

UNITED STATES TARIFF COMMISSION  
Washington, D.C.

AA 1921-247

TC Publication 75

November 20, 1962

SHEET GLASS FROM CZECHOSLOVAKIA

Determination of No Injury or Likelihood Thereof

On August 20, 1962 the United States Tariff Commission was advised by the Assistant Secretary of the Treasury that glass, sheet, in jalousie louvre sizes from Czechoslovakia is being, or is likely to be, sold in the United States at less than fair value within the meaning of the Antidumping Act, 1921, as amended. In accordance with the requirements of section 201(a) of the Antidumping Act (19 U.S.C. 160(a)), the Tariff Commission instituted an investigation 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.

A public hearing in connection with the investigation was held from October 16 through October 18, 1962. Notices of the investigation and hearing were published in the Federal Register (27 F.R. 8751 and 27 F.R. 9193).

In arriving at a determination in this case, due consideration was given by the Tariff Commission to all written submissions from interested parties, all testimony adduced at the hearing, and all factual information obtained by the Commission's staff.

On the basis of the investigation, the Commission has determined (Commissioner Schreiber dissenting) 1/ that no industry in the United States is being, or is likely to be, injured, or prevented from being established, by reason of the importation of glass, sheet, in jalousie louvre sizes, from Czechoslovakia, which was sold at less than fair value within the meaning of the Antidumping Act, 1921, as amended.

#### Majority Statement of Reasons

Sheet glass from Czechoslovakia cut to jalousie louvre sizes (jalousie louvres, unedged) is imported into the United States by a single firm; 2/ this firm does not offer the glass for sale in the same condition as it is imported, but uses it in the production of edged jalousie louvres. The imports of Czechoslovakian unedged louvres, therefore, do not compete directly with unedged louvres produced in the United States. The jalousie louvres edged in the United States from imported Czechoslovakian glass compete directly with (a) louvres edged in the United States from domestically produced glass, (b) louvres edged in the United States from glass imported from countries other than Czechoslovakia, and (c) imported louvres edged in foreign countries other than Czechoslovakia. The greater part of the edged louvres

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1/ Chairman Dorfman, who was abroad on official business, and Commissioner Dowling, who was absent on leave, did not participate in this determination.

2/ This firm is a wholly owned subsidiary of a company that has a number of other subsidiaries, some of which process (edge) the Czechoslovakian glass. These and certain other subsidiaries sell the finished louvres. For the purposes of this section, the importing firm and all related firms will be considered collectively as the importer.

produced in the United States are made of imported glass, and the major share of the imported glass comes from countries other than Czechoslovakia. Hence, the louvres made of domestically produced glass meet the greater part of their competition from louvres made of glass imported from countries other than Czechoslovakia. The domestic producers of unedged jalousie louvres, therefore, meet no direct competition and only limited indirect competition from the imported Czechoslovakian glass.

Beginning in 1960 the importer of the Czechoslovakian glass appears to have been confronted with increasing competition (rather than to have offered increasing competition based on his supposed advantage of purchasing at less than fair value) from domestic producers of edged glass who were obtaining domestic sheet glass at very low prices. These prices were so low, in fact, that other domestic edging concerns were able to reduce their prices of edged louvres substantially--in many areas to prices lower than those being quoted for louvres edged in the United States from Czechoslovakian glass. As a result, the importer of the Czechoslovakian glass lost customers for jalousie louvres in most important distributing areas. Accordingly, the Commission cannot find that the imports of the Czechoslovakian glass are injuring, or are likely to injure, the edgers of domestically produced glass. Neither can it find that such imports are injuring, or are likely to injure, the edgers of glass imported from elsewhere.

## VIEW OF COMMISSIONER SCHREIBER

On the basis of the facts obtained in this investigation, I have determined that the domestic producers of "clear jalousie louvres, edged or unedged," constitute an industry that is being injured within the meaning of section 201(a) of the Antidumping Act, 1921, as amended.

The facts in this case manifest injury at every turn. Shipments of sheet glass, cut to jalousie louvre sizes, from Czechoslovakia, began in 1957. The purchase price of such imports since January 1, 1959, has been below fair value as determined by the Treasury Department. The margin by which the exclusive importer has purchased the louvres below fair value has become larger each succeeding year. Based upon official statistics it is estimated that the total quantity of imports at less than fair value was approximately 14,750,000 square feet as of June 30, 1962.

It is the practice of the importer to edge the imported jalousie louvres before offering them for sale. A comparison of the prices actually received by the importer for the edged jalousie louvres from customers in major sales areas of the United States, with the prices of comparable louvres sold by other producers in these same areas during the years 1958 to date, shows that the importer generally undercut the prevailing prices for the comparable glass louvres. The margin of underselling was in an amount almost equal to the difference

between the importer's purchase price of the Czechoslovakian jalousie louvres and their higher fair value as determined by the Treasury Department. By so underselling his competitors the importer has taken a significant number of customers away from his competitors and has disrupted the market prices for edged jalousie louvres.

The delivered prices of unedged jalousie louvres, whether domestic or imported from any country other than Czechoslovakia, are significantly higher than the delivered price of Czechoslovakian louvres. The competitive position of a domestic edger of such louvres is necessarily contingent upon the price he must pay for the unedged louvres. That price determines whether he may successfully enter or stay in the business. In this case the importer has not merely undersold his competitors; he has undersold his competitors at a price which economically forced some of them to suspend operations.

Of the six major domestic glass producers, five manufacture and sell unedged jalousie louvres. The price of such louvres has been relatively constant during the years 1959 to date. However, during that period their sales of such louvres declined about 60 percent. Of the known domestic plants that produced edged jalousie louvres for sale, approximately 14.3 percent ceased operations after the imports at less than fair value began and some now operate only on a part-time basis. Of the known jalousie window manufacturers who owned and operated plants in which they produced edged jalousie louvres for their own needs, most such

manufacturers have found that they can make their jalousie louvres only at a cost in excess of the price charged by the importer for such louvres and, therefore, have been forced to suspend operation of their plants and to purchase their requirements from the importer or one of his competitors, as described in the last paragraph of this statement. In fact, in the prime jalousie window manufacturing area of the United States over 90 percent of the window manufacturers have suspended operation of their jalousie louvre plants and now purchase their requirements primarily from the importer.

It is specially notable that during the last three calendar years, a period in which the consumption of jalousie louvres was on the decline because of a change in consumer preference for other type windows, the importer of the louvres at less than fair value was able to double his "share" of the market and is now one of the largest, if not the largest, seller of jalousie louvres although he is a relatively late comer in the jalousie louvre business.

The only edged jalousie louvres produced in the United States at a cost comparable to the importer's cost are made from sheet glass of odd sizes and shapes which have been rejected by a new plant that produces window glass for automobiles. Because of the limited supply, such rejected glass (so-called "utility glass") is not offered to all buyers, is allocated to certain customers according to the available quantity, and there is reason to believe that the available quantities

will lessen as the new plant perfects its operations. In any event, it is obvious that the low price of such glass, which entered the domestic market after prices were depressed by the importer's sales, is economically dictated by those depressed prices.

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The foregoing determination and statement of reasons are published pursuant to section 201(c) of the Antidumping Act, 1921, as amended.

By the Commission:



DONN N. BENT  
Secretary

