (loss) before tax
Value (1,000 dollars)							
Armco Steel Corp:							
1974-----	xxx	xxx	xxx	xxx	xxx	xxx	xxx
1975-----	xxx	xxx	xxx	xxx	xxx	xxx	xxx
1976-----	xxx	xxx	xxx	xxx	xxx	xxx	xxx
1977 (Jan.-Sept.)----	xxx	xxx	xxx	xxx	xxx	xxx	xxx
Bethlehem Steel Corp.:							
1974-----	xxx	xxx	xxx	xxx	xxx	xxx	xxx
1975-----	xxx	xxx	xxx	xxx	xxx	xxx	xxx
1976-----	xxx	xxx	xxx	xxx	xxx	xxx	xxx
1977 (Jan.-Sept.)----	xxx	xxx	xxx	xxx	xxx	xxx	xxx
Total:							
1974-----	xxx	xxx	xxx	xxx	xxx	xxx	xxx
1975-----	xxx	xxx	xxx	xxx	xxx	xxx	xxx
1976-----	xxx	xxx	xxx	xxx	xxx	xxx	xxx
1977 (Jan.-Sept.)----	xxx	xxx	xxx	xxx	xxx	xxx	xxx
Share of net sales (percent)							
Armco Steel Corp:							
1974-----	xxx	xxx	xxx	xxx	xxx	xxx	xxx
1975-----	xxx	xxx	xxx	xxx	xxx	xxx	xxx
1976-----	xxx	xxx	xxx	xxx	xxx	xxx	xxx
1977 (Jan.-Sept.)----	xxx	xxx	xxx	xxx	xxx	xxx	xxx
Bethlehem Steel Corp.:							
1974-----	xxx	xxx	xxx	xxx	xxx	xxx	xxx
1975-----	xxx	xxx	xxx	xxx	xxx	xxx	xxx
1976-----	xxx	xxx	xxx	xxx	xxx	xxx	xxx
1977 (Jan.-Sept.)----	xxx	xxx	xxx	xxx	xxx	xxx	xxx
Total:							
1974-----	xxx	xxx	xxx	xxx	xxx	xxx	xxx
1975-----	xxx	xxx	xxx	xxx	xxx	xxx	xxx
1976-----	xxx	xxx	xxx	xxx	xxx	xxx	xxx
1977 (Jan.-Sept.)----	xxx	xxx	xxx	xxx	xxx	xxx	xxx

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Source: Compiled from data submitted in response to the questionnaires of the U.S. International Trade Commission.

APPENDIX B

LETTER FROM MR. ROBERT H. MUNDHEIM, GENERAL COUNSEL
OF THE TREASURY, TO THE CHAIRMAN, UNITED STATES
INTERNATIONAL TRADE COMMISSION, DATED JANUARY 17,
1978.



THE GENERAL COUNSEL OF THE TREASURY
WASHINGTON, D.C. 20220

JAN 17 1978

RECEIVED

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OFFICE OF THE SECRETARY
U.S. INTL. TRADE COMMISSION

Dear Mr. Chairman:

In accordance with section 201(c) of the Anti-dumping Act of 1921, as amended, antidumping investigations are being initiated with respect to imports of carbon steel bars and carbon steel strip from the United Kingdom. Pursuant to section 201(c)(2) of the Act, you are hereby advised that the information developed during our preliminary investigations has led to the conclusion that 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 this merchandise into the United States.

Based upon discussions with the U.S. Customs Service and your staff, it was decided that carbon steel bars and carbon steel strip each constitute a separate "class or kind of merchandise" for the purposes of an anti-dumping investigation.

For purposes of these investigations, the term "carbon steel bars" means bars of steel, other than alloy, provided for in item numbers 608.45 and 608.46 of the Tariff Schedules of the United States (TSUS) and the term "carbon steel strip" means strip of steel, other than alloy, provided for in item numbers 609.02, 609.03 and 609.04 of the TSUS.

The information available to Treasury with respect to imports of carbon steel bars from the United Kingdom indicates that those imports increased substantially during the period January - September 1977 -- the most recent period for which data are available -- over the same period in 1976. However, imports of carbon steel bars from the United Kingdom accounted for only 1.4 percent of domestic consumption during the period January - September 1977. With respect to imports of carbon steel strip, the information available to Treasury

indicates those imports also increased during the first nine months of 1977 over the comparable period in 1976. However, imports of carbon steel strip from the United Kingdom accounted for only 0.2 percent of domestic consumption during the first nine months of 1977.

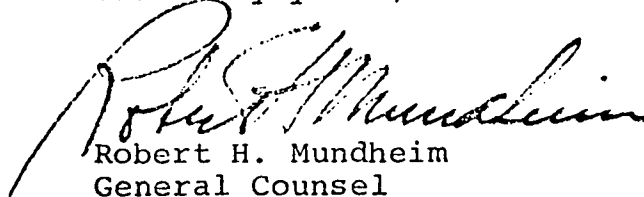
Furthermore, although in recent years profitability and employment declined appreciably throughout the domestic industry producing the classes or kinds of merchandise described above, there is no evidence before Treasury that those declines were caused by imports of the alleged sales at less than fair value from the United Kingdom.

Accordingly, from the available information the Department has concluded that there is substantial doubt that an industry is being, or is likely to be, injured, or is prevented from being established, by reason of the alleged sales at less than fair value from the United Kingdom.

Based upon the data submitted by petitioner, the margins of sales at less than fair value range from 2.6 to 12 percent on bars and from 24 to 26 percent on strip.

Some of the enclosed data is regarded by Treasury to be of a confidential nature. It is therefore requested that the U.S. International Trade Commission consider all the enclosed information to be for the official use of the ITC only, and not to be disclosed to others without prior clearance from the Treasury Department.

Sincerely yours,


Robert H. Mundheim
General Counsel

The Honorable
Daniel Minchew
Chairman
U.S. International Trade
Commission
Washington, D.C. 20436

Enclosure

APPENDIX C

UNITED STATES INTERNATIONAL TRADE COMMISSION
NOTICE OF INQUIRIES AND HEARING

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, D.C.

[AA1921-Inq.-8 and 9]

CARBON STEEL BARS AND CARBON STEEL STRIP FROM THE UNITED KINGDOM

Notice of Inquiries and Hearing

The United States International Trade Commission (Commission) received advice from the Department of the Treasury (Treasury) on January 17, 1978, that during the course of determining whether to initiate an investigation with respect to carbon steel bars and carbon steel strip from the United Kingdom in accordance with section 201(c) of the Antidumping Act, 1921, as amended (19 U.S.C. 160(c)), Treasury concluded from the information available to it that 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 this merchandise into the United States. Therefore, the Commission on January 23, 1978, instituted inquiries AA1921-Inq.-8 and 9, under section 201(c)(2) of that act, to determine whether there is no reasonable indication 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 such merchandise into the United States.

The Treasury advised the Commission as follows:

Dear Mr. Chairman:

In accordance with section 201(c) of the Antidumping Act of 1921, as amended, antidumping investigations are being initiated with respect to imports of carbon steel bars and carbon steel strip from the United Kingdom. Pursuant to section 201(c)(2) of the Act, you are hereby advised that the information developed during our preliminary investigations has led to the conclusion that 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 this merchandise into the United States.

Based upon discussions with the U.S. Customs Service and your staff, it was decided that carbon steel bars and carbon steel strip each constitute a separate "class or kind of merchandise" for the purposes of an antidumping investigation.

For purposes of these investigations, the term "carbon steel bars" means bars of steel, other than alloy, provided for in item numbers 608.45 and 608.46 of the Tariff Schedules of the United States (TSUS) and the term "carbon steel strip" means strip of steel, other than alloy, provided for in item numbers 609.02, 609.03, and 609.04 of the TSUS.

The information available to Treasury with respect to imports of carbon steel bars from the United Kingdom indicates that those imports increased substantially during the period January-September 1977--the most recent period for which data are available--over the same period in 1976. However, imports of carbon steel bars from the United Kingdom accounted for only 1.4 percent of domestic consumption during the period January-September 1977. With respect to imports of carbon steel strip, the information available to Treasury indicates those imports also increased during the first nine months

of 1977 over the comparable period in 1976. However, imports of carbon steel strip from the United Kingdom accounted for only 0.2 percent of domestic consumption during the first nine months of 1977.

Furthermore, although in recent years profitability and employment declined appreciably throughout the domestic industry producing the classes or kinds of merchandise described above, there is no evidence before Treasury that those declines were caused by imports of the alleged sales at less than fair value from the United Kingdom.

Accordingly, from the available information the Department has concludes that there is substantial doubt that an industry is being, or is likely to be, injured, or is prevented from being established, by reason of the alleged sales at less than fair value from the United Kingdom.

Based upon the data submitted by petitioner, the margins of sales at less than fair value range from 2.6 to 12 percent on bars and from 24 to 26 percent on strip.

Some of the enclosed data is regarded by Treasury to be of a confidential nature. It is therefore requested that the U.S. International Trade Commission consider all the enclosed information to be for the official use of the ITC only, and not to be disclosed to others without prior clearance from the Treasury Department.

Sincerely yours,

s/Robert H. Mundheim
General Counsel

Hearing. A public hearing in connection with the inquiries will be held in Washington, D.C., beginning at 9:30 a.m. e.s.t., on Wednesday, February 1, 1978, in the Hearing Room, U.S. International Trade Commission Building, 701 E Street, N.W. All persons have the right to appear by counsel or in person, to present evidence, and to be heard. Requests to appear at the public hearing should be received in writing in the office of the Secretary to the Commission not later than noon Friday, January 27, 1978.

Written statements. Interested parties may submit statements in writing in lieu of, and in addition to, appearance at the public hearing. A signed original and nineteen true copies of such statements should be submitted. To be assured of their being given due consideration by the Commission, such statements should be received no later than Monday, February 6, 1978.

By order of the Commission.


Kenneth R. Mason
Secretary

ISSUED: January 24, 1978

APPENDIX D

DEPARTMENT OF THE TREASURY ANTIDUMPING PROCEEDING NOTICES FOR CARBON STEEL BARS FROM THE UNITED KINGDOM AND CARBON STEEL STRIP FROM THE UNITED KINGDOM (43 F.R. 3231 AND 43 F.R. 3232) January 23, 1978.

NOTICES

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[4810-22]

DEPARTMENT OF THE TREASURY

Office of the Secretary

CARBON STEEL BARS FROM THE UNITED KINGDOM

Antidumping Proceeding Notice

AGENCY: U.S. Treasury Department.

ACTION: Initiation of Antidumping Investigation.

SUMMARY: This notice is to advise the public that a petition in proper form has been received and an antidumping investigation is being initiated for the purpose of determining whether imports of carbon steel bars from the United Kingdom are being, or are likely to be, sold at less than fair value within the meaning of the Antidumping Act of 1921, as amended. Sales at less than fair value generally occur when the prices of the merchandise sold for exportation to the United States are less than the prices in the home market. Because there is substantial doubt that an industry is being, or is likely to be injured as a result of these imports, this case is being referred to the United States International Trade Commission for a determination as to whether or not there is reasonable indication of injury while this investigation proceeds. If the Commission should find within 30 days that there is no reasonable indication of injury, this investigation will be terminated. Otherwise, the investigation will continue to a conclusion.

EFFECTIVE DATE: January 23, 1978.

FOR FURTHER INFORMATION CONTACT:

Frank Andrysiak, Operations Officer, U.S. Customs Service, Office of Operations, Duty Assessment Division, Technical Branch, 1301 Constitution Avenue NW., Washington, D.C. 20229, telephone 202-566-5492.

SUPPLEMENTARY INFORMATION:

On December 5, 1977, information was received in proper form pursuant to §§ 153.26 and 153.27, Customs Regulations (19 CFR 153.26, 153.27), from Armco Steel Corp. indicating a possibility that carbon steel bars from the United Kingdom are being, or are likely to be, sold at less than fair value within the meaning of the Antidumping Act, 1921, as amended (19 U.S.C. 160 et seq.).

For purposes of this investigation, the term "carbon steel bars" means bars of steel, other than alloy, provided for in item numbers 608.45 and 608.46 of the Tariff Schedules of the United States (TSUS).

Margins of dumping are alleged which, if based on a comparison with

prices in the home market, range from 2.6 percent to 12 percent. These margins have been computed from home market prices published by the Commission of the European Communities. To the extent the investigation to be undertaken reveals that actual sales prices in the home market have been at other than such published prices, the margins, if any, will be computed on the basis of such actual transactions.

There is evidence on record concerning injury or likelihood of injury to the U.S. steel industry from the alleged less than fair value imports. This evidence includes an increase in imports during the first nine months of 1977, when compared to the same period in 1976; declines in overall employment in the domestic steel industry; and, reduced profit margins for domestic firms producing carbon steel bars.

The evidence also indicates, however, that imports of carbon steel bars from the United Kingdom accounted for only 1.4 percent of domestic consumption during 1977. Furthermore, no evidence has been provided which establishes a causal link between imports from the United Kingdom and the injury alleged by the domestic industry. Therefore, on the basis of such evidence it has been concluded that there is substantial doubt of injury, or likelihood of injury to, or prevention of establishment of an industry in the United States by virtue of such importation from the United Kingdom. Accordingly, the United States International Trade Commission is being advised of such doubt pursuant to section 201(c)(2) of the Act (19 U.S.C. 160(c)(2)).

Having conducted a summary investigation as required by § 153.29 of the Customs Regulations (19 CFR 153.29) and having determined as a result thereof that there are grounds for so doing, the United States Customs Service is instituting an inquiry to verify the information submitted and to obtain the facts necessary to enable the Secretary of the Treasury to reach a determination as to the fact or likelihood of sales at less than fair value.

This notice is published pursuant to § 153.30 of the Customs Regulations (19 CFR 153.30).

ROBERT H. MUNDHEIM,
General Counsel
of the Treasury.

JANUARY 17, 1978.

(FR Doc. 78-1826 Filed 1-20-78; 8:45 am)

[4810-22]

CARBON STEEL STRIP FROM THE UNITED KINGDOM

Antidumping Proceeding Notice

AGENCY: U.S. Treasury Department.

ACTION: Initiation of Antidumping Investigation.

SUMMARY: This notice is to advise the public that a petition in proper form has been received and an antidumping investigation is being initiated for the purpose of determining whether imports of carbon steel strip from the United Kingdom are being, or are likely to be, sold at less than fair value within the meaning of the Antidumping Act of 1921, as amended. Sales at less than fair value generally occur when the prices of the merchandise sold for exportation to the United States are less than the prices in the home market. Because there is substantial doubt that an industry is being, or is likely to be injured as a result of these imports, this case is being referred to the United States International Trade Commission for a determination as to whether or not there is reasonable indication of injury while this investigation proceeds. If the Commission should find within 30 days that there is no reasonable indication of injury, this investigation will be terminated. Otherwise, the investigation will continue to a conclusion.

EFFECTIVE DATE: January 23, 1978.

FOR FURTHER INFORMATION CONTACT:

Frank Andrysiak, Operations Officer, Duty Assessment Division, U.S. Customs Service, 1301 Constitution Avenue NW., Washington, D.C. 20229, 202-566-5492.

SUPPLEMENTARY INFORMATION:

On December 5, 1977 information was received in proper form pursuant to §§ 153.26 and 153.27, Customs Regulations (19 CFR 153.26, 153.27), from Armco Steel Corporation indicating a possibility that carbon steel cold rolled sheets and coils are being, or are likely to be, sold at less than fair value within the meaning of the Antidumping Act, 1921, as amended (19 U.S.C. 160 et seq.).

The class or kind of merchandise "cold rolled sheets and coils" alleged by petitioner to be sold at less than fair value included carbon steel cold rolled sheets classified under item number 608.87 of the Tariff Schedules of the United States (TSUS) and carbon steel strip provided for under item numbers 609.02, 609.03 and 609.04 of the TSUS. Since the cold rolled sheets from the United Kingdom which are the subject of this petition are currently the subject of another antidumping proceeding, notice of which was published in the FEDERAL REGISTER of December 2, 1977 (42 F.R. 61353), they are excepted from this investigation.

Therefore, this investigation is limited to carbon steel strip, which for purposes of this investigation means strip of steel, other than alloy, provided for

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in item numbers 609.02, 609.03 and [4810-22]
609.04 of the TSUS.

The alleged margins of dumping, if based on a comparison with prices in the home market, range from 24 percent to 26 percent. These margins have been computed from home market prices established under the "Davignon Plan" of the European Community or from home market list prices. To the extent the investigation to be undertaken reveals that actual sales prices in the home market have been at other than such established or list prices, the margins, if any, will be computed on the basis of such actual transactions.

There is evidence on record concerning injury or likelihood of injury to the U.S. steel industry from the alleged less than fair value imports. This evidence includes an increase in imports in the first nine months of 1977, when compared to the same period in 1976; declines in overall employment in the domestic steel industry; and, reduced profit margins for domestic firms producing carbon steel strip.

This evidence also, indicates, however, that imports of carbon steel strip from the United Kingdom accounted for only 0.2 percent of domestic consumption during 1977. Furthermore, no evidence has been provided which establishes a causal link between imports from the United Kingdom and the injury alleged by the domestic industry. Therefore, on the basis of such evidence it has been concluded that there is substantial doubt of injury, or likelihood of injury to, or prevention of establishment of an industry in the United States by virtue of such importation from the United Kingdom. Accordingly, the United States International Trade Commission is being advised of such doubt pursuant to section 201(c) (2) of the Act (19 U.S.C. 160 (c) (2)).

Having conducted a summary investigation as required by § 153.29 of the Customs Regulations (19 CFR 153.29) and having determined as a result thereof that there are grounds for so doing, the United States Customs Service is instituting an inquiry to verify the information submitted and to obtain the facts necessary to enable the Secretary of the Treasury to reach a determination as to the fact or likelihood of sales at less than fair value.

This notice is published pursuant to § 153.30 of the Customs Regulations (19 CFR 153.30).

JANUARY 17, 1978.

ROBERT H. MUNDHEIM,
General Counsel of the Treasury.

[FR Doc. 78-1823 Filed 1-20-78; 8:45 am]

APPENDIX E

DEPARTMENT OF THE TREASURY ANTIDUMPING PROCEEDING NOTICES FOR CARBON STEEL
PLATES FROM THE UNITED KINGDOM, AND CERTAIN STRUCTURAL CARBON STEEL SHAPES
FROM THE UNITED KINGDOM (43 F.R. 3232 AND 43 F.R. 3233) JANUARY 23, 1978

4310-22]

CARBON STEEL PLATES FROM THE UNITED KINGDOM

Antidumping Proceeding Notice

AGENCY: U.S. Treasury Department.

ACTION: Initiation of Antidumping Investigation.

SUMMARY: This notice is to advise the public that a petition in proper form has been received and an antidumping investigation is being initiated for the purpose of determining whether imports of carbon steel plates from the United Kingdom are being, or are likely to be, sold at less than fair value within the meaning of the Antidumping Act of 1921, as amended. Sales at less than fair value generally occur when the prices of the merchandise sold for exportation to the United States are less than the prices in the home market.

EFFECTIVE DATE: January 23, 1978.

FOR FURTHER INFORMATION CONTACT:

Frank Andrysiak, Operations Officer, U.S. Customs Service, Office of Operations, Duty Assessment Division, Technical Branch, 1301 Constitution Avenue NW., Washington, D.C. 20229, telephone, 202-566-5492.

SUPPLEMENTARY INFORMATION: On December 5, 1977, information was received in proper form pursuant to §§ 153.26 and 153.27, Customs Regulations (19 CFR 153.26, 153.27), from Armco Steel Corp. indicating a possibility that carbon steel plates from the United Kingdom are being, or are likely to be, sold at less than fair value within the meaning of the Antidumping Act, 1921, as amended (19 U.S.C. 160 et seq.).

For purposes of this investigation, the term "carbon steel plates" means plates of steel, other than alloy, provided for in item numbers 608.84, 608.87, 609.12 and 609.13 of the Tariff Schedules of the United States (TSUS).

Margins of dumping are alleged which, if based on a comparison with prices in the home market, range from 38 percent to 44 percent. These margins have been computed from home market prices published by the Commission of the European Communities or from home market list prices. To the extent the investigation to be undertaken reveals that actual sales prices in the home market have been at other than such published or list prices, the margins, if any, will be computed on the basis of such actual transactions.

There is evidence on record concerning injury or likelihood of injury to the U.S. steel industry from the alleged less than fair value imports. This evidence includes an increase in im-

ports in the first nine months of 1977 when compared to the same period in 1976; declines in overall employment in the domestic steel industry; and, reduced profit margins for domestic firms producing carbon steel plates. It should also be noted that domestic shipments of these products decreased from 1974 through 1976.

Although the imports from the United Kingdom are small in relation to domestic consumption, there is currently in process an antidumping investigation of this same class or kind of merchandise from Japan. Cumulating the imports from the United Kingdom and Japan, those imports together accounted for approximately 11.6 percent of the United States market for this product during 1976. In assessing the injury caused by the alleged sales at less than fair value from the United Kingdom, it has been considered appropriate to cumulate the shares of the domestic market held by imports from each of the countries subject to investigation. The products appear to be fungible. Under such circumstances, it would be unrealistic to attempt to differentiate the alleged injury by imports from one country rather than another when it is the cumulative effect of all, occurring within a discrete time frame, that creates the problem.

Section 201(c)(2) of the Act, adopted as part of the Trade Act of 1974, requires the Secretary to refer a petition to the United States International Trade Commission for a determination of whether there is "no reasonable indication that an industry is being or is likely to be injured" if he has "substantial doubt" that imports of the subject merchandise at less than fair value are the cause of present or likely injury to an existing industry. Considering the evidence presented and available regarding imports from the United Kingdom, no "substantial doubt" has been determined to exist.

Having conducted a summary investigation as required by § 153.29 of the Customs Regulations (19 C.F.R. 153.29) and having determined as a result thereof that there are grounds for so doing, the United States Customs Service is instituting an inquiry to verify the information submitted and to obtain the facts necessary to enable the Secretary of the Treasury to reach a determination as to the fact or likelihood of sales at less than fair value.

This notice is published pursuant to § 153.30 of the Customs Regulations (19 C.F.R. 153.30).

ROBERT H. MUNDHEIM,
General Counsel of the Treasury.

JANUARY 17, 1978.

[FR Doc. 78-1824 Filed 1-20-78; 8:45 am]

[4810-22]

**CERTAIN STRUCTURAL CARBON STEEL SHAPES
FROM THE UNITED KINGDOM**

Antidumping Proceeding Notice

AGENCY: U.S. Treasury Department.

ACTION: Initiation of antidumping investigation.

SUMMARY: This notice is to advise the public that a petition in proper form has been received and an antidumping investigation is being initiated for the purpose of determining whether imports of certain structural carbon steel shapes from the United Kingdom are being, or are likely to be, sold at less than fair value within the meaning of the Antidumping Act of 1921, as amended. Sales at less than fair value generally occur when the prices of the merchandise sold for exportation to the United States are less than the prices in the home market.

EFFECTIVE DATE: January 23, 1978.

FOR FURTHER INFORMATION CONTACT:

Frank Andrysiak, Operations Officer, U.S. Customs Service, Office of Operations, Duty Assessment Division, Technical Branch, 1301 Constitution Avenue NW., Washington, D.C. 20229, telephone 202-566-5492.

SUPPLEMENTARY INFORMATION: On December 5, 1977, information was received in proper form pursuant to §§ 153.26 and 153.27, Customs Regulations (19 CFR 153.26, 153.27), from Armco Steel Corp., indicating a possibility that certain structural carbon steel shapes from the United Kingdom are being, or are likely to be, sold at less than fair value within the meaning of the Antidumping Act, 1921, as amended (19 U.S.C. 160 et seq.).

For purposes of this investigation, the term "certain structural carbon steel shapes" means angles, shapes, sections and sheet pilings of steel, other than alloy, provided for in item numbers 609.80, 609.84, 609.88 and 609.96 of the Tariff Schedules of the United States (TSUS).

Margins of dumping are alleged which, if based on a comparison with prices in the home market, range from 68 percent to 76 percent. These margins have been computed from home market prices published by the Commission of the European Communities or from home market list prices. To the extent the investigation to be undertaken reveals that actual sales prices in the home market have been at other than such published or list prices, the margins, if any, will be computed on the basis of such actual transactions.

There is evidence on record concerning injury or likelihood of injury to the U.S. steel industry from the alleged less than fair value imports. This

evidence includes an increase in imports during the first 9 months of 1977, when compared to the same period in 1976; declines in overall employment in the domestic steel industry; and, reduced profit margins for domestic firms producing structural steel shapes. It should also be noted that domestic shipments of these products decreased from 1974 through 1976.

Although the imports from the United Kingdom are small in relation to domestic consumption, there is currently in process an antidumping investigation of this same class or kind of merchandise from Japan. Cumulating the imports from the United Kingdom and Japan, those imports together accounted for approximately 22.4 percent of the U.S. market for this product during 1976. In assessing the injury caused by the alleged sales at less than fair value from the United Kingdom, it has been considered appropriate to cumulate the shares of the domestic market held by imports from each of the countries subject to investigation. The products appear to be fungible. Under such circumstances, it would be unrealistic to attempt to differentiate the alleged injury by imports from one country rather than another when it is the cumulative effect of all, occurring within a discrete time frame, that creates the problem.

Section 201(c)(2) of the Act, adopted as part of the Trade Act of 1974, requires the Secretary to refer a petition to the U.S. International Trade Commission for a determination of whether there is "no reasonable indication that an industry is being or is likely to be injured" if he has "substantial doubt" that imports of the subject merchandise at less than fair value are the cause of present or likely injury to an existing industry. Considering the evidence presented and available regarding imports from the United Kingdom, no "substantial doubt" has been determined to exist.

Having conducted a summary investigation as required by § 153.29 of the Customs Regulations (19 CFR 153.29) and having determined as a result thereof that there are grounds for so doing, the U.S. Customs Service is instituting an inquiry to verify the information submitted and to obtain the facts necessary to enable the Secretary of the Treasury to reach a determination as to the fact or likelihood of sales at less than fair value.

This notice is published pursuant to § 153.30 of the Customs Regulations (19 CFR 153.30).

ROBERT H. MUNDHEIM,
*General Counsel
of the Treasury.*

JANUARY 17, 1978.

[FR Doc. 78-1825 Filed 1-20-78; 8:45 am]

[4810-22]

APPENDIX F

DEPARTMENT OF THE TREASURY ANTIDUMPING PROCEEDING
NOTICES FOR COLD-ROLLED AND GALVANIZED CARBON
STEEL SHEETS FROM THE UNITED KINGDOM, AND CARBON
STEEL WIRE ROD, NOT TEMPERED, NOT TREATED AND
NOT PARTLY MANUFACTURED, FROM THE UNITED KINGDOM
(42 F.R. 61353 AND 42 F.R. 64173), DECEMBER 2, 1977,
AND DECEMBER 22, 1977, RESPECTIVELY

DEPARTMENT OF THE TREASURY

Office of the Secretary

**CARBON STEEL WIRE ROD, NOT TEMPERED,
NOT TREATED AND NOT PARTLY MANU-
FACTURED FROM THE UNITED KINGDOM**

Antidumping Proceeding Notice

AGENCY: U.S. Treasury Department.

ACTION: Initiation of Antidumping Investigation.

SUMMARY: This notice is to advise the public that a petition in proper form has been received and an antidumping investigation is being initiated for the purpose of determining whether carbon steel wire rod, not tempered, not treated and not partly manufactured, from the United Kingdom is being, or is likely to be, sold at less than fair value within the meaning of the Antidumping Act, 1921, as amended. Sales at less than fair value generally means that the prices of the merchandise sold for exportation to

the United States are less than the prices of such or similar merchandise sold in the home market.

EFFECTIVE DATE: December 22, 1977.

FOR FURTHER INFORMATION CONTACT:

William Trujillo, Operations Officer,
U.S. Customs Service, Office of Operations, Duty Assessment Division,
Technical Branch, 1301 Constitution
Avenue NW., Washington, D.C.
20229, 202-566-5492.

SUPPLEMENTARY INFORMATION: On November 17, 1977, information was received in proper form pursuant to sections 153.26 and 153.27, Customs Regulations (19 CFR 153.26, 153.27), from counsel for Georgetown Steel Corp., and Georgetown Texas Steel Corp., indicating that carbon steel wire rod, not tempered, not treated, and not partly manufactured, from the United Kingdom, is being or is likely to be sold at less than fair value within the meaning of the Antidumping Act, 1921, as amended (19 U.S.C. 160 et seq.).

Price information in the petition relevant to sales during the spring of 1977 indicates margins of roughly 83 percent on sales compared. For establishing the fair value of the merchandise, petitioner has suggested the use of "schedule prices" notified to the Commission of the European communities for all steel producers within the Community. For present purposes, such evidence of home market pricing practices by British exporters to the United States will be accepted, although in making any Tentative or Final Determination under the Act, the best available evidence of prices actually charged in the home market, or, if applicable, third country markets, will be used.

There is evidence on record concerning injury to, or likelihood of injury to, an industry in the United States. This information indicates that the share of domestic consumption held by the U.S. industry has declined significantly during the first three quarters of 1977 over that held during 1976. Further there is information indicating that the share of domestic consumption held by imports from the United Kingdom has more than doubled during that same time period. At the same time prices of the subject imports have declined dramatically. The low prices of the subject imports may have depressed prices of the domestic industry, causing loss of profits by Petitioner.

In assessing the injury caused by the alleged sales at less than fair value from the United Kingdom, it has been considered appropriate to accumulate the shares of the market held by imports from the United Kingdom to those from France noted in the Treasury's Antidumping Proceeding Notice

in respect of such imports from France (42 FR 55858). The products in question appear to be fungible. Under such circumstances, it would be unrealistic to differentiate the alleged injury caused by imports from one country rather than another when it is the cumulative effect of all, occurring within a discrete time frame, that creates the problem.

Section 201(c)(2) of the Act, adopted as part of the Trade Act of 1974, requires the Secretary to refer a petition to the United States International Trade Commission for a Determination of whether there is "no reasonable indication" that an industry is being or is likely to be injured, if he has "substantial doubt" that imports of the subject merchandise at less than fair value are the cause of present or likely injury to an existing industry. Considering the evidence presented and available regarding imports from the United Kingdom and France, no "substantial doubt" has been determined to exist.

Having conducted a preliminary investigation as required by section 153.29 of the Customs Regulations (19 CFR 153.29), and having determined as a result thereof that there grounds for so doing, the U.S. Customs Service is instituting an inquiry to obtain the facts necessary to enable the Secretary of the Treasury to reach a determination as to the fact or likelihood of sales at less than fair value.

A summary of information received from all sources is as follows:

The information received tends to indicate that the prices of the merchandise sold, or offered for sale, for exportation to the United States are, or are likely to be, less than the prices for home consumption.

This notice is published pursuant to section 153.30 of the Customs Regulations (19 CFR 153.30).

Dated: December 16, 1977.

ROBERT H. MUNDHEIM,
*General Counsel
of the Treasury.*

[FR Doc. 77-36446 Filed 12-21-77; 8:45 am]

**COLD ROLLED AND GALVANIZED CARBON
STEEL SHEETS FROM THE UNITED KINGDOM**

Antidumping Investigation

AGENCY: U.S. Treasury Department.

ACTION: Initiation of Antidumping Investigation.

SUMMARY: This notice is to advise the public that a petition in proper form has been received and an antidumping investigation is being initiated for the purpose of determining whether imports of cold-rolled and galvanized carbon steel sheets from the United Kingdom are being, or are likely to be, sold at less than fair value within the meaning of the Antidumping Act of 1921, as amended. Sales at less than fair value generally occur when the prices of the merchandise sold for exportation to the United States are less than the prices in the home market.

EFFECTIVE DATE: December 2, 1977.

**FOR FURTHER INFORMATION
CONTACT:**

Frank Andryslak, Operations Officer, U.S. Customs Service, Office of Operations, Duty Assessment Division, Technical Branch, 1301 Constitution Avenue NW., Washington DC. 20229; 202-566-5492.

SUPPLEMENTARY INFORMATION:
On October 25, 1977, information was

received in proper form pursuant to §§ 153.26 and 153.27, Customs Regulations (19 CFR 153.26, 153.27), from counsel on behalf of National Steel Corp. indicating a possibility that cold-rolled and galvanized carbon steel sheets from Italy, Belgium, France, the Federal Republic of Germany, the Netherlands, and the United Kingdom are being, or are likely to be, sold at less than fair value within the meaning of the Antidumping Act, 1921, as amended (19 U.S.C. 160 et seq.)

The steel sheets under consideration include cold rolled sheets of carbon steel provided for in item number 608.87 of the Tariff Schedules of the United States and galvanized sheets of carbon steel provided for in item Nos. 608.94 and 608.95 of the Tariff Schedules of the United States.

The margin of dumping alleged which, if based on a comparison with prices in the home market, was approximately 53.3 percent. This margin has been computed from home market prices established under the "Davignon Plan" of the European community. To the extent the investigation to be undertaken reveals that actual sales prices in the home market have been at other than such established prices, the margins, if any, will be computed on the basis of such actual transactions.

In addition to the dumping alleged on the basis of price comparisons, the petitioner has also requested that a cost of production investigation be conducted under section 205(b) of the Act. In support of this request, petitioner submitted information showing that the prices of cold rolled carbon steel sheets in the United States were less than the cost of producing and delivering these goods to the country. Petitioner did not submit information with respect to galvanized carbon steel sheets from the United Kingdom. However, it has been determined that these two products constitute the same "class or kind of merchandise" and on this basis an investigation is warranted with respect to galvanized sheets as well. No evidence was supplied to indicate that prices of cold rolled or galvanized steel sheets in the home market or to third countries have been made in the substantial quantities over an extended period of time at prices less than the cost of production and not permitting recovery of all costs within a reasonable period. However, it is only such facts that are relevant to section 205(b) of the Act. Petitioner has claimed that the home market prices of cold rolled sheet are the minimum prices established by the Davignon Plan, while galvanized steel sheet prices are based on official European Community published price lists. These exceed the cost of production (properly calculated) even as computed by petitioner. Thus, on the basis of the present record, no cost-of-production investigation appears warranted. However, petitioner has also asserted that the listed minimum prices in the European Community do not represent actual transaction prices. If, during the course of the investigation being initiated it is found that actual home market, or if appropriate, third country transactions, have been at prices below the Davignon Plan or list prices for these products, a comparison of these lower prices will be made with the cost of production. If these below cost sales have occurred in substantial quantities and over an extended period of time at prices not permitting the recovery of all costs within a reasonable period of time, then a cost of production investigation would be deemed appropriate and would be initiated. The Customs Service will, accordingly, be directed to solicit information relevant to these considerations as promptly as possible from all interested persons.

There is evidence on record concerning injury or likelihood of injury to the U.S. steel industry from the alleged less than fair value imports. This evidence includes increases in absolute imports in the first half of 1977 compared to the same period in 1976, a decrease in the market share held by domestic manufacturers from the first quarter to the second quarter of 1977 at a time when the share of the U.S. market held by imports from these six countries increased dramatically from 2.5 percent to 6.8 percent, declines in capacity utilization, declines in overall employment in the domestic steel industry and reduced profit margins for domestic firms producing cold rolled and galvanized sheets. It should, however, also be noted that domestic shipments of these products increase from 1975 through July 1977, that the market share held by imports from these six countries is now still below 1975 levels and that only a tenuous causal relationship has been established between imports from these six countries or from the United Kingdom in particular and the injury alleged by the domestic industry.

In assessing the injury caused by the alleged sales at less than fair value from these six countries of the European Community, it has been considered appropriate to cumulate the shares of the market held by imports from each of the countries named. The products appear to be fungible. Under such circumstances, it would be unrealistic to attempt to differentiate the alleged injury cause by imports from one country rather than another when it is the cumulative effect of all, occurring within a discrete time frame, that creates the problem.

Section 201(c)(2) of the Act, adopted as part of the Trade Act of 1974, requires the Secretary to refer a petition to the U.S. International Trade Commission for a determination of whether there is "no reasonable indication that an industry is being or is likely to be injured" if he has "substantial doubt" that imports of the subject merchandise at less than fair value are the cause of present or likely injury to an existing industry. Considering the evidence presented and available regarding imports from these six countries, no "substantial doubt" has been determined to exist.

Having conducted a summary investigation as required by § 153.29 of the Customs Regulations (19 CFR 153.29) and having determined as a result thereof that there are grounds for so doing, the United States Customs Service is instituting an inquiry to verify the information submitted and to obtain the facts necessary to enable the Secretary of the Treasury to reach a determination as to the fact or likelihood of sales at less than fair value.

This notice is published pursuant to § 153.30 of the Customs Regulations (19 CFR 153.30).

**HENRY C. STOCKELL, Jr.,
Acting General Counsel
of the Treasury.**

APPENDIX G

SELECTED DATA ON INVESTIGATIONS AND INQUIRIES
ON CARBON STEEL PRODUCTS CURRENTLY BEFORE
THE DEPARTMENT OF THE TREASURY OR THE U.S.
INTERNATIONAL TRADE COMMISSION UNDER THE
ANTIDUMPING ACT, 1921, AS AMENDED

Table G-1.--Selected data on antidumping investigations currently before the Department of the Treasury and/or the U.S. International Trade Commission on Carbon Steel Products from the United Kingdom

Product	Complainant	Date Complaint was Filed	Date of Institution of Treasury Investigation	Date of Treasury advice to U.S. International Trade Commission
Cold-rolled and galvanized carbon steel sheet-----	National Steel Corp.	Oct. 25, 1977	Dec. 2, 1977	<u>1</u> /
Carbon steel wire rods-----	Georgetown Steel Corp.	Nov. 17, 1977	Dec. 22, 1977	<u>1</u> /
Carbon Steel Plates-----	Armco Steel Corp.	Dec. 5, 1977	Jan. 23, 1978	<u>1</u> /
Carbon steel structural shapes---	Armco Steel Corp.	Dec. 5, 1977	Jan. 23, 1978	<u>1</u> /
Cold-rolled carbon steel sheets coils:				
Strip-----	Armco Steel Corp	Dec. 5, 1977	Jan. 23, 1978 <u>2</u> /	Jan. 17, 1978
Other-----	Armco Steel Corp.	Dec. 5, 1977	<u>3</u> /	<u>1</u> /
Carbon steel wire rods-----	Armco Steel Corp.	Dec. 5, 1977	<u>4</u> /	<u>1</u> /
Hot-rolled carbon steel bars and bar shapes:				
Bars-----	Armco Steel Corp.	Dec. 5, 1977	Jan. 23, 1978 <u>2</u> /	Jan. 17, 1978
Bar shapes-----	Armco Steel Corp.	Dec. 5, 1977	<u>5</u> /	<u>1</u> /

1/ Advice not yet received by U.S. International Trade Commission.

2/ Instituted by Treasury but referred to the U.S. International Trade Commission on January 17, 1978 for a 30-day inquiry.

3/ A new investigation based on the Armco complaint was not instituted by Treasury. The product was covered by the investigation instituted Dec. 2, 1977, as a result of the National Steel Corp. complaint.

4/ A new investigation based on the Armco complaint was not instituted by Treasury. The product was covered by the investigation instituted on December 22, 1977, as a result of the Georgetown Steel Corp. complaint.

5/ Included in the scope of Treasury's investigation of carbon steel structural shapes, instituted by Treasury on January 23, 1978, in response to a different section of the same complaint by Armco Steel Corp.

Table G-2.--Selected data on antidumping investigations currently before the Department of the Treasury and/or the U.S. International Trade Commission on carbon steel products from all countries except the United Kingdom

Product	Country of Exportation	Complainant	Date complaint was filed	Date of Institution of Treasury Investigation	Date of Treasury advice to U.S. International Trade Commission
Hot-rolled carbon steel plate-----	Japan	Gilmore Steel Corp.	Mar. 8, 1977	Mar. 30, 1977	Jan. 18, 1978
Carbon steel wire rod-----	France	Georgetown Steel Corp.	Sept. 12, 1977	Oct. 19, 1977	<u>1/</u>
Carbon steel sheet-----	Japan	U.S. Steel Corp.	Sept. 20, 1977	Oct. 25, 1977	<u>1/</u>
Carbon steel plate-----	Japan	U.S. Steel Corp.	Sept. 20, 1977	Oct. 25, 1977	<u>1/</u>
Carbon steel structurals--	Japan	U.S. Steel Corp.	Sept. 20, 1977	Oct. 25, 1977	<u>1/</u>
Carbon steel pipe and tubing-----	Japan	U.S. Steel Corp.	Sept. 20, 1977	Oct. 25, 1977	<u>1/</u>
Carbon steel wire rope----	Korea	Broderick & Bascom Rope Company	Sept. 27, 1977	Nov. 1, 1977	<u>1/</u>
Steel strand for pre- stressed concrete-----	Japan	5 U.S. producers <u>2/</u>	Oct. 17, 1977	Nov. 23, 1977	<u>1/</u>
Steel strand for prestress- ed concrete-----	India	5 U.S. producers <u>2/</u>	Oct. 17, 1977	Nov. 23, 1977	<u>1/</u>
Cold-rolled and galvanized: carbon steel sheet-----	Belgium	National Steel Corp.	Oct. 25, 1977	Dec. 2, 1977	<u>1/</u>
Cold-rolled and galvanized: steel sheet-----	France	National Steel Corp.	Oct. 25, 1977	Dec. 2, 1977	<u>1/</u>
Cold-rolled and galvanized: carbon steel sheet-----	West Germany	National Steel Corp.	Oct. 25, 1977	Dec. 2, 1977	<u>1/</u>
Cold-rolled and galvanized: carbon steel sheet-----	Italy	National Steel Corp.	Oct. 25, 1977	Dec. 2, 1977	<u>1/</u>
Cold-rolled and galvanized: carbon steel sheet-----	Netherlands	National Steel Corp.	Oct. 25, 1977	Dec. 2, 1977	<u>1/</u>
Steel wire nails-----	Canada	8 U.S. producers <u>3/</u>	Nov. 21, 1977	Dec. 28, 1977	<u>1/</u>
Basic carbon steel pro- ducts-----	Japan	Bethlehem Steel Corp.	Nov. 21, 1977	<u>4/</u>	<u>1/</u>

1/ Advice not yet received by U.S. International Trade Commission.

2/ Armco Steel Corp., American Spring Wire Corp.; Bethlehem Steel Corp.; CF & I Steel Corp.; and Florida Wire & Cable Co.

3/ Armco Steel Corp.; Bethlehem Steel Corp.; Atlantic Steel Co.; CF & I Steel Corp.; Davis Walker Corp.; Keystone Steel & Wire Co.; Northwestern Steel & Wire Co.; and Penn-Dixie Steel Corp.

4/ Not yet instituted by Treasury.

Table G-3.--Product categories and countries of exportation for carbon steel products currently under investigation before the Department of the Treasury and/or the U.S. International Trade Commission under the Antidumping Act, 1921, as amended.

Carbon steel product category	Country of exporation									
	United Kingdom	Japan	West Germany	France	Italy	Belgium	Nether- lands	Canada	India	Korea
Bars-----	<u>1/</u> X									
Pipe and tubing-----		X								
Plate-----	X	<u>2/</u> X								
Shapes-----	X	X								
Sheet-----	X	X	X	X	X	X	X			
Strand-----		X							X	
Strip-----	<u>1/</u> X									
Wire nails-----								X		
Wire rods-----	X			X						
Wire rope-----										X
Basic steel products---		<u>3/</u> X								

1/ 30-day inquiry instituted in January 1978 by U.S. International Trade Commission.

2/ 90-day investigation institute in January 1978 by U.S. International Trade Commission.

3/ May include many of the above enumerated items.

APPENDIX H

EXCERPT FROM A U.S. INTERNATIONAL TRADE COMMISSION STUDY,
A SURVEY AND ANALYSIS OF GOVERNMENT OWNERSHIP IN
MARKET ECONOMY COUNTRIES: A STUDY OF STEEL,
AUTOMOBILES AND IRON ORE, JANUARY 1978

The United Kingdom

Summary

In recent years, the United Kingdom, through its British Steel Corporation (BSC), was the leading producer of the government-owned raw steel of the market economies of the world. The BSC, which is about 90 percent government-owned, produced 20.2 million metric tons of raw steel in 1974, or 30.6 percent of the total government-owned raw steel production encompassed by this study. The United Kingdom, however, accounted for a steadily decreasing percentage of the 21 country government-owned raw steel production for the period 1971-75, as shown below.

Year	: : Total : produc- : tion : : : :	: : Percent : govern- : ment owned: : : : :	: Govern- : ment : owned : produc- : tion : : : :	: Percent of : United Kingdom : to total sample : government-owned : production : : : :
	: <u>1,000</u>	: : : :	: <u>1,000</u>	: : : :
	: <u>metric</u>	: : : :	: <u>metric</u>	: : : :
	: <u>tons</u>	: : : :	: <u>tons</u>	: : : :
1971-----	: 24,174	: 90	: 21,757	: 38.2
1972-----	: 25,321	: 90	: 22,789	: 36.8
1973-----	: 26,649	: 90	: 23,984	: 36.2
1974-----	: 22,426	: 90	: 20,183	: 30.6
1975-----	: 20,198	: 90	: 18,178	: 30.0
	: : : :	: : : :	: : : :	: : : :

Government-owned exports to the United States from these 21 countries accounted for only 11.1 percent of total U.S. steel imports during 1974. The United Kingdom alone accounted for approximately 31.4 percent of the total government-owned steel exports in that

year, but for only 3.5 percent of total U.S. steel imports. The United Kingdom's share of total government-owned exports to the United States, however, declined erratically from 1971 to 1975, as shown below.

Year	:	:	United Kingdom's	United Kingdom's
	:	Total U.S. :	government-	government-owned
	:	steel . :	owned exports :	exports as a
	:	imports :	to the :	percent of U.S.
	:	:	United States :	steel imports
	:	<u>1,000</u> :	<u>1,000</u> :	:
	:	<u>metric tons</u> :	<u>metric tons</u> :	:
	:	:	:	:
1971-----	:	15,953 :	1,143 :	7.2
1972-----	:	15,246 :	977 :	6.4
1973-----	:	13,145 :	825 :	6.3
1974-----	:	14,154 :	492 :	3.5
1975-----	:	10,767 :	427 :	4.0
	:	:	:	:

The British Steel Corporation, a historical perspective

The British Steel Corporation is the third leading raw steel producer in the world behind Nippon Steel of Japan, and United States Steel Corp. of the United States. The BSC was established under the Nationalization Act of 1967 in which Britain's 14 largest steel companies and their nearly 200 subsidiaries were nationalized. Collectively, these companies accounted for over 90 percent of Britain's raw steel production, owned all 20 of Britain's integrated steel works, controlled 60 percent of Britain's iron ore resources, and employed nearly 70 percent of the industry's labor force.

From its inception in 1967, the BSC was to be managed in accordance with commercial principles, and headed by nonpolitical appointees who,

through a minister, would be ultimately responsible for the strategic policy decisions of the corporation. The BSC was prohibited from diversifying outside the iron and steel industry, as well as from acquiring the equity shares of other firms, without first securing ministerial approval. The minister's role was legislated to provide both policy direction over the long-range development of the BSC and to govern the capital structure of the firm. In general, however, there was to be an arm's length arrangement between the management of the BSC and the British government. This arrangement characterized the relationship between the BSC and the British government until 1971 when the BSC was beset with a grave financial crisis in which it recorded losses of \$173 million for the year.

In 1971, a "Joint Steering Group" comprised of representatives from the Department of Trade and Industry and the BSC was commissioned to examine the fundamental causes underlying this grave short-term financial crisis that had befallen the BSC. This quasi-government task force was provided greater access to the BSC's books and investment strategy than had previously been accorded to the British government. From this consultative process emerged a mutually agreed upon 10-year development strategy involving an estimated public outlay for the period in excess of \$7.2 billion.

BSC's 10-year development strategy was issued in December 1972. The plan called for a major restructuring of the British steel industry. Essentially, it provided for the relocation of the industry along coastal sites and for its centralization.

One of the more significant developments to affect the BSC in recent years was the United Kingdom's entry into the European Common Market on Jan. 1, 1973. Until that time, the BSC's prices were significantly below those of the EEC member countries. Since then, the BSC has endeavored to eliminate these price differentials without fueling the fires of inflation which have plagued Britain in the 1970's. 1/

The rationalization program necessitated plant closures and consequently, the displacement of British steel workers. With the reemergence of a Labor government, new "job teams" were established in June of 1974 under the direction of the BSC to assist in the development of "new" jobs for those communities most adversely affected by plant closures. Redeployment and retraining of displaced steel workers were the primary instruments used in rectifying these unemployment difficulties arising from the restructuring of the BSC. How this will ultimately affect the BSC's efforts to reduce its employment level is unclear.

An assessment of the government's role
in the steel industry

The renationalization of the British steel industry in 1967 has had a tremendous impact upon both the operations and the development of this industry. There is evidence to suggest that the British steel industry of the 1960's lacked the financial wherewithal to

1/ Public Enterprise in the Community, CEEP Directory, 1975, p. A-17.

rationalize the industry. The Labor government indicated that without government intervention of one form or another, the sprawling nature of the British steel industry would persist. To the extent that government ownership has facilitated this rationalization process, as evidenced by the 10-year development strategy of 1972, it may be a positive step in promoting the long-range prospects of the British steel industry. Available information indicates that the steel industry has become more competitive in significant aspects of its business since the government's involvement.

An important feature of this is the upgrading of the process technology for the production of raw steel that has occurred in recent years. For example, as of 1960 the open hearth technology accounted for approximately 86 percent of the United Kingdom's raw steel capacity; by 1975, this figure had declined to 26 percent. The difference is accounted for by significant additions of plant capacities using the more economical electric arc and oxygen furnace technology.

The British steel industry is not without its critics. A recurring complaint directed at the industry in the 1960's and the 1970's was its high manning levels and its associative labor costs which its critics claim reduced the competitiveness of British steel products in world markets. In a recent Bureau of Labor Statistics (BLS) report issued in October of 1976, five countries (Japan, the United States, West Germany, France, and the United Kingdom) were examined in a comparative productivity study. In this study, the United Kingdom recorded the lowest output per hour for 1964 and for the period 1972-75

(see app. C, table 2). Moreover, the United Kingdom registered the smallest increase in output per hour relative to its 1964 level. The United Kingdom registered only a 2 percent per year growth in productivity over the period 1964-74. During this same period, productivity increased by 3.0 percent in the United States, 5.6 percent in France, 7 percent in West Germany, and 11 percent in Japan. However, contrary to popular thought, British hourly labor costs were the lowest of these five countries in 1975 and British unit labor costs were the second lowest with only Japan surpassing the United Kingdom in this respect. From these data, it would appear that it may not be so much the wage levels or the unit labor costs of the British steel workers which appear to be the root cause of Britain's difficulties, but rather the low productivity stemming from the size of its labor force which is a major concern. Even though Britain has made significant strides in the upgrading of its technology, this problem of low productivity persists.

There are areas in which the government's involvement in the British steel industry likely had an impact on the growth and the profitability of the industry. The government, in its counter inflationary policies of the early 1970's, held the prices of its raw steel well below prevailing world market prices; so much so, that when Great Britain joined the EEC in 1972, it faced the real problem of eliminating its low price differentials with other member countries. The profit and loss picture of the BSC is shown on the following page.

Year	: British Steel : Corporation : profit (loss) 1/ : <u>Million of</u> : <u>dollars</u> 2/ :
1971-----	(\$173)
1972-----	7
1973-----	116
1974-----	172
1975-----	(515)
1976-----	(438)
	:

1/ After taxes and extraordinary items.

2/ Converted from British pounds to U.S. dollars using the appropriate exchange rates obtained from International Financial Statistics, line ae, market rate, International Monetary Fund, Feb. 1977, p. 366.

Trade

The United Kingdom's overall trade balance in steel was negative in recent years. Its steel trade balance, by quantity, declined steadily from 1971 to 1975, with both the world and with the United States. As shown below, the United Kingdom's world trade balance in steel declined from a high of 2.9 million metric tons in 1971, to a deficit of 584 thousand tons in 1975.

(In thousands of metric tons)			
Year	: Total : exports	: Total : imports	: Net trade : balance
1971-----	4,976	2,055	2,921
1972-----	4,646	2,684	1,962
1973-----	4,257	2,812	1,445
1974-----	3,350	3,850	(500)
1975-----	3,190	3,774	(584)
	:	:	:

The United Kingdom's steel trade balance with the United States showed a similar decline for the period 1971-75, although its trade balance remained positive throughout, as shown below.

(In thousands of metric tons)						
Year	:	Exports	:	Imports	:	Net trade balance
	:	to the	:	from the	:	with the
	:	United States	:	United States	:	United States
	:		:		:	
1971-----	:	1,270	:	41	:	1,229
1972-----	:	1,086	:	32	:	1,054
1973-----	:	916	:	85	:	831
1974-----	:	547	:	118	:	429
1975-----	:	475	:	54	:	421
	:		:		:	

These data suggest that despite the nationalization of the British steel industry and the consequent government involvement, the industry's competitiveness has nonetheless declined relatively and absolutely in world markets.

APPENDIX I

PROBABLE ECONOMIC EFFECTS OF TARIFF CHANGES UNDER TITLE I
AND TITLE V OF THE TRADE ACT OF 1974 FOR TRADE AGREE-
MENT DIGESTS NOS. 60047 AND 60050, JULY 1975

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