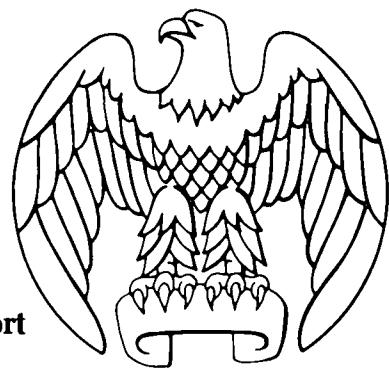


**United States  
International  
Trade  
Commission**

**Annual Report  
1979**



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International  
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Commission**



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United  
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COMMISSIONERS

Bill Alberger, *Chairman*  
Michael J. Calhoun, *Vice Chairman*  
George M. Moore  
Catherine Bedell  
Paula Stern

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*Secretary to the Commission*

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**USITC PUBLICATION 1084**

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Members of the Commission, left to right: Commissioners Michael J. Calhoun, Bill Alberger, Catherine Bedell, Paula Stern, and George M. Moore.



# message

from the chairman

During fiscal year 1979, the International Trade Commission was engaged in an unusually wide range of activities pertaining to international trade. We look back on the results of this work with a sense of pride and accomplishment.

The Commission's professional staff made a number of contributions to the Multilateral Trade Negotiations, which were concluded in Geneva, Switzerland, in 1979. Abroad, our technical experts provided specialized on-the-scene assistance to the U.S. negotiating team. At home, Congress requested the Commission to analyze the impact and possible economic effect of the various tariff-cutting agreements and the proposed new codes devised by the United States and its trading partners to reduce nontariff barriers to trade. The 24-volume report which resulted from this request assisted Congress in its review of the proposed trade agreements and the implementing legislation, which was passed into law as the Trade Agreements Act of 1979.

At the same time, the Commission sustained a substantial caseload. We completed 62 investigations, including 26 antidumping and 19 unfair trade practices cases. Also, we responded to a multitude of requests from the President, Members of Congress, and the public. This work included in-depth studies on international trade trends, as well as expert analysis on commodities and legislative proposals.

As the fiscal year ended, the Commission began advance preparations for handling one of the heaviest caseloads in its 64-year history. This involved the hiring and training of additional professional personnel and the realinement of its organization to carry out the new responsibilities assigned to it by Congress. We also began to make long-range plans to identify future issues for study that will contribute to the development of a soundly based international trade policy.



Catherine Bedell  
*Chairman*

June 16, 1980



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# **summary** of activities

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Sec. 603 preliminary investigation .....	1
Total .....	<u>62</u>

## **Other Activities**

Publications issued (in addition to reports on investigations):	
Synthetic organic chemicals, production and sales .....	13
Benzoid chemicals, imports .....	1
Responses to letters from Members of Congress and congressional committees .....	500
Import and export transactions analyzed .....	145,000
Library transactions:	
Volumes circulated .....	75,000
Reference calls .....	10,000
Reports prepared on proposed legislation .....	30
Reports prepared on specified commodities .....	27
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# introduction

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

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

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

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

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

Commission activities cover a broad range of responsibilities, including—

- Investigating eligibility of and recommending appropriate import relief for domestic industries.
- Taking action against unfair practices in import trade, including the importation and sale of items at less than fair value or the importation of items whose production or export was subsidized by a foreign government.
- Conducting studies on trade and tariff issues relating to U.S. foreign trade.
- Assisting in the development of uniform statistical data to achieve comparability of import, export, and domestic production statistics.

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



# public investigations

The U.S. International Trade Commission is authorized by law to investigate all aspects of international trade involving the United States. During fiscal 1979, investigations were conducted under provisions of the Trade Agreements Act of 1979, the Trade Act of 1974, the Tariff Act of 1930, as amended, and the Anti-dumping Act, 1921, as amended.

## TRADE AGREEMENTS ACT OF 1979<sup>1</sup>

The Commission, following receipt on August 10, 1979, of a request from the Special Representative for Trade Negotiations, instituted an investigation under section 225 of the Trade Agreements Act of 1979 with respect to the dutiable status of certain benzenoid chemical imports from Switzerland and the European Community.

The Trade Agreements Act of 1979 contains a new tariff nomenclature for benzenoid chemicals with rates of duty adjusted to reflect the adoption by the United States of a revised system of customs valuation based principally upon transaction value. Under section 225 of the act, the President is authorized to proclaim modification of the article descriptions in subparts B and C of part 1 of schedule 4 of the Tariff Schedules of the United States in order to transfer articles within those provisions. The President may not make modification unless the Commission determines that (1) the chemical or product was not valued for customs purposes on the basis of American selling price upon entry into the United States during a period determined by the Commission to be representative, and (2) a rate of duty provided for in such subparts, other than the rate of duty that would apply but for this section, is more appropriate and representative for such chemical or product.

As the fiscal year ended, the Commission was reviewing a list of chemicals of which the United States was notified by Switzerland and the European Community with regard to the U.S. customs treatment of each chemical during 1976, 1977, and 1978.

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<sup>1</sup>Public Law 96-39, approved July 26, 1979.

## TRADE ACT OF 1974<sup>2</sup>

### Advice to the President

Section 503<sup>3</sup> of the Trade Act of 1974 requires that the President, from time to time, furnish the Commission with lists of articles which may be provided duty-free treatment under provisions of a Generalized System of Preferences. The Commission must then advise the President as to the probable economic effect on industries and on consumers of granting these preferences for each article listed if imported from countries designated by the President as beneficiary developing countries.

The Special Representative for Trade Negotiations, on March 9, 1979, furnished the Commission with a list of articles to be considered for inclusion in the Generalized System of Preferences. The Commission initiated investigations Nos. TA-503(a)-5 and 332-104 on March 27, 1979, and transmitted its report to the President on September 10, 1979.

### Relief From Injury Caused by Import Competition

Section 201<sup>4</sup> of the Trade Act of 1974 provides means whereby relief may be sought for the purpose of facilitating orderly adjustment to import competition. A trade association, firm, certified or recognized union, or group of workers or other entity which is representative of an industry may file a petition for import relief. When petitioned, the Commission is required to determine whether an article is being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or the threat thereof, to a domestic industry producing an article like or directly competitive with the imported article. If the Commission determines in the affirmative, it must find the amount of the increase in, or imposition of, any duty or restriction on such article which is necessary to prevent or remedy such injury, or recommend the provisions of adjustment assistance to firms, workers, or communities. Under section 203, if the

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<sup>2</sup>Public Law 93-618, approved Jan. 3, 1975.

<sup>3</sup>19 U.S.C. 2463.

<sup>4</sup>19 U.S.C. 2251.

President determines to provide import relief for the industry, he shall (1) proclaim an increase in, or imposition of, a duty on the article concerned; (2) proclaim a tariff-rate quota; (3) impose or modify a quantitative restriction on imports; (4) negotiate an orderly marketing agreement; or (5) take any combination of such actions. If the President does not provide relief in the form recommended by the Commission, the Congress can, by approval of a concurrent resolution, override the President's action; under section 203(c)(2) the President is then required to implement the Commission's recommended relief.

During fiscal 1979, the Commission completed three investigations under section 201 within the 6-month statutory time limit. Table 1 shows information on the investigations completed during the year.

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

Section 203(i)<sup>5</sup> of the Trade Act of 1974 in part provides that—

<sup>5</sup>19 U.S.C. 2253.

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

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

During fiscal 1979, the Commission, upon receipt of a request from the Tool & Stainless Steel Industry Committee and the United Steelworkers of America, AFL-CIO, conducted one section 203 investigation. The request for the investigation (No. TA-203-5) was received on November 30, 1978, and the public hearing was held on March 6, 1979.

Table 1.—Investigations completed under sec. 201 of the Trade Act of 1974, fiscal year 1979

Investigation No.	Article concerned	Petitioner or requestor	Petition or request filed	Public hearing	Finding of Commission	Commissioners' votes			Commission's report	
						Affirmative	Negative	Not participating	To the President	USITC Publication No.
TA-201-36	Clothespins.	( <sup>1</sup> )		— 10-5-78	Affirmative <sup>2</sup>	Parker <sup>3</sup> Alberger <sup>3</sup> Moore <sup>3</sup> Bedell <sup>3</sup>	—	Stern <sup>4</sup>	12-12-78	933
TA-201-37	Bolts, nuts, and large screws of iron or steel.	House Committee on Ways and Means.	6-9-78	9-11-78 and 9-12-78	Affirmative <sup>5</sup>	Moore <sup>6</sup> / Bedell <sup>6</sup> /	Alberger <sup>9</sup> Parker <sup>10</sup> Stern <sup>4</sup>	11-3-78	924	
TA-201-38	Certain machine needles.	The Torrington Co.	8-7-78	11-20-78 and 11-21-78	Negative	—	Parker Alberger Moore Bedell Stern	2-7-79	936	

<sup>1</sup> Commission instituted the investigation on its own motion on July 27, 1978.

<sup>2</sup> On Feb. 8, 1979, the President granted relief in the form of an import quota. The global quota will limit the importation of clothespins valued at no more than \$1.70 a gross to 2 million gross annually for 3 years.

<sup>3</sup> Recommended the imposition of a 5-year quota of 3.2 million gross on U.S. imports of wood and plastic spring clothespins. The proposed quota, effective Jan. 1, 1979, would be administered annually on a global basis and allocated by import-value brackets.

<sup>4</sup> Commissioner Stern assumed her duties as a Commissioner on Oct. 16, 1978, and was not a Commissioner at the time of the public hearing or during most of the investigative period.

<sup>5</sup> On Dec. 22, 1978, the President determined that import relief in the form of 15-percent tariffs on iron or steel bolts, nuts, and large screws is in the national economic interest and therefore will proclaim this remedy. Under this remedy, tariffs will remain at 15 percent for large screws (including lag screws) and 15 percent plus the current tariff of 0.2 and 0.1 cent per pound, respectively, for bolts and nuts for a 3-year period, after which time they will revert to their current levels (which range from less than 1 percent ad valorem equivalent to 12.5 percent). As required by statute, this relief must be implemented within 15 days of this determination.

<sup>6</sup> Finding the domestic industry threatened with serious injury.

<sup>7</sup> Recommended that ad valorem rates of duty be imposed on all the articles at a level of about 20 percent during the first 2 years of import relief and 15, 10, and 10 percent, respectively, for the subsequent 3 years.

<sup>8</sup> Finding serious injury already present.

<sup>9</sup> Recommended no remedy.

<sup>10</sup> Chairman Parker did not participate in the vote in order to avoid any possibility or appearance of conflict of interest.

Table 2.—Investigations under sec. 201 of the Trade Act of 1974 pending on Sept. 30, 1979

Investigation No.	Article	Petition or request received	Origin
TA-201-39 . . .	Nonelectric cooking ware.	5- 4-79	Petition by General Housewares Corp.
TA-201-40 . . .	Leather wearing apparel.	7-24-79	Petition by National Outerwear and Sportswear Association, Amalgamated Clothing and Textile Workers Union, International Ladies' Garment Workers Union, and Tanners' Council of America, Inc.
TA-201-41 . . . Certain fish . . . . .		8-20-79	Petition by Fishermen's Marketing Association of Washington, Inc., Seattle, Wash., and the Coast Draggers Association, Westport, Wash.

In the Commission's report,<sup>6</sup> which was transmitted to the President on April 24, 1979, Commissioners Moore and Bedell advised the President that, in their opinion, termination of the quotas would have a serious adverse economic effect on the domestic industry. They said the recovery period of less than 3 years has been far too short, the industry has not yet sufficiently adjusted to the new conditions of competition, and the industry, despite much effort and progress during the relief period, needs more time to complete the adjustment process. Vice Chairman Alberger and Commissioner Stern advised the President that termination of the current quotas would have little, if any, adverse impact on U.S. producers. They stated that the domestic industry has adjusted successfully to import competition through the implementation of a modernization and rationalization of operations program which has made the stainless and alloy tool steel industry highly competitive with foreign producers. They also said that the economic health of the industry is exceptionally good and comparable with that in 1964, which was the industry's historic peak year. All four Commissioners also suggested that if the President should decide to extend the quotas, he may wish to (1) increase the annual quota amounts, (2) provide

for an equitable distribution of the quotas for countries that do not now have separate country quotas, and (3) provide for some solution for problems encountered by U.S. consumers of articles under quota that are not produced in the United States or are not produced in sufficient quantities in the United States to meet the demand. Chairman Joseph O. Parker did not participate in the investigation in order to avoid any possibility or appearance of conflict of interest. On June 12, 1979, the President announced his decision to extend specialty steel import relief for 8 months in the form of temporary quantitative limitations through February 13, 1980.

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

Litigation begun in 1977 challenging the validity of orderly marketing agreements negotiated that year by the President limiting footwear imports from Taiwan and the Republic of Korea continued through fiscal 1979. (*Sneaker Circus, Inc., et al. v. Carter, et al.*, 2d Cir., Doc. No. 78-6173.) The Commission was named as a party in that action. Plaintiffs alleged, among other things, that the Commission did not follow proper procedures in, and did not have a proper basis for, determining that "good cause" existed within the meaning of section 201(e) of the Trade Act of 1974 (19 U.S.C. 2251(e)) for instituting a new footwear investigation within 1 year of completing an earlier investigation. The new investigation, which was requested by the Senate Committee on Finance, was begun in October 1976, after the Commission found "good cause" to exist. As a result of the investigation, the Commission made a unanimous affirmative determination, and President Carter negotiated the orderly marketing agreements with Taiwan and the Republic of Korea.

In September 1978 the U.S. District Court for the Eastern District of New York, where the action was first filed, found for the Government on the merits, finding, among other things, that the Commission had acted properly in deciding the good-cause question (457 F. Supp. 771). Plaintiffs appealed the district court decision to the

<sup>6</sup>*Stainless Steel and Alloy Tool Steel, Report to the President on Investigation No. TA-203-5 . . . , USITC Publication 968, 1979.*

U.S. Court of Appeals for the Second Circuit. At the request of plaintiffs, the court of appeals remanded the matter to the district court in January 1979 for the consideration of new information concerning, among other things, the effect on the Taiwan agreement of U.S. recognition of the People's Republic of China. In May 1979 the district court denied plaintiff's motion for relief from judgment, and the case reverted to the court of appeals. The case was still pending before the court of appeals at the end of the fiscal year; briefs were filed in September 1979.

### Market Disruption Investigation

Section 406<sup>7</sup> of the Trade Act of 1974 provides, in part, that upon the filing of a petition, upon request of the President or the Special Representative for Trade Negotiations, upon resolution of either the Committee on Ways and Means of the House of Representatives or the Committee on Finance of the Senate, or on its own motion, the Commission shall make an investigation to determine, with respect to imports of an article which is the product of a Communist country, whether market disruption exists with respect to an article produced by a domestic industry.

As fiscal 1979 ended, the Commission had one investigation pending under section 406 of the Trade Act of 1974, concerning market disruption by imports of anhydrous ammonia from the U.S.S.R. (No. TA-406-5). The petition was filed on July 11, 1979, by Agrico Chemical Co., CF Industries, Inc., Center Plains Industries, Felmont Oil Corp., First Mississippi Corp., W. R. Grace & Co., International Minerals & Chemical Corp., Mississippi Chemical Corp., Olin Corp., Terra Chemicals International, Inc., Union Oil Co. of California, Vistron Corp., and Wycon Chemical Co. A public hearing was held by the Commission in Washington, D.C., on August 29-31, 1979.

### East-West Trade Statistics Monitoring System

Section 410<sup>8</sup> of the Trade Act of 1974 requires the Commission to establish and maintain a program to

monitor trade between the United States and the non-market economy countries, and to publish a detailed summary of the data collected under this program not less frequently than once every calendar quarter.

The Commission submitted four reports on East-West trade to the Congress and the East-West Foreign Trade Board in fiscal 1979 pursuant to section 410 of the Trade Act of 1974, as follows:

1. 16th Quarterly Report to the Congress and the East-West Foreign Trade Board on Trade Between the United States and the Nonmarket Economy Countries During July-September 1978 (December 1978, USITC Publication 934).
2. 17th Quarterly Report to the Congress and the East-West Foreign Trade Board on Trade Between the United States and the Nonmarket Economy Countries During 1978 (March 1979, USITC Publication 965).
3. 18th Quarterly Report to the Congress and the East-West Foreign Trade Board on Trade Between the United States and the Nonmarket Economy Countries During January-March 1979 (June 1979, USITC Publication 988).
4. 19th Quarterly Report to the Congress and the East-West Foreign Trade Board on Trade Between the United States and the Nonmarket Economy Countries During April-June 1979 (September 1979, USITC Publication 1005).

### Preliminary Investigation Under Section 603<sup>9</sup> of the Trade Act of 1974

On November 9, 1978, the Commission instituted on its own motion a preliminary investigation (No. 603-TA-4) of unfair acts and practices of Connecticut Valley Arms, Inc., in the importation of Spanish firearm components. Subsequently, the company entered into a consent order agreement which directed it to cease and desist from labeling and advertising its "Mountain Rifle" and "Mountain Pistol" as "Made in the U.S.A." until such time as the articles are substantially manufactured in the United States.

### TARIFF ACT OF 1930, AS AMENDED Countervailing Duty Investigations

Section 303<sup>10</sup> of the Tariff Act of 1930, as amended, provides that—

<sup>7</sup>19 U.S.C. 2436.

<sup>8</sup>19 U.S.C. 2440.

<sup>9</sup>19 U.S.C. 2482.

<sup>10</sup>19 U.S.C. 1303.

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

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

During fiscal 1979, the Commission instituted and concluded seven investigations under section 303. They are summarized in table 3.

## General Investigations

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

Section 332<sup>11</sup> of the Tariff Act of 1930 sets forth the Commission's authority to investigate, among other things—

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

<sup>11</sup>19 U.S.C. 1332.

Table 3.—Investigations completed under sec. 303(b) of the Tariff Act of 1930, fiscal year 1979

Investigation No.	Article concerned	Advice received from Treasury	Public hearing	Finding of Commission	Commissioners' votes			Commission's report	
					Affirmative	Negative	Not participating	To Secretary of Treasury	USITC Publication No.
303-TA-4 and 5 . . . Yarns of wool from Uruguay and Brazil.		11-22-78	1- 9-79	Negative	—	Parker Alberger Moore Bedell Stern	—	2-12-79	940
303-TA-6 and 7 . . . Certain leather wearing apparel from Colombia and Brazil.		11-22-78	1- 9-79	Negative	Parker Bedell	Alberger Moore Stern	—	2-22-79	948
303-TA-8 . . . Gloves and glove linings of fur on the skin from Brazil.		11-22-78	1- 9-79	Negative	—	Parker Alberger Moore Bedell Stern	—	2-16-79	941
303-TA-9 . . . Certain fish and certain shellfish from Canada.		1- 9-79	2-27-79	Negative	—	Parker Alberger Moore Bedell Stern	—	4- 9-79	966
303-TA-10 . . . Oleoresins from India. . . . .		4- 4-79	5-22-79	Negative	Parker	Alberger Moore Bedell Stern	—	7- 5-79	989

The effect of export bounties and preferential transportation rates;  
 The volume of importations compared with domestic production and consumption; and  
 Conditions, causes, and effects relating to competition of foreign industries with those of the United States.

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

During fiscal 1979, four investigations under section 332 of the Tariff Act of 1930 were completed by the Commission, as shown in table 4. The 12 investigations which were in progress at the close of fiscal 1979 are summarized in table 5. The Commission initiated two research studies in fiscal 1979 under the authority of section 332: *International Technology Transfer: A Review of Related Legal Issues* (USITC Publication 935) was issued in January 1979 and a research study on import trends in TSUS items 806.30 and 807.00 was pending as the fiscal year ended.

### Unfair Trade Practices

Section 337<sup>12</sup> of the Tariff Act of 1930 declares unlawful unfair methods of competition and unfair acts in the importation of articles into the United States, or in their sale by the owner, importer, consignee, or agent of

<sup>12</sup>19 U.S.C. 1337.

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

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

Table 4.—Investigations completed under sec. 332 of the Tariff Act of 1930, fiscal year 1979

Investigation No.	Subject	Origin	USITC Publication	
			No.	Date
332-87	Conditions of competition in the Western U.S. steel market between domestic and foreign steel products.	Motion of the Commission . . . .	951 (Interim) 1004 (Final)	March 1979 September 1979
332-92	Baseline study of the telephone switching equipment industry.	Request from the Subcommittee on Trade of the House Committee on Ways and Means.	946	February 1979 <sup>1</sup>
332-101	Agreements being negotiated at the Multilateral Trade Negotiations in Geneva.	Request from the Senate Committee on Finance and the House Committee on Ways and Means.	—	(?)
332-104 and TA-503(a)-5.	President's list of articles which may be designated as eligible articles for purposes of the Generalized System of Preferences.	Request from the Special Representative for Trade Negotiations.	—	(?)

<sup>1</sup> Submitted to the Subcommittee on Trade of the House Committee on Ways and Means, January 1979 (in confidence).

<sup>2</sup> Submitted to the Senate Committee on Finance and the House Committee on Ways and Means, June 1979 (in confidence); certain portions of the report were released and published by the Senate Committee on Finance in August 1979.

<sup>3</sup> Submitted to the Special Representative for Trade Negotiations. September 1979 (in confidence).

accordance with the strict statutory time limits prescribed in section 337 proceedings.

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

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

During fiscal 1979, the Commission concluded 19 investigations under section 337, which are summarized in table 6. The 15 investigations pending on September 30, 1979, are summarized in table 7.

Table 5.—Investigations under sec. 332 of the Tariff Act of 1930 pending on Sept. 30, 1979

Investigation No.	Subject	Origin	USITC Publication	
			No.	Date
332-73 . . .	Formulation of an international commodity code . . . . .	Sec. 608(c)(1) of the Trade Act of 1974.	—	—
332-84 . . .	Quarterly statistical reports providing certain information on canned and frozen mushrooms.	Request from the President . . . . .	931 952 978 998	November 1978 March 1979 May 1979 August 1979
332-91 . . .	United States exports to the Soviet Union; past trends, recent developments, and future prospects.	Motion of the Commission . . . . .	—	—
332-93 . . .	Annual and quarterly statistical reports providing certain information on nonrubber footwear.	Request from the President (Presidential Proclamation 4510). . . . .	929 950 980 981 997	November 1978 March 1979 May 1979 May 1979 August 1979
332-94 . . .	Annual and quarterly statistical reports providing certain information on stainless steel and alloy tool steel.	Request from the President (Presidential Proclamation 4445). . . . .	927 942 960 961 973 996	November 1978 February 1979 March 1979 March 1979 May 1979 August 1979
332-95 . . .	Annual and quarterly statistical reports providing certain information on color television receivers.	Request from the President (Presidential Proclamation 4511). . . . .	925 939 962 971 995	November 1978 February 1979 March 1979 May 1979 August 1979
332-96 . . .	Report on consumption of watches and watch movements, or modules.	Public Law 89-805 and the Tariff Schedules of the United States. . . . .	—	March 1979
332-97 . . .	Report on consumption of broom corn brooms . . . . .	Public Law 89-241 and Executive Order 11377. . . . .	967	April 1979
332-102 . . .	Competitive factors influencing world trade in integrated circuits. . . . .	Request from the Subcommittee on International Trade of the Committee on Finance and the Subcommittee on International Finance of the Committee on Banking, Housing, and Urban Affairs, United States Senate. . . . .	—	—
332-103 . . .	Quarterly and annual surveys of certain bolts, nuts, and large screws of iron or steel. . . . .	Request from the President (Presidential Proclamation 4632). . . . .	963 979 1000	March 1979 May 1979 August 1979
332-105 . . .	Casein and its impact on the domestic dairy industry . . . . .	Request from the House Committee on Ways and Means. . . . .	—	—
332-106 . . .	Identification of chemicals for new tariff nomenclature for certain benzenoid chemicals.	Request from the Special Representative for Trade Negotiations. . . . .	—	—

Table 6.—Investigations completed under sec. 337 of the Tariff Act of 1930, fiscal year 1979

Article concerned	Complainant	Complaint filed	Date of publication of notice in <i>Federal Register</i> and No.	Public hearing	Finding and remedy of Commission	Date orders issued	USITC Publication No.
Doxycycline . . . . .	Pfizer, Inc., New York, N.Y. . . . .	4-13-78; 4-21-78 (amendment)	5- 9-74, 337-TA-3 <sup>1</sup>	9-23-74	Violation; exclusion order.	4-12-79	964
Certain skateboards and platforms therefor. . . . .	Richard L. Stevenson d.b.a. Makaha International, Los Angeles, Calif. . . . .	10- 6-77; 10-25-77 (amendment)	11-11-77, 337-TA-37	10-10-78	No violation . . . . .	11-13-78	926
Certain luggage products . . . . .	Airway Industries, Inc., Ellwood City, Pa. . . . .	10-28-77; 11-11-77 (amendment)	11-30-77, 337-TA-39	5- 5-78 9-20-78	Violation; exclusion order. <sup>2</sup>	11-30-78	932
Monumental wood windows . . . . .	Wrland Industries, Inc., Chester, Pa. . . . .	1- 3-78	2- 9-78, 337-TA-40	—	No violation; terminated.	1- 8-79	—
Certain electric slow cookers. . . . .	Rival Manufacturing Co., Kansas City, Mo. . . . .	12-20-77; 4- 6-78 (amendment)	2- 9-78, 337-TA-42	—	Violation; exclusion order.	8- 9-79	994
Certain centrifugal trash pumps. . . . .	Hale Fire Pump Co., Conshohocken, Pa. . . . .	1- 9-78	2-14-78, 337-TA-43	12-13-78	No violation . . . . .	2-14-79	943
Certain roller units . . . . .	Presto Lock Co., division of Walter Kidde & Co., Inc., Elmwood Park, N.J. . . . .	1-12-78	2-14-78, 337-TA-44	11-29-78	Violation; exclusion order. <sup>3</sup>	2-14-79	944
Certain combination locks . . . . .	Presto Lock Co., division of Walter Kidde & Co., Inc., Elmwood Park, N.J. . . . .	1-12-78	2-16-78, 337-TA-45	12- 1-78	No violation . . . . .	2-16-79	945
Certain flexible foam sandals. . . . .	Tiddies, Inc., Pasadena, Tex. . . . .	1-18-78	2-17-78, 337-TA-47	—	Violation; exclusion order. <sup>4</sup>	2-21-79	947
Alternating pressure pads . . . . .	Gaymar Industries, Inc., Orchard Park, N.Y., and Medisearch PR, Inc., Guayama, P.R. . . . .	1-23-78	2-23-78, 337-TA-48	—	Terminated; no present violation. <sup>5</sup>	2-23-79	—
Certain attache cases . . . . .	Samsonite Corp., Denver, Colo. . . . .	1-30-78	3- 7-78, 337-TA-49	2- 1-78	No violation; terminated.	3- 7-79	955
Certain synthetic gemstones. . . . .	Queensbury Opal Co., Ltd., Beechwood, Ohio. . . . .	2- 9-78; 3- 8-78 (amendment)	3-17-78, 337-TA-50	—	No violation; terminated. <sup>3</sup>	3-20-79	957
Certain cigarette holders . . . . .	Spoon Ring Co., Los Angeles, Calif. . . . .	2-21-78; 3- 8-78; 3-21-78, and 3-22-78 (amendments)	3-29-78, 337-TA-51	2-21-78	No violation; terminated.	3-29-79	959
Certain swivel hooks and mounting brackets. . . . .	Coats & Clark, Inc., Stamford, Conn. . . . .	5- 9-78; 6- 1-78 (amendment)	6-14-78, 337-TA-53	—	No violation; terminated. <sup>5</sup>	6-14-79	983
Certain multicellular plastic film. . . . .	Sealed Air Corp., Fair Lawn, N.J. . . . .	5-12-78	6-29-78, 337-TA-54	5-17-79	Violation; exclusion order. <sup>6</sup>	6-29-79	987
Certain novelty glasses . . . . .	Howw Manufacturing, Inc., and Plus Four, Inc., Carol Stream, Ill. . . . .	5-25-78; 6-14-78 (amendment)	7-11-78, 337-TA-55	6-14-79	Violation; exclusion order. <sup>7</sup>	7-11-79	991
Certain thermometer sheath packages. . . . .	Steridyne Corp., Riviera Beach, Fla. . . . .	6- 7-78	7-25-78, 337-TA-56	6-28-79	Violation; exclusion order. <sup>8</sup>	7-25-79	992
Certain cattle whips . . . . .	Stockmer's Inc., Lawton, Iowa . . . . .	7- 7-78	8- 9-78, 337-TA-57	—	Terminated . . . . .	8- 9-79	993
Certain fabricated steel plate products from Japan. . . . .	Steel Plate Fabricators Association, Hinsdale, Ill. . . . .	8- 7-78	9-15-78, 337-TA-58	—	No violation . . . . .	1-24-79	—

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

<sup>2</sup> The President took no action; exclusion order became final on Jan. 1, 1979.

<sup>3</sup> The President took no action; exclusion order became final on Apr. 16, 1979.

<sup>4</sup> The President took no action; exclusion order became final on Apr. 22, 1979.

<sup>5</sup> Settlement agreement.

<sup>6</sup> The President took no action; exclusion order became final on Aug. 29, 1979.

<sup>7</sup> The President took no action; exclusion order became final on Sept. 10, 1979.

<sup>8</sup> The President took no action; exclusion order became final on Sept. 25, 1979.

Table 7.—Investigations under sec. 337 of the Tariff Act of 1930 pending on Sept. 30, 1979

Article concerned	Complainant	Complaint filed	Date of publication of notice in <i>Federal Register</i> and No.	Public hearing
Certain plastic fastener assemblies . . . . .	Dennison Manufacturing Co., Framingham, Mass. . . . .	6-30-77	8-11-77, 337-TA-36	—
Certain apparatus for the continuous production of copper rod . . . . .	Southwire Co., Carrollton, Ga. . . . .	4-11-78	5-22-78, 337-TA-52	9-25-79
Pump top insulated containers . . . . .	Aladdin Industries, Inc., Nashville, Tenn. . . . .	9-25-78; 10- 6-78 (amendment)	11- 9-78, 337-TA-59	—
Certain automatic crankpin grinders . . . . .	Landis Tool Co., Waynesboro, Pa. . . . .	11-15-78; 11-29-78 and 12- 1-78 (amendments)	12-15-78, 337-TA-60	—
Certain compact cyclotrons with a pre-septum . . . . .	Cyclotron Corp., Berkeley, Calif. . . . .	11-20-78	12-28-78, 337-TA-61	—
Certain rotary scraping tools . . . . .	Thompson Tool Co., Inc., Norwalk, Conn. . . . .	12- 5-78; 12-21-78 and 1- 3-79 (amendments)	1-10-79, 337-TA-62	—
Certain precision resistor chips . . . . .	Vishay Intertechnology, Inc., Malvern, Pa. . . . .	12-15-78	1-17-79, 337-TA-63 <sup>1</sup>	—
Certain high-voltage circuit interrupters and components thereof . . . . .	Westinghouse Electric Corp., Pittsburgh, Pa. . . . .	2-16-79; 3- 9-79 (amendment)	3-28-79, 337-TA-64 <sup>2</sup>	—
Certain precision resistor chips . . . . .	Societe Francaise de L'Electro-Resistance, Nice, France . . . . .	3-30-79; 4-16-79 (amendment)	6- 1-79, 337-TA-65 <sup>1</sup>	—
Certain plastic-molding apparatus and components thereof . . . . .	I. P. Container Corp., Paterson, N.J. . . . .	4- 5-79; 4-20-79 (amendment)	5-10-79, 337-TA-66	—
Certain inclined-field acceleration tubes and components thereof . . . . .	High Voltage Engineering Corp., Burlington, Mass. . . . .	5-17-79; 6- 1-79 (amendment)	6-27-79, 337-TA-67	—
Certain surveying devices . . . . .	Gammon Reel, Inc., San Francisco, Calif. . . . .	5-17-79; 6- 4-79 (amendment)	7- 5-79, 337-TA-68	—
Certain airtight cast-iron stoves . . . . .	Jotul, Inc., Oslo, Norway; Kristia Associates, Portland, Maine, and Jotul Stove Dealers of the United States. . . . .	6-23-79; 6-14-79 (amendment)	7-12-79, 337-TA-69	—
Certain coal hanger rings . . . . .	International Coal Hanger Manufacturing Co., Garden Grove, Calif. . . . .	6- 6-79; 6-25-79 (amendment)	7-18-79, 337-TA-70	—
Certain anaerobic impregnating compositions and components thereof . . . . .	Loctite Corp., Newington, Conn. . . . .	7-19-79	8-31-79, 337-TA-71	—

<sup>1</sup> The Administrative Law Judge, pursuant to the authority delegated to her by the Commission on May 1, 1979, consolidated investigations Nos. 337-TA-63 and 337-TA-65.

<sup>2</sup> Suspended on Oct. 4, 1979, until conclusion of the Patent and Trademark Office reissue proceeding.

### Litigation Arising From Investigations Conducted Under Section 337

On January 12, 1979, Richard L. Stevenson, complainant in investigation No. 337-TA-37 (Certain Skateboards and Platforms Therefor), appealed to the U.S. Court of Customs and Patent Appeals the Commission's determination that there was no violation of section 337 in the importation or sale of certain skateboards in the

United States. The Commission had found that the patent at issue in the investigation was invalid. On December 20, 1979, the court reversed the Commission's determination of no violation and remanded the case to the Commission for action consistent with its opinion.

On April 16, 1979, Hale Fire Pump Co., a complainant in investigation No. 337-TA-43 (Certain Centrifugal Trash Pumps), appealed the Commission's determination that a patent in issue

had not been infringed and that there was no violation of section 337. The U.S. Court of Customs and Patent Appeals had scheduled briefing and oral argument by the close of the fiscal year.

On May 10, 1979, Refractarios Monterrey S.A., a respondent in investigation No. 337-TA-41 (Certain Ceramic Tile Setters), appealed to the U.S. Court of Customs and Patent Appeals the Commission's refusal to review a Commission Administrative Law Judge's order that certain evidentiary matters should remain confidential under a protective order. Both the Commission and Ferro Corp., complainant in the Commission's investigation, moved to dismiss the appeal for lack of subject-matter jurisdiction. At the end of the fiscal year, these motions were pending before the court.

Two appeals were filed with the U.S. Court of Customs and Patent Appeals in investigation No. 337-TA-52 (Certain Apparatus for the Continuous Production of Copper Rod). Southwire Co., complainant in the investigation, appealed the Commission's March 29, 1979, summary determination and partial termination with regard to three patents the Commission found to be licensed to Western Electric Co. (Appeal No. 79-25, filed May 29, 1979). Southwire also appealed the Commission's June 20, 1979, summary determination and partial termination with regard to one other patent that the Commission found to be licensed to Western Electric Co. (Appeal No. 79-31, filed Aug. 16, 1979). At the end of the fiscal year, both appeals were still pending.

On August 27, 1979, Sealed Air Corp., complainant in investigation No. 337-TA-54 (Certain Multicellular Plastic Film), appealed to the U.S. Court of Customs and Patent Appeals the Commission's determination that respondent Tong Seae Industrial Co., Ltd., a foreign manufacturer and exporter of multicellular plastic film, was not in violation of section 337. The Commission had found that the process used by Tong Seae to manufacture multicellular plastic film abroad would not, if practiced in the United States, infringe complainant's process patent. On September 10, 1979, Tong Seae and Polybubble, Inc., another respondent in the Commission's investigation, filed a second appeal arising out of the Commission's determination in the multicellular plastic film case. The Tong Seae/Poly-

bubble appeal alleged that the Commission had erred in refusing to find the patent in controversy invalid. Both appeals were pending before the court at the end of the fiscal year.

Astra-Sjucos, AB, Medline Industries, and Carling International Division of Medline Industries appealed from the adverse determination and order of the Commission in investigation No. 337-TA-56 (Certain Thermometer Sheath Packages), issued July 25, 1979. The appeal, *Astra-Sjucos, AB, et al. v. United States International Trade Commission and Steridyne Corporation*, No. 80-3, filed October 12, 1979, was pending at the close of the fiscal year.

## ANTIDUMPING ACT, 1921, AS AMENDED

### Provisions of the Antidumping Act

Section 201(a)<sup>13</sup> of the Antidumping Act, 1921, provides that whenever the Secretary of the Treasury advises the Commission that a class or kind of foreign merchandise is being, or is likely to be, sold in the United States or elsewhere at less than its fair value, the Commission shall determine within 3 months whether an industry in the United States is being or is likely to be injured, or is prevented from being established, by reason of the importation of such merchandise. At the conclusion of its investigation, the Commission notifies the Secretary of the Treasury of its determination. If the Commission determines in the affirmative, the Secretary of the Treasury issues a finding of dumping, and the described imports become subject to special dumping duties.

During fiscal 1979, the Commission completed 20 investigations under section 201(a) of the Antidumping Act. The Commission's determinations were affirmative in 15 cases<sup>14</sup> and negative in 5 cases. The investigations are summarized in table 8.

There were five investigations pending as the fiscal year ended. On August 7, 1979, the Commission instituted investigations Nos. AA1921-206, 207, 208, and 209 (Titanium Dioxide From Belgium, France, the United Kingdom, and the Federal Republic of Germany). On

<sup>13</sup>19 U.S.C. 160 et seq.

<sup>14</sup>Under the Antidumping Act, decisions in which the Commissioners voting are evenly divided in their findings are deemed to be in the affirmative.

Table 8.—Antidumping investigations completed in fiscal year 1979

Investigation No.	Article concerned	Advice received from Treasury	Public hearing	Finding of Commission	Commissioners' votes			Commission's report	
					Affirmative	Negative	Not participating	To Secretary of Treasury	USITC Publication No.
AA1921-185	Nylon yarn from France	7-18-78	8-29-78	Negative	—	Parker Alberger Moore Bedell	—	10-18-78	922
AA1921-187	Motorcycles from Japan	8-3-78	9-28-78 and 9-29-78	Negative	—	Parker Alberger Moore Bedell	Stern <sup>1</sup>	11-3-78	923
AA1921-188	Steel wire for prestressed concrete from Japan	8-22-78	10-3-78	Affirmative	Parker Alberger Moore Bedell	—	Stern <sup>2</sup>	11-22-78	928
AA1921-189	Certain steel wire nails from Canada	11-1-78	12-14-78	Negative	—	Alberger Moore Bedell Stern	Parker <sup>3</sup>	2-1-79	937
AA1921-190 and 191.	Rayon staple fiber from France and Finland	11-13-78	1-4-79 and 1-5-79	Affirmative	Parker Moore Bedell Stern <sup>4</sup>	Alberger Moore Bedell Stern <sup>5</sup>	—	2-13-79	938
AA1921-192	Silicon metal from Canada	12-5-78	1-23-79	Negative	Parker	Alberger Moore Bedell Stern	—	3-5-79	954
AA1921-193	Bicycle tires and tubes from the Republic of Korea	12-26-78	2-8-79	Affirmative	Parker <sup>6</sup> Alberger <sup>7</sup> Moore <sup>8</sup> Bedell <sup>9</sup> Stern <sup>10</sup>	—	—	3-26-79	958
AA1921-194, 195, and 196.	Perchloroethylene from Belgium, France, and Italy	1-30-79	3-13-79	Affirmative	Parker Moore Bedell	Alberger Stern	—	4-30-79	969
AA1921-197	Carbon steel plate from Taiwan	2-12-79	4-3-79	Affirmative	Parker Moore Bedell	Alberger Stern	Parker <sup>3</sup>	5-14-79	970
AA1921-198, 199, and 200.	Sugar from Belgium, France, and West Germany	2-16-79	4-10-79	Affirmative	Parker Alberger Moore Bedell Stern	—	—	5-16-79	972
AA1921-201	Rayon staple fiber from Italy	2-22-79	4-5-79	Affirmative	Parker Moore Bedell	Alberger Stern	—	5-22-79	976
AA1921-202	Methyl alcohol from Canada	3-29-79	5-15-79 and 5-16-79	Affirmative	Parker Moore Bedell	Alberger Stern	—	6-29-79	986
AA1921-203	Carbon steel plate from Poland	4-17-79	5-24-79	Negative	—	Alberger Moore Bedell Stern	Parker <sup>3</sup>	6-18-79	984
AA1921-204 and 205.	Kraft condenser paper from Finland and France	5-30-79	7-24-79 and 7-25-79	Affirmative	Parker Alberger Moore Bedell Stern	—	—	8-31-79	999

<sup>1</sup>Commissioner Stern assumed her duties as a Commissioner on Oct. 16, 1978, and was not a Commissioner at the time of the public hearing or during most of the investigative period.

<sup>2</sup>Commissioner Stern did not participate in the decision because she did not assume her duties as a Commissioner until the preliminary investigation of the economic factors and legal issues in the case had been completed.

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

<sup>4</sup>On imports of commodity-type rayon staple fiber from France.

<sup>5</sup>On imports of commodity-type rayon staple fiber from Finland.

<sup>6</sup>Determined that an industry is being or is likely to be injured.

<sup>7</sup>Determined that an industry is being injured.

August 17, 1979, the Commission instituted investigation No. AA1921-210 (Certain Marine Radar Systems From the United Kingdom).

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

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

During fiscal 1979, six such inquiries were completed by the Commission. They are summarized in table 9.

### Litigation Arising From Investigations Conducted Under the Antidumping Act

As noted in the Commission's annual report for 1978, in complaints filed with the Customs Court during 1973, plaintiffs Atkins Kroll & Co., Inc., and Border Brokerage Co., Inc., asserted that the injury determinations of the Commission in investigations No. AA1921-33 (Steel Reinforcing Bars From Canada) and No. AA1921-39 (Carbon Steel Bars and Shapes From Canada), respectively, were invalid. On September 10, 1979, the court dismissed the action in the Atkins Kroll & Co. case. A decision was pending

Table 9.—Antidumping inquiries completed during fiscal year 1979

Investigation No.	Article concerned	Advice received from Treasury	Public hearing	Commissioners' votes		Commission's report		
				Finding that "there is no reasonable indication [of injury]" (Treasury terminates its investigation)	Finding that "there is a reasonable indication [of injury]" (Treasury continues its investigation)	Not participating	To Secretary of Treasury	USITC Publication No.
AA1921-Inq.-23	Titanium dioxide from Belgium, France, the United Kingdom, and the Federal Republic of Germany.	10-30-78	11-15-78	Alberger Stern	Parker <sup>1</sup> Moore Bedell	—	11-29-78	930
AA1921-Inq.-24	Certain 45 r.p.m. adaptors from the United Kingdom.	1-30-79	2-15-79	Parker Alberger Moore Bedell Stern	—	—	3-1-79	953
AA1921-Inq.-25	Steel wire coat and garment hangers from Canada.	4-17-79	5-2-79	Parker Alberger Moore Bedell Stern	—	—	5-17-79	974
AA1921-Inq.-26	Certain steel wire nails from the Republic of Korea.	4-17-79	5-4-79	—	Alberger Moore Bedell Stern	Parker <sup>2</sup>	5-17-79	975
AA1921-Inq.-27	Sugar from Canada	4-25-79	5-10-79	—	Parker <sup>1</sup> Alberger Moore Bedell Stern	—	5-25-79	977
AA1921-Inq.-28	Countertop microwave ovens from Japan.	8-24-79	9-12-79 and 9-13-79	—	Parker <sup>1</sup> Alberger Moore Bedell Stern	—	9-24-79	1003

<sup>1</sup>Chairman Parker voted that he did not find that "there is no reasonable indication [of injury]."

<sup>2</sup>Chairman Parker did not participate in the vote in order to avoid any possibility or appearance of conflict of interest.

at the close of the fiscal year in the Border Brokerage Co. case.

Another case which was noted in the Commission's annual report for 1978 was the complaint filed with the Customs Court on October 17, 1974, in which Pasco Terminals, Inc., asserted, *inter alia*, that the injury determination of the Commission in investigation No. AA1921-92 (Elemental Sulfur From Mexico) was invalid. The Customs Court held that Pasco Terminals, Inc., had no standing to protest the imposition of dumping duties (416 F. Supp. 1242 (1974)). Pasco Terminals, Inc., moved for a rehearing of that decision, and on December 1, 1976, the motion for rehearing was denied (C.D. 4676). On appeal, the U.S. Court of Customs and Patent Appeals reversed and remanded the case to the Customs Court. On September 26, 1979, the court granted the Government's motion for summary judgment and dismissed the action.

The 1977 and 1978 annual reports contained references to the complaints of Armstrong Bros. Tool Co. et al., filed with the Customs Court on September 26, 1977. These complaints assert, *inter alia*, that the negative determination of the Commission in investigations No. AA1921-41 (Wrenches, Pliers, Screwdrivers, and Metal-Cutting Snips and Shears From Japan) and No. AA1921-149 (Chisels, Punches, Hammers, Sledges, Vises, C-Clamps, and Battery Terminal Lifters From Japan) were invalid.

On the same date that the Armstrong complaints were filed, Sprague Electric Co. filed a complaint with the Customs Court challenging the Commission's negative determination in investigation No. AA1921-159 (Tantalum Electrolytic Fixed Capacitors From Japan). At the close of the fiscal year, all three cases were pending before the court on cross-motions for summary judgment.

In a complaint filed with the U.S. District Court for the Northern District of New York on December 7, 1978, Flintkote Co., Glens Falls Division, asserted that the Commission's failure to find injury in its determination in investigation No. AA1921-184 (Portland Hydraulic Cement From

Canada) was invalid. On February 16, 1979, the action was dismissed on the ground that the proper forum for the challenge was the U.S. Customs Court. (*Flintkote Co. v. Blumenthal*, 469 F. Supp. 115 (N.D.N.Y. 1979).) This decision was affirmed by the U.S. Court of Appeals for the Second Circuit on March 19, 1979. (*Flintkote Co., Glens Falls Division v. Blumenthal*, 596 F.2d 51 (2d Cir. 1979).) On February 16, 1979, Flintkote Co., Glens Falls Division, had filed a summons with the Customs Court urging that the court exercise equitable powers in preventing the liquidation of certain entries. The action was dismissed by the court on February 23, 1979 (court No. 79-2-00304, C.R.D. 79-5).

Alberta Gas Chemicals, Inc., the U.S. subsidiary of a Canadian firm, filed suit in the Customs Court on August 22, 1979, seeking review of the Department of the Treasury's denial of Alberta Gas Chemicals' protest of the refusal to allow entry of its methyl alcohol from Canada absent the filing of an antidumping bond. (*Alberta Gas Chemicals, Inc. v. United States*, Customs Court No. 79-8-01295.) The requirement of the bond resulted from the finding of dumping published by Treasury on July 27, 1979, following an affirmative injury determination by the Commission on June 29, 1979. Plaintiffs allege, *inter alia*, that the affirmative determination of the Commission in investigation No. AA1921-202 (Methyl Alcohol From Canada) was clearly erroneous. On October 19, 1979, the Department of Justice moved to dismiss the action for lack of jurisdiction of the subject matter and for failure to present a justifiable issue, or, alternatively, for summary judgment. At the close of the fiscal year, these motions were still pending, and discovery had not yet commenced in the litigation.

As of the close of the fiscal year, the Customs Court also had pending before it cross-motions for summary judgment in *SCM Corp. v. United States*, an appeal arising from the Commission's negative injury determination in investigation No. AA1921-145 (Portable Electric Typewriters From Japan).

## Western steel

In fiscal 1979 the Commission completed an intensive factfinding investigation on the conditions of competition in the Western U.S. steel market between domestic and foreign steel products. The 28-month study was undertaken by the Commission under section 332 of the Tariff Act of 1930, a provision which allows the Commission to investigate trade matters of immediate concern to the Government and the public. Hearings were held by the Commission in Colorado, Oregon, and California to obtain firsthand testimony from the industry. Among witnesses at the Los Angeles hearing on March 29, 1979, were Mark T. Anthony (1), president of Kaiser Steel Corp.; Dale Armstrong (2), vice president of U.S. Steel Corp., Western Steel Division; and Bruce B. Dunwoody (3), vice president of Bethlehem Steel Corp., Pacific Coast Division. Following the hearing, the Commission and staff, as guests of Kaiser Steel Corp., toured its Fontana Works (4); the San Bernardino County, Calif., mill is one of the most modern steelmaking facilities in the world. A 20-story structure houses two new Basic Oxygen Process steelmaking furnaces where the completely enclosed operation is computer controlled (5), under continuous human supervision.





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#### Generalized System of Preferences

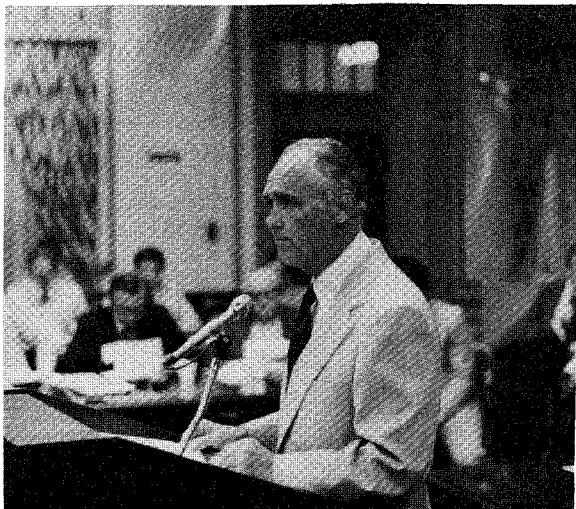
A delegation from the State of Hawaii testified at the Commission's public hearing on June 26, 1979, on the President's list of articles which may be designated as eligible articles for purposes of the Generalized System of Preferences. The dignitaries included Representative Daniel K. Akaka (6), D-Hawaii, and, left to right, John Farias, Jr., chairman, Board of Agriculture; State Senator Henry Takitani, chairman of the State Committee on Agriculture; and State Senator Ralph K. Ajifu (7).



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#### Anhydrous ammonia

The Commission conducted its fifth investigation under section 406(a) of the Trade Act of 1974 to determine whether increased imports of anhydrous ammonia from the U.S.S.R. caused market disruption in the United States. Senator Henry Bellmon (8), R-Okla., and Representative Bill Chappell, Jr. (9), D.-Fla., appeared at the Commission's hearing on August 29, 1979.

#### Centrifugal trash pumps

Among 19 section 337 cases completed by the Commission under the Tariff Act of 1930 was an investigation on centrifugal trash pumps (10) to determine whether unfair methods of competition or unfair acts occurred in the importation of such articles into the United States or in their sale.

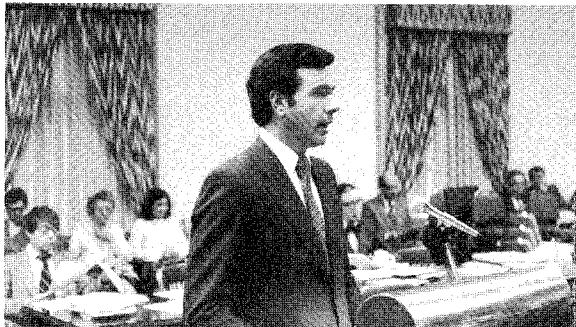


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### **Stainless steel**

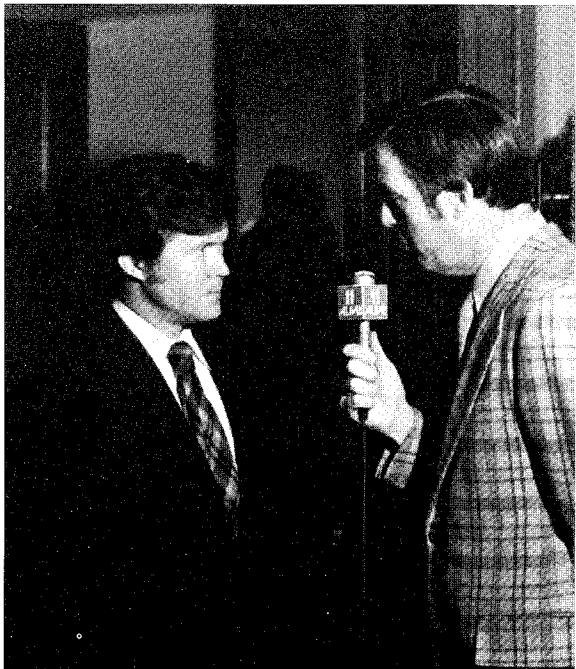
On March 6, 1979, the Commission heard comments from both petitioners and respondents concerning the probable economic effect on the domestic industry of the termination of the annual quotas on imports of stainless and alloy tool steel (import relief) provided by four Presidential proclamations. The section 203 "review" case was instituted under the Trade Act of 1974. Senator H. John Heinz (11), R.-Pa., and Representative Doug Walgreen (12), D.-Pa., presented personal testimony at the Washington, D.C., hearing. Also speaking in support of the petition were Richard P. Simmons (13), president of Allegheny Ludlum Steel Corp.; Lloyd McBride (14), president of the United Steelworkers of America; and Jacob Clayman (15), vice president of the Consumer Federation of America and president and secretary-treasurer of the Industrial Union Department, AFL-CIO.



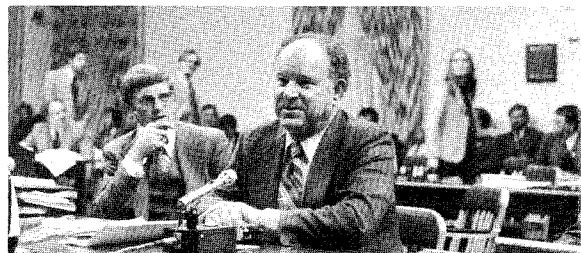
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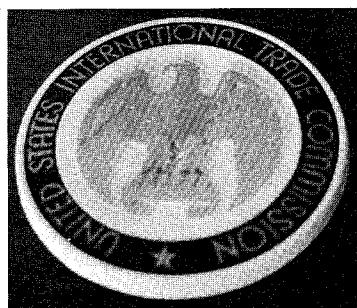
#### **Porcelain-on-steel cooking ware**

An important case to the sole remaining domestic producer of porcelain-on-steel cooking ware was the subject of a Commission "escape clause" investigation completed under section 201 of the Trade Act of 1974. At the Commission's September 6, 1979, hearing (16), appearances in support of petitioner General Housewares Corp., of Terre Haute, Ind., were made by Senator Robert C. Byrd (17), Senator Jennings Randolph (18), and Representative Robert H. Mollohan (19), all Democrats of West Virginia, and Senator Birch Bayh (20), D.-Ind. Other West Virginians testifying included Moundsville City Manager Richard L. Escalante, center, Larry Wiedebusch, Member of the House of Delegates, left, and James A. Mosby, State Industrial Development Representative (21).





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# other activities

## TRADE AGREEMENTS PROGRAM

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

Under section 163(b) of the Trade Act of 1974, the Commission is to submit a yearly report to Congress on the operation of the trade agreements program. The 29th report, covering calendar year 1977, and the 30th report, covering calendar year 1978, were near completion at the end of fiscal year 1979.

The Commission's work relating to the trade agreements program during fiscal 1979 fell into six major areas. The first consisted of assembling tariff, commodity, and statistical information in support of activities associated principally with the Multilateral Trade Negotiations (MTN) or with the program's daily operation. The second

consisted of preparing, in the complete nomenclature of the Tariff Schedules of the United States, four successive versions of tariff concessions offered by the United States in the MTN, culminating in a fifth document specifying the concessions finally agreed upon. The third consisted of assisting STR and the Congress in the preparation of legislation to approve and implement many of the trade agreements negotiated under the Trade Act of 1974. The fourth consisted of preparation of a Presidential proclamation to implement the major part of the tariff concessions granted by the United States. The fifth involved technical assistance to the STR in work related to the operation of the Generalized System of Preferences (GSP). The sixth involved technical assistance to the STR in conducting the interagency executive branch review of certain reports which the Commission submits to the President.

## Multilateral Trade Negotiations

A seventh round of comprehensive Multilateral Trade Negotiations under the auspices of the General Agreement on Tariffs and Trade (GATT) opened in September 1973. The negotiations were in progress in Geneva, Switzerland, and in many capitals of the world throughout the period covered by this report, but they were substantially complete by the end of fiscal 1979. The Commission provided technical assistance to the STR in most areas of the negotiations. Computer data on U.S. imports and tariffs were prepared for the U.S. delegation in Geneva. Technical assistance was regularly provided to many of the Washington-based task forces which provided support for the U.S. delegation, including extensive assistance in assembling statistics and other data for the U.S. tariff offers initially tabled in Geneva in January 1978. Commission staff and Commissioners participated in Geneva meetings of the MTN negotiating groups, and

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



William E. Culbert, deputy head of the U.S. delegation, signed the MTN tariff protocol for the United States on July 11, 1979, in Geneva. Also present were (from left) William T. Hart, Commission Executive Liaison and Special Advisor for Trade Agreements; Julio Raimondi, Minister for Economic Affairs of Argentina; and Ann Hughes, Department of Commerce.

five members of the Commission staff were on the permanent U.S. MTN delegation in Geneva during the first half of the fiscal year. Three additional staff members were temporarily detailed to Geneva to assist in the final tariff negotiations with the developed countries. Assistance was also provided for the bilateral negotiations with Taiwan, Hungary, and countries forming the Cartegena Agreement.

Toward the end of fiscal 1978, at the request of the Senate Committee on Finance and the House Committee on Ways and Means, the Commission began work on an extensive analysis of the MTN as part of a large program to assist Members of Congress in their examination of the various MTN agreements and consideration of implementing legislation sent to the two committees. This study, completed in June 1979, assessed the impact on U.S. industry, labor, and consumers of the tariff reductions made by the United States and its major trading

partners and of the nontariff-measure agreements being negotiated with respect to safeguards, government procurement, subsidies and countervailing duty measures, technical barriers to trade (standards), licensing procedures, customs valuation, and several other more specific agreements such as those on trade in aircraft and dairy products.

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

#### **Formal Documentation for U.S. Tariff Offers and Concessions**

In the last half of fiscal 1978, the Office of Executive Liaison and Special Advisor for Trade Agreements began preparation of the document setting out all tariff concessions offered by the United States in the MTN in the complete nomenclature of the TSUS. The initial version of this so-called legal offer list was tabled in Geneva in December 1978. As the negotiations proceeded to a conclusion, extensive revisions were made in the initial offers. To accurately reflect all these changes at key stages of the negotiations, two revised editions of the document were issued. The final concessions agreed upon were then recorded in a similar 600-page document, which in early July was annexed to the Geneva (1979) Protocol concluding the tariff negotiations among developed countries.

Late in 1979, work was begun on preparation of a consolidated schedule of U.S. concessions under the GATT (schedule XX), which would incorporate, in addition to the concessions negotiated in the MTN, those made in the Kennedy



Signaling a "new era for fair trade and U.S. export growth," President Carter signed the Trade Agreements Act of 1979 in a White House ceremony on July 29, 1979. Attending the ceremony were industry representatives, Members of Congress, senior administration officials, and Commissioners from the U.S. International Trade Commission. The action was the culmination of years of negotiations on trade liberalization among 99 nations. The trade agreements, which received almost unanimous approval by the Congress, will gradually cut tariffs by about a third and impose a series of measures to reduce nontariff barriers to trade.

round and earlier negotiations. The consolidated schedule XX is expected to be completed and circulated to the other GATT contracting parties for certification during 1980.

### MTN Implementing Legislation

Considerable time and effort were spent by the Office of the General Counsel, the Office of Nomenclature, Valuation, and Related Activities, and the Office of Executive Liaison and Special Advisor for Trade Agreements in assisting STR and the staffs of the House Committee on Ways and Means and the Senate Committee on Finance in drafting the Trade Agreements Act of 1979, which became Public Law 96-39 on July 26, 1979.

The purposes of this act are—

- (1) To approve and implement the trade agreements negotiated under the Trade Act of 1974;
- (2) To foster the growth and maintenance of an open world trading system;
- (3) To expand opportunities for the commerce of the United States in international trade; and

- (4) To improve the rules of international trade and to provide for the enforcement of such rules, and for other purposes.

This legislation, inter alia, approved the agreements which had been negotiated in the MTN and submitted to the Congress in June, set the conditions under which the President could accept the agreements for the United States, and provided for the modifications of various U.S. statutes which would be necessary to implement the agreements. The major amendments to existing U.S. laws made by the Trade Agreements Act of 1979 concerned countervailing and anti-dumping duties, customs valuation, government procurement, the establishment of product standards, trade in civil aircraft, and the basis for levying duties on distilled spirits. A large number of other provisions affected a wide range of specific products.

### Implementation of Tariff Concessions

Tariff concessions granted by the United States in trade agreements are implemented by

Presidential proclamations which modify the Tariff Schedules of the United States accordingly. At least two proclamations will be required to implement the vast number of reductions negotiated in the MTN and certain bilateral agreements. Work on the first of these proclamations was begun in May 1979 by the Office of Executive Liaison and Special Advisor for Trade Agreements and the Office of Nomenclature, Valuation, and Related Activities, and continued throughout the remainder of the fiscal year. When subsequently completed, it would be by far the largest and most complex such proclamation ever issued.<sup>2</sup> A second large proclamation, which will deal principally with implementing tariff concessions tied to the effective date for the United States of the new customs valuation standards contained in the MTN agreement relating to customs valuation, was planned for the spring of 1980.

### Generalized System of Preferences

The Trade Act of 1974 gave the President authority to establish a Generalized System of Preferences, under which eligible articles that are the product of designated beneficiary developing countries can be imported into the United States free of duty. Executive Order 11888 implemented the GSP effective January 1, 1976; the Special Trade Representative and the Secretary of State are jointly responsible for its administration. The Executive order has been modified several times to change the list of articles receiving GSP treatment and the list of beneficiary countries. During fiscal year 1979, the Commission again provided technical assistance in the interagency review leading to these modifications, as well as assistance in preparation of the orders implementing the changes. The Commission provided its advice on 37 items as to the probable economic effects on U.S. industries producing like or directly competitive articles and on consumers of the elimination of import duties under the GSP. In addition, Commission personnel assisted in monitoring GSP

imports and did the major part of the work entailed in application of the "competitive need" criteria set out in section 504 of the Trade Act. For the sixth executive branch review of the operation of GSP, parts of which consisted of public hearings held by the Trade Policy Staff Committee, STR was supplied technical data on U.S. production of and trade in more than 86 articles on which petitions had been submitted for a modification of their GSP status. Commission personnel also assisted in the work begun for the preparation of the 5-year status report to Congress on the operation of the GSP program.

The Trade Agreements Act of 1979 made four changes regarding the operation of the GSP program. The first permits the extension of beneficiary status to members of the Organization of Petroleum Exporting Countries provided that the country in question entered into a bilateral product-specific trade agreement with the United States under section 101 or 102 of the Trade Act of 1974 before January 3, 1980. The second change lowered the "local content" requirement from 50 percent to 35 percent of the appraised value of the article for imports from any two or more countries which are members of the same association of countries which is treated as one country under section 502(a)(3) of the Trade Act. The third change gives the President authority to waive the 50-percent competitive-need criterion where the total value of imports of an eligible article is less than \$1 million (adjusted annually). The fourth change extends the implementation date of competitive-need changes from 60 days to 90 days after the close of each calendar year.

### Executive Branch Review of Commission Reports

Many of the reports which the Commission submits to the President under various statutes, such as section 201 of the Trade Act of 1974, involve matters on which action by the President would affect trade-agreement obligations of the United States. Executive branch review of these reports for the purpose of formulating executive branch recommendations to the President is usually centered in the Office of the Special

<sup>2</sup>The proclamation was signed by the President on Dec. 11, 1979.

Representative for Trade Negotiations. The Commission provides technical assistance in the review process, including such supplemental information as may be required. During the period covered by this report the Commission submitted two reports to the President on investigations which were instituted as a result of petitions for import relief under section 201 of the Trade Act and eight reports under section 337 of the Tariff Act of 1930. Most of these reports required eventual action by the President.<sup>3</sup>

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

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

Section 608(a) of the Trade Act of 1974 and Public Law 95-106 amended section 484(e)<sup>4</sup> of the Tariff Act of 1930 by providing for comparability of U.S. imports, production, and export data, as follows:

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

an accurate statement specifying, in terms of such detailed enumeration, the kinds and quantities of all merchandise imported and exported and the value of the total quantity of each kind of article.

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

During fiscal year 1979, the Committee for Statistical Annotation of Tariff Schedules, which is made up of delegates of the Secretary of the Treasury and the Secretary of Commerce and which is chaired by a delegate of the Commission, considered 40 requests for statistical annotations to the TSUSA and 40 requests for modifications to Schedule B in order to improve the comparability of U.S. import and export data and for other reasons. As a result of these requests, the committee created 142 new TSUSA items and provided 146 new Schedule B numbers.

### Harmonized Commodity Code

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

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

During fiscal year 1979 the Commission participated in the U.S. contribution to the technical work of the Harmonized System Committee by

<sup>3</sup>The reports under sec. 201 of the Trade Act concerned investigations to determine whether a domestic industry was being seriously injured, or threatened with serious injury, by imported articles. The products involved were clothespins and bolts, nuts, and large screws of iron or steel.

The reports under sec. 337 of the Tariff Act of 1930 concerned unfair acts in the importation into the United States of doxycycline, certain roller units, certain luggage products, electric slow cookers, flexible foam sandals, multicellular plastic film, novelty glasses, and thermometer sheath packages.

<sup>4</sup>19 U.S.C. 1484(e).

preparing comments on 14 chapters of the Harmonized Code and by providing technical assistance to the U.S. delegate to the Harmonized System Committee at Committee sessions. In addition, preliminary work was done on 41 new chapters of the Harmonized Code. Commission staff attended all three sessions of the Harmonized System Committee during fiscal year 1979 and initiated bilateral meetings with representatives of the European Community prior to meetings of the Committee in order to facilitate and expedite its deliberations.

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

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

During fiscal 1979 the Commission issued supplements 4 and 5 to the 10th (1978) edition of the *TSUSA*.

#### **PERIODIC REPORTS ON COMMODITIES**

##### **Synthetic Organic Chemicals**

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

Government uses of these data reportedly include monitoring of toxic substances by the Environmental Protection Agency and the National Institute for Occupational Safety and Health, trade adjustment assistance by the Department

of Labor, planning and investigations by the Food and Drug Administration, trade negotiations by the Office of the Special Representative for Trade Negotiations, mobilization studies by the Department of Commerce, assurance of petrochemical feedstock supplies by the Department of Energy, and monitoring of the economy (particularly the chemical industry) by the Council on Wage and Price Stability. The business community, including industry, consultants, and financial analysts, also reportedly uses these data extensively.

**Annual reports.**—The 61st annual report on U.S. production and sales of synthetic organic chemicals, covering calendar year 1977, was released by the Commission on October 12, 1978.<sup>5</sup> Also during fiscal year 1979, the Commission prepared the 62d annual report, covering calendar year 1978.<sup>6</sup> Fifteen groups of chemicals were involved:

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

Approximately 750 manufacturers report data to the Commission on some 8,000 chemical products; these data form the base for the annual report. Also included in the annual report is a directory of manufacturers for each of the named chemicals and chemical products. The data for another annual Commission publication, *Imports of Benzenoid Chemicals and Products*, are obtained by analyzing invoices covering most of the general imports of benzenoid chemicals.

<sup>5</sup>*Synthetic Organic Chemicals, United States Production and Sales, 1977*, USITC Publication 920, 1978.

<sup>6</sup>*Synthetic Organic Chemicals, United States Production and Sales, 1978*, USITC Publication 1001, 1979.

**Monthly reports.**—The monthly production reports (Series C/P) add timeliness to the Commission's statistics. A report, containing production data for 91 selected synthetic organic chemicals, plastics and resins, and other trend-setting indicator materials, is issued for each month at a date approximately 6 weeks after the month covered by the report.

## Quantitative Determinations

As required by statute, Executive order, or Presidential proclamation, the Commission continued to submit annual and quarterly reports during fiscal year 1979 on several commodities.

Annual reports were submitted on U.S. consumption of watch movements<sup>7</sup> and brooms.<sup>8</sup>

In 1976, after receiving the Commission's report on stainless steel and alloy tool steel (investigation No. TA-201-5), the President imposed quantitative restrictions on stainless steel and alloy tool steel for a period of 3 years and implemented a monitoring program administered by the Commission.<sup>9</sup> The quotas, which were due to expire on June 13, 1979, were extended to February 13, 1980.<sup>10</sup> In fiscal year 1979, the Commission issued four quarterly reports<sup>11</sup> covering U.S. producers' production, shipments, employment, man-hours, and prices. Two annual reports<sup>12</sup> were also issued during the year. One covered U.S. importers' prices, unshipped orders, and inventories; the other covered U.S. producers' profit, unshipped orders, inventories,

capacity, capital expenditures, and research and development expenditures. The quarterly and annual reports are to continue for the duration of the quantitative restrictions.

In conformance with the provisions of the orderly marketing agreement negotiated with the Government of Japan limiting the export of color television receivers and certain subassemblies thereof from Japan to the United States for a period of 3 years, the Commission issued four quarterly reports<sup>13</sup> showing aggregate monthly data provided by U.S. producers of color TV receivers on production, shipments, inventories, imports, employment, man-hours, prices, and other economic factors indicative of conditions in the U.S. industry. In addition, the Commission issued the second of the required annual reports<sup>14</sup> showing quarterly data on profit and capacity and annual data on capital expenditures for U.S. producers, and quarterly data on prices, orders, and inventories for importers. These periodic reports will continue for the duration of the orderly marketing agreement.

Following receipt of the Commission's report on mushrooms in January 1977 (investigation No. TA-201-10), the President determined that import relief was not in the national economic interest. However, he decided to monitor import competition in the domestic market for canned mushrooms. Accordingly, pursuant to section 332(g) of the Tariff Act of 1930, the President requested the Commission to prepare quarterly statistical reports on U.S. production, sales, inventories, imports, exports, and apparent consumption of canned mushrooms. These quarterly reports are to be continued until the Commission is notified by STR that they are no longer required. The Commission issued four such quarterly reports in fiscal 1979.<sup>15</sup>

<sup>7</sup>Public Law 89-805 (80 Stat. 1521, 1522); unnumbered USITC publication, 1979.

<sup>8</sup>Public Law 89-241 (79 Stat. 948, 949); Executive Order 11377 implements headnote 3 to schedule 7, pt. 8, subpt. A, of the TSUS; USITC Publication 967, 1979.

<sup>9</sup>Presidential Proclamation 4445 implements headnote 2(g)(i) and (ii) of pt. 2, subpt. A, of the Appendix to the TSUS.

<sup>10</sup>Presidential Proclamation 4665 extended the quotas to Feb. 13, 1980.

<sup>11</sup>Third calendar quarter 1978, USITC Publication 927, 1978; fourth calendar quarter 1978, USITC Publication 942, 1979; first calendar quarter 1979, USITC Publication 973, 1979; second calendar quarter 1979, USITC Publication 996, 1979.

<sup>12</sup>Annual report on U.S. importers for calendar year 1978, USITC Publication 961, 1979; annual report on U.S. producers for calendar year 1978, USITC Publication 960, 1979.

<sup>13</sup>Third calendar quarter 1978, USITC Publication 925, 1978; fourth calendar quarter 1978, USITC Publication 939, 1979; first calendar quarter 1979, USITC Publication 971, 1979; second calendar quarter 1979, USITC Publication 995, 1979.

<sup>14</sup>Annual report for calendar year 1978, USITC Publication 962, 1979.

<sup>15</sup>Third calendar quarter 1978, USITC Publication 931, 1978; fourth calendar quarter 1978, USITC Publication 952, 1979; first calendar quarter 1979, USITC Publication 978, 1979; second calendar quarter 1979, USITC Publication 998, 1979.

After considering the Commission's report on footwear (investigation No. TA-201-18), the President decided not to impose the tariff-rate-quota remedy recommended by the Commission for the injury it found, but rather to negotiate orderly marketing agreements limiting the export of certain footwear from Taiwan and the Republic of Korea to the United States. On June 24, 1977, he announced such agreements covering certain footwear shipped to the United States for the 4 years ending June 30, 1981.<sup>16</sup> The President announced that the Commission would issue quarterly reports showing monthly data on U.S. production, imports for consumption, apparent consumption, employment, and prices. It would also conduct annual surveys of domestic producers with respect to profit, orders, capacity, inventories, prices, capital expenditures, and research and development expenditures, and annual surveys of importers with respect to prices, orders, and inventories. The Commission issued the first of its annual surveys of footwear producers and importers on May 31, 1978,<sup>17</sup> and the second on May 31, 1979.<sup>18</sup> In addition, four quarterly reports were issued during 1979.<sup>19</sup> The quarterly and annual reports are to continue for the duration of the orderly marketing agreements.

On January 6, 1979, the President, after receiving the Commission's recommendations in connection with investigation No. TA-201-37, imposed duty increases on bolts, nuts, and large screws of iron or steel.<sup>20</sup> The duty increases are scheduled to remain in effect for 3 years. The Commission is currently monitoring the fastener industry to determine the effects of the in-

creased duties and has published one annual<sup>21</sup> and two quarterly reports.<sup>22</sup> The annual report covered U.S. producers' profits, unfilled orders, inventories, capital expenditures, and capacity and U.S. importers' unfilled orders, inventories, and prices. The quarterly reports provided data on U.S. production, shipments, imports, exports, apparent consumption, employment, man-hours, and prices.

### Other Periodic Reports

The compilation and publication of the following two series of data began some years ago in response to congressional and general public interest. Series A relates to all motor vehicles (i.e., passenger automobiles, trucks, buses, and so forth) and is published annually, in the spring; Series B relates to new passenger automobiles only and is published annually, in the fall. Two such reports were published during fiscal year 1979:

*Automotive Trade Statistics, 1964-78: U.S. Factory Sales, Imports, Exports, Apparent Consumption, and Trade Balances with Canada and All Other Countries (Series A-Motor Vehicles)*, USITC Publication 985, June 1979.  
*Automotive Trade Statistics, 1964-78: U.S. Factory Sales, Retail Sales, Imports, Exports, Apparent Consumption, Suggested Retail Prices, and U.S. Bilateral Trade Balances With the Eight Major Producing Countries (Series B: Passenger Automobiles)*, USITC Publication 1002, September 1979.

### SUMMARIES OF TRADE AND TARIFF INFORMATION

The Commission periodically publishes a series of summaries of trade and tariff information to provide the Congress, the courts, Government agencies, foreign governments, industrial

<sup>16</sup>Presidential Proclamation 4510, June 22, 1977, implements headnote 3(k)(i) and (ii) to pt. 2, subpt. A, of the Appendix to the TSUS.

<sup>17</sup>Annual report for calendar years 1976 and 1977, USITC Publication 889, 1978.

<sup>18</sup>Annual report for calendar years 1977 and 1978, USITC Publication 980, 1979.

<sup>19</sup>Third calendar quarter 1978, USITC Publication 929, 1978; fourth calendar quarter 1978, USITC Publication 950, 1979; first calendar quarter 1979, USITC Publication 981, 1979; second calendar quarter 1979, USITC Publication 997, 1979.

<sup>20</sup>Presidential Proclamation 4632 implements headnote 4(a) and (b) of pt. 2, subpt. A, of the Appendix to the TSUS.

<sup>21</sup>Annual report on U.S. producers and U.S. importers for calendar year 1978, USITC Publication 963, 1979.

<sup>22</sup>First calendar quarter 1979, USITC Publication 979, 1979; second calendar quarter 1979, USITC Publication 1000, 1979.

institutions, research and trade organizations, and the general public with information on each of the commodities listed in the Tariff Schedules of the United States.

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

The overall summary program will run several years, ultimately covering all items of the TSUS. In fiscal year 1979, the Commission issued only three summaries owing to the overriding commitment of the Commission to an extensive analysis of the Multilateral Trade Negotiations. The summaries issued in fiscal year 1979 (USITC Publication 841) covered the following subjects:

Title	Control No.	Release date
Unmounted Ophthalmic Lenses .....	7-2-6	October 1978
Live Plants .....	1-6-4	November 1978
Live Cattle and Meat of Cattle .....	1-1,2-5	September 1979

## ASSISTANCE TO THE CONGRESS

During fiscal year 1979, the Office of Congressional Liaison continued to provide liaison with the Congress, State and local governments, international organizations, and nonexecutive Government agencies. Responding to congressional inquiries remained a major activity of the Office: the Commission replied to an average of 41 written requests and 83 oral inquiries each month. In addition, technical assistance was provided on 56 bills, and staff specialists participated at a number of congressional hearings.

Three investigations initiated in fiscal 1978 in response to specific congressional requests were completed in fiscal 1979. Two of them were requested by the House Committee on Ways and Means: Bolts, Nuts, and Large Screws of Iron or Steel (No. TA-201-37), instituted under section 201 of the Trade Act of 1974, and A Baseline Study of the Telephone Terminal and Switching Equipment Industry (No. 332-92), conducted under section 332 of the Tariff Act of

1930. The report on the metal fasteners investigation was sent to the President in November 1978, and the telephone equipment study report was transmitted to the committee in January 1979. The third investigation, Agreements Being Negotiated at the Multilateral Trade Negotiations in Geneva (No. 332-101), a section 332 review jointly requested by the House Committee on Ways and Means and the Senate Committee on Finance, was completed in June 1979.

The report on a section 332 investigation that the Commission instituted on its own motion in fiscal 1977 after receiving a congressional request, Conditions of Competition in the Western U.S. Steel Market Between Certain Domestic and Foreign Steel Products (No. 332-87), was completed in September 1979.

Two additional section 332 investigations, instituted at the specific request of congressional committees during fiscal 1979, were in progress at the end of the fiscal year: Competitive Factors Influencing World Trade in Integrated Circuits (No. 332-102) was jointly requested by the Senate Committees on Finance and on Banking, Housing, and Urban Affairs in October 1978, and Casein and Its Impact on the Domestic Dairy Industry (No. 332-105) was requested by the House Committee on Ways and Means in June 1979. Also, the Commission continued its ongoing section 332 investigation on Formulation of an International Commodity Code (No. 332-73) as required by section 608(c)(1) of the Trade Act of 1974.

During the year, 10 Members of Congress appeared as witnesses at hearings before the Commission, and written testimony was received from additional Members.

## NEW YORK CITY FIELD OFFICE

From its earliest days the Commission recognized the advisability of operating a field office in the Nation's leading center for international commerce—the port of New York and New Jersey. Established in 1922, the New York facility remains the only Commission office functioning outside the Nation's Capital.

Located in the U.S. Customs Service area within the World Trade Center complex in lower

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

From their vantage point at the World Trade Center, Commission personnel provide timely assessments of developments or trends which might affect the work of the Commission. The

field office gathers data and supplies technical assistance required in the conduct of studies and investigations. At the same time, it provides information and assistance to the general public, the trade community, and various Government agencies. Particularly useful is the library which the Commission maintains at Suite 629, 6 World Trade Center. Serving as the field office's information center, the library contains Commission reports, notices, and press releases, as well as selected statistical data, legal documents, commodity classification schedules, and other trade-related publications.

# administration and finances

## ORGANIZATION OF THE COMMISSION

On September 30, 1979, the U.S. International Trade Commission was composed of 5 Commissioners and 361 staff members.<sup>1</sup> The chart on page 38 depicts the Commission's organization at the end of fiscal 1979.

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

## Membership of the Commission

As provided in the Tariff Act of 1930, as amended, the six Commissioners of the U.S. International Trade Commission are Presidential appointees who are confirmed by the Senate. Their terms are 9 years in length, unless a Com-

missioner is appointed to fill an unexpired term, and they are not eligible for reappointment if they serve for more than 5 years. By provision of Public Law 95-106 the President is authorized to designate the Chairman and Vice Chairman for 2-year terms. The Chairman and Vice Chairman may not be of the same political party, nor may the President appoint two Commissioners of the same political party for two consecutive 2-year terms as Chairman. Not more than three Commissioners may belong to the same political party. During fiscal 1979 Joseph O. Parker served as Chairman, and Bill Alberger served as Vice Chairman.

The following Commissioners served during fiscal year 1979:

*Commissioner Joseph O. Parker*, Republican of Virginia. Mr. Parker's term expired December 16, 1979, and he resigned effective December 31, 1979.

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

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

*Commissioner Italo H. Ablondi*, Democrat of New York. Mr. Ablondi's term expires June 16, 1981.<sup>2</sup>

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

*Commissioner Paula Stern*, Democrat of the District of Columbia. Ms. Stern's term expires June 16, 1987.

*Commissioner Michael J. Calhoun*, Independent of the District of Columbia, entered on duty on February 1, 1980. Mr. Calhoun's term expires December 31, 1988.

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

<sup>2</sup>Commissioner Ablondi resigned effective Oct. 10, 1978.

## Executive Staff of the Commission

General Counsel . . . . .	Michael H. Stein. <sup>3</sup>
Director, Office of Executive Liaison and Special Advisor for Trade Agreements . . . . .	William T. Hart.
Senior Advisor to the Commission . . . . .	Russell N. Shewmaker. <sup>3</sup>
Secretary to the Commission . . .	Kenneth R. Mason.
Director, Office of Congressional Liaison . . . . .	George L. Hooper.
Chief Administrative Law Judge .	Donald K. Duvall.
Administrative Law Judge . . . .	Janet D. Saxon.
Director, Office of Administration Chief, Finance and Budget Division . . . . .	Charles R. Ramsdale.
Director of Personnel . . . . .	Edward C. Wallington, Jr.
Chief, Services Division . . . . .	Terry P. McGowan.
Chief, Production Division . . . .	Ronald P. Fox.
Director of Operations . . . . .	Kenneth Will, Jr.
Director of Investigations (Acting) . . . . .	Charles W. Ervin. <sup>4</sup>
Chief, Unfair Import Investigations Division (Acting) . . . . .	E. William Fry. <sup>5</sup>
Director, New York Field Office . . . . .	Edward M. Lebow. <sup>6</sup>
Director, Office of Industries . .	Walter S. Trezevant.
Chiefs of Divisions:	Norris A. Lynch.
Agriculture, Fisheries, and Forest Products . . .	Edward P. Furlow.
Minerals and Metals . . . . .	Vacant.
Energy and Chemicals . . . .	Aimison Jonnard.
Textiles, Leather Products, and Apparel . . . . .	Reuben I. Schwartz.
Machinery and Equipment . . . . .	Aaron H. Chesser. <sup>7</sup>
General Manufactures . . . . .	Selma L. Coble.
Director, Office of Economic Research . . . . .	Norman S. Fieleke. <sup>8</sup>
Director, Office of Data Systems (Acting) . . . . .	Michael Olsavsky.
Director, Office of Nomenclature, Valuation, and Related Activities . . . . .	Eugene A. Rosengarden.
Public Information Officer . . . . .	Harold W. Sundstrom.

<sup>3</sup>From July 12, 1979, through May 23, 1980, Mr. Shewmaker served as General Counsel and Mr. Stein served as Senior Advisor.

<sup>4</sup>Effective Dec. 3, 1979.

<sup>5</sup>Effective Jan. 18, 1980.

<sup>6</sup>Effective May 5, 1980.

<sup>7</sup>Effective Feb. 10, 1980.

<sup>8</sup>Effective Nov. 13, 1979.

## Sources of Information

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

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

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

## EMPLOYMENT AND APPROPRIATIONS

The Commission staff represents a unique blend of professional investigators, attorneys, economists, and commodity analysts, including nationally and internationally recognized experts in their fields. In fiscal year 1979, average employment—in terms of work-years—was 390, about 1 percent below that of fiscal year 1978. The following tabulation shows the number of permanent full-time officers and employees of the Commission by organizational units at the close of fiscal year 1979:

Position or activity	Sept. 30, 1979
Commissioners . . . . .	5
Offices of the Commissioners . . . . .	18
Office of the Secretary . . . . .	11
Office of Executive Liaison and Special Advisor for Trade Agreements . . . . .	8

Position or activity—Con.	Sept. 30, 1979
Office of the General Counsel .....	22
Office of Congressional Liaison .....	2
Office of the Senior Advisor .....	2
Office of the Administrative Law Judge .....	6
Office of the Director of Administration .....	4
Finance and Budget Division .....	8
Personnel Division .....	13
Services Division .....	10
Production Division .....	17
Office of the Director of Operations .....	3
New York Field Office .....	5
Investigative Staff .....	23
Office of Legal Services .....	17
Office of Industries .....	116
Office of Economic Research .....	27
Office of Data Systems .....	29
Office of Nomenclature, Valuation, and Related Activities .....	15
Total .....	361

The U.S. International Trade Commission submits its budget to the President for transmittal to the Congress.<sup>9</sup> During fiscal year 1979, appropriated funds made available to the Commission amounted to \$13,250,000. Reimbursements received totaled \$12,420, making available a

grand total of \$13,262,420. Obligations for fiscal years 1978 and 1979 were as follows:

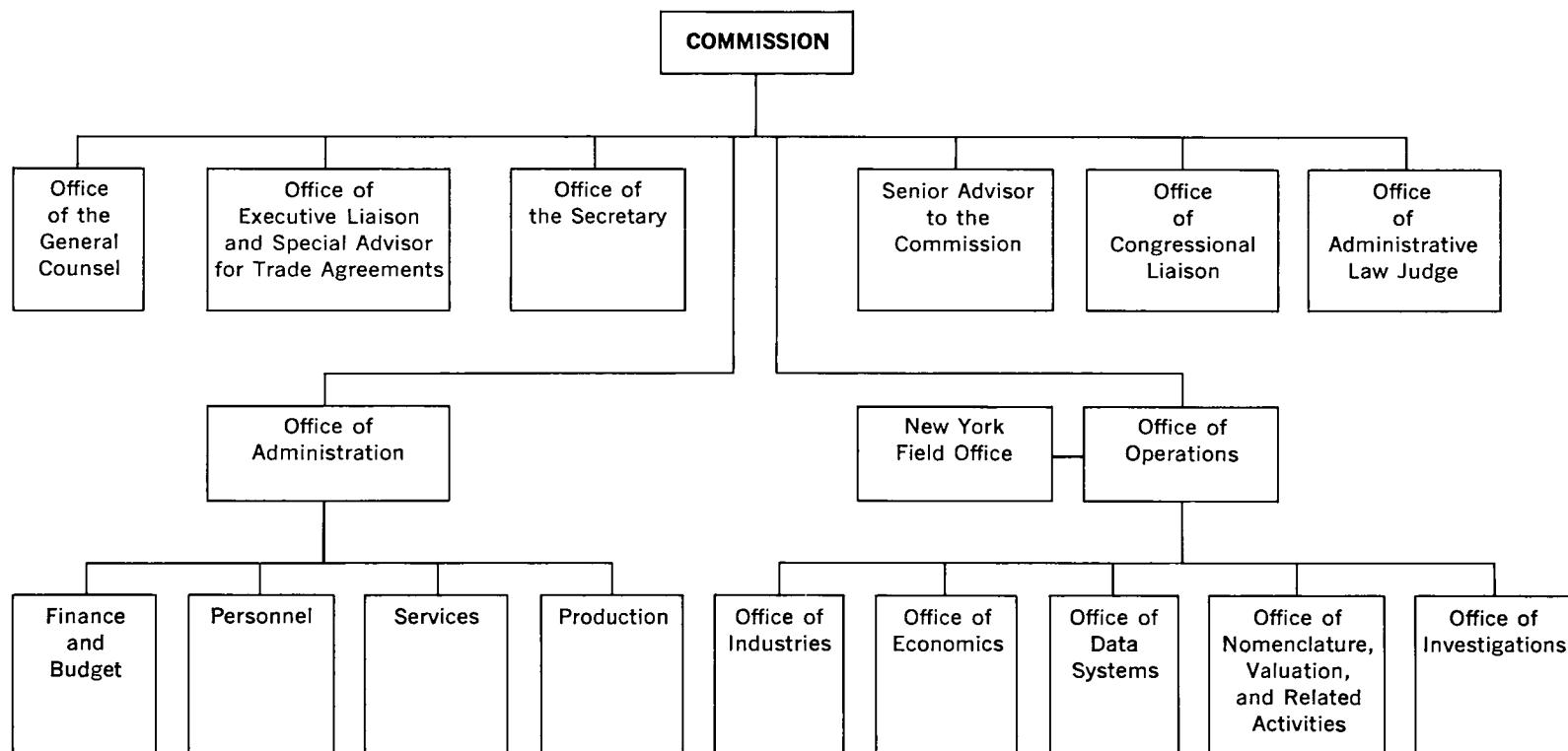
Item	Fiscal year 1978	Fiscal year 1979
Salaries and personnel benefits .....	\$9,487,919	\$9,974,481
Travel and transportation .....	266,647	214,389
Rental and communications services .....	1,027,995	1,060,399
Other services .....	611,237	645,776
Printing and Reproduction .....	195,666	170,230
Equipment, supplies, and materials .....	406,192	500,680
Total .....	11,995,656	12,565,955

A majority of the Commission's employees are housed in the U.S. International Trade Commission Building, at 701 E Street NW.<sup>10</sup> Owing to space limitations, employees in the Office of the Administrative Law Judge, the Office of Economic Research, and the Office of Data Systems are located in the Bicentennial Building, at 600 E Street NW.

<sup>9</sup>Because of the unique role of the Commission as a quasi-judicial and independent agency designed to provide trade expertise to both legislative and executive branches of Government, Congress provided that the budget of the International Trade Commission would not be subject to control by the Office of Management and Budget, but would instead be submitted directly to the Congress.

<sup>10</sup>The building was built from 1839 to 1869 under the supervision of Thomas U. Walter, one of the architects of the Capitol. The Commission took up quarters in the building in 1921 after such occupants as the Postmaster General, the General Land Office, the Bureau of Education, the National Selective Draft Board, and General John J. Pershing.

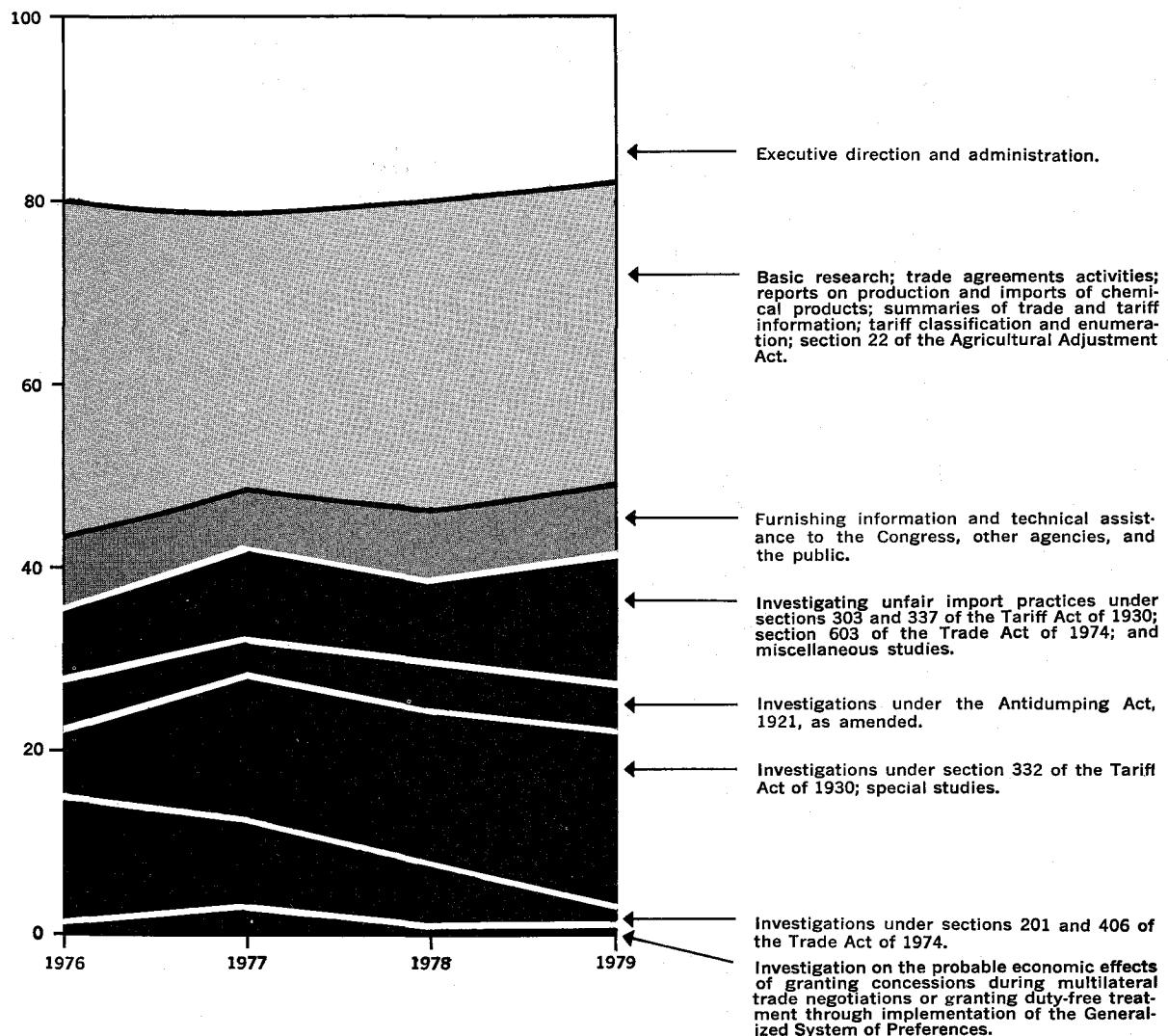
## UNITED STATES INTERNATIONAL TRADE COMMISSION



# appendix a

## SUMMARY OF PRINCIPAL ACTIVITIES OF THE U.S. INTERNATIONAL TRADE COMMISSION, FISCAL YEARS 1976-79

Percentage distribution of employee compensation



# appendix b

## REPORTS SUBMITTED ON PROPOSED LEGISLATION

1. H.R. 116 (Mr. Bafalis)—To amend section 8e of the Agricultural Adjustment Act of 1933, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, to subject imported tomatoes to restrictions comparable to those applicable to domestic tomatoes. June 14, 1979.
2. H.R. 297 (Mr. Drinan)—To suspend for two years the duty on wood excelsior imported from Canada. April 19, 1979.
3. H.R. 593 (Mr. Mitchell)—To amend the Tariff Schedules of the United States in order to increase the rate of duty on certain boxes, cases, and chests lined with textile fabrics. July 19, 1979.
4. H.R. 802 (Mr. White)—To extend from eight months to twenty-four months the period in which domesticated animals may pasture in foreign countries and be accorded duty-free status upon reentry into the United States.
5. H.R. 1076 (Mr. Pickle, et al.)—To modify the method of establishing quotas on the importation of certain meat, to include within such quotas certain meat products, and for other purposes. May 4, 1979.
6. H.R. 1212 (Mr. Fuqua)—For the relief of the University of Florida, Gainesville, Florida. May 4, 1979 (Ways and Means Committee), and October 15, 1979 (Finance Committee).
7. H.R. 1319 (Mr. Akaka, et al.)—To extend the period for duty-free entry of a 3.60-meter telescope and associated articles for the use of the Canada-France-Hawaii Telescope Project at Mauna Kea, Hawaii. June 12, 1979 (Ways and Means Committee), and October 15, 1979 (Finance Committee).
8. H.R. 1436 (Mr. Preyer, et al.)—To suspend until the close of June 30, 1980, the duty on certain nitrocellulose. July 10, 1979.
9. H.R. 1457 (Mr. Rangel)—To amend the Tariff Schedules of the United States to prohibit the importation of coal and of certain articles of uranium, if the product of the Union of South Africa. October 18, 1979.
10. H.R. 1587 (Mr. Frenzel)—To suspend the duty on gypsum building boards and lath until the close of June 30, 1981. March 23, 1979.
11. H.R. 1660 (Mr. Duncan)—To continue until the close of June 30, 1981, the existing suspension of duties on certain forms of zinc. March 7, 1979.
12. H.R. 2297 (Mr. Duncan)—To continue until the close of June 30, 1982, the existing suspension of duties on synthetic rutile. March 27, 1979 (Ways and Means Committee), and October 15, 1979 (Finance Committee).
13. H.R. 2492 (Mr. Jenkins)—To correct an anomaly in the rate of duty applicable to articles of apparel in which feathers or downs are used as filling and to extend until June 30, 1984, the duty provisions applicable to crude feathers and downs. May 4, 1979 (Ways and Means Committee), and October 31, 1979 (Finance Committee).
14. H.R. 2535 (Mr. Albosta, et al.)—To amend the Tariff Schedules of the United States to suspend for a temporary period the duty on certain alloy tool steels used for making chipper knives. April 19, 1979 (Ways and Means Committee), and November 5, 1979 (Finance Committee).
15. H.R. 2537 (Mr. Bauman, et al.)—To suspend until December 31, 1982, a portion of the duties on strontium nitrate. July 26, 1979 (Ways and Means Committee), and December 3, 1979 (Finance Committee).
16. H.R. 2580 (Mr. Shelby)—To suspend for a three-year period the duty on 2-Methyl, 4-chlorophenol. July 13, 1979.
17. H.R. 2703 (Mr. Shannon)—To provide duty-free treatment to certain dyeing and tanning materials. April 12, 1979 (Ways and Means Committee), and November 16, 1979 (Finance Committee).

18. H.R. 2727 (Mr. Ullman, et al.)—To modify the method of establishing quotas on the importation of certain meat, to include within such quotas certain meat products. May 25, 1979.
19. H.R. 3046 (Mr. Fithian, et al.)—To suspend the duty on freight cars until the close of June 30, 1981. July 25, 1979 (Ways and Means Committee), and December 6, 1979 (Finance Committee).
20. H.R. 3122 (Mr. Vanik)—Relating to the tariff treatment of certain articles: (1) Dyeing and Tanning Materials, (2) Wool Excelsior, (3) Nitrocellulose, (4) 2-Methyl, 4-chlorophenol, (5) Ceramic Insulators, and (6) Zinc. October 24, 1979 (Finance Committee).
21. H.R. 3127 (Mr. Charles Wilson—Tex.)—To reduce temporarily the rate of duty on ceramic insulators used in spark plugs. July 10, 1979.
22. H.R. 3207 (Mr. Rostenkowski)—To suspend the duties on certain bicycle parts and accessories until the close of June 30, 1983. August 16, 1979 (Ways and Means Committee), and October 31, 1979 (Finance Committee).
23. H.R. 3317 (Mr. Devine)—For the relief of Ohio Wesleyan University, Delaware, Ohio. September 27, 1979 (Ways and Means Committee), and October 30, 1979 (Finance Committee).
24. H.R. 3352 (Mr. Rostenkowski, et al.)—To provide for the temporary suspension of duty on the importation of fluorspar. July 13, 1979 (Ways and Means Committee), and December 3, 1979 (Finance Committee).
25. H.R. 3993 (Mr. Duncan)—To continue until the close of June 30, 1982, the existing suspension of duties on manganese ore (including ferruginous ore) and related products. August 24, 1979.
26. H.R. 3403 (Mr. Mikva, et al.)—To implement the Convention on the Means of Prohibiting and Preventing the Illicit Import, Export, and Transfer of Ownership of Cultural Property. June 27, 1979.
27. H.R. 3591 (Mr. Vander Jagt)—To reduce temporarily the duty on titanium sponge. July 13, 1979 (Ways and Means Committee), and November 6, 1979 (Finance Committee).
28. H.R. 3728 (Mr. Gibbons)—To repeal the statutory authority to impose quotas on certain imported meat and meat products. June 21, 1979.
29. H.R. 3755 (Mr. McKinney)—For the relief of St. Paul's Episcopal Church, Riverside, Conn. July 3, 1979 (Ways and Means Committee), and October 30, 1979 (Finance Committee).
30. H.R. 4147 (Mr. Guarini)—To amend the Tariff Schedules of the United States to provide a temporary suspension of the duty on certain alloys of cobalt. July 10, 1979 (Ways and Means Committee), and November 16, 1979 (Finance Committee).
31. H.R. 4309 (Mr. Benjamin, et al.)—To amend the Tariff Schedules of the United States to provide for the proper classification of cold finished steel bars; and for other purposes. November 2, 1979 (Finance Committee).
32. H.R. 4385 (Mr. Neal)—For the relief of Wake Forest University, Winston-Salem, N.C. August 9, 1979 (Ways and Means Committee), and October 30, 1979 (Finance Committee).
33. H.R. 4738 (Mr. Crane)—To reduce temporarily the duty on titanium sheet, plate, and other rolled titanium products. November 23, 1979 (Finance Committee), and November 28, 1979 (Ways and Means Committee).
34. H.R. 4739 (Mr. Downey)—To suspend for a three-year period the duty on pillow buns of latex foam. July 26, 1979 (Ways and Means Committee), and November 5, 1979 (Finance Committee).
35. H.R. 4800 (Mr. Drinan)—To extend duty-free treatment to synthetic tantalum/columbium concentrate. September 19, 1979 (Ways and Means Committee), and November 14, 1979 (Finance Committee).
36. H.R. 4954 (Mr. Duncan—Tenn.)—To continue until the close of June 30, 1982, the existing suspension of duties on manganese ore (including ferruginous ore) and related products. November 21, 1979 (Finance Committee).
37. H.R. 5065 (Mr. Lederer)—For the relief of the Chinese Cultural and Community Center of Philadelphia, Pennsylvania. November 26, 1979.

38. S. 55 (Mr. Bentsen, et al.)—To modify the method of establishing quotas on the importation of certain meat, to include within such quotas certain meat products, and for other purposes. May 4, 1979.
39. S. 424 (Mr. Matsunaga, et al.)—To extend the period for duty-free entry of a 3.60-meter telescope and associated articles for the use of the Canada-France-Hawaii Telescope Project at Mauna Kea, Hawaii. March 23, 1979.
40. S. 1004 (Mr. Bentsen, et al.)—To suspend the duty on freight cars until the close of June 30, 1981. July 25, 1979.
41. S. 1103 (Mr. Bentsen)—To amend the Tariff Schedules of the United States with respect to certain civil aircraft. November 26, 1979.
42. S. 1111 (Mr. Heinz)—To continue until the close of June 30, 1982, the existing suspension of duties on manganese ore (including ferruginous ore) and related products. August 24, 1979.
43. S. 1258 (Mr. Cochran)—To correct an anomaly in the rate of duty applicable to articles of apparel in which feathers or downs are used as filling and to extend until June 30, 1984, the duty provisions applicable to crude feathers and downs. September 26, 1979.
44. S. 1536 (Mr. Heinz)—For the relief of the Chinese Cultural and Community Center of Philadelphia, Pa. November 26, 1979.
45. S. 1738 (Mr. Matsunaga)—To amend the Tariff Schedules of the United States to repeal the duty on certain field glasses and binoculars. November 9, 1979.

# appendix c

## KEY STATUTES INVOLVING THE U.S. INTERNATIONAL TRADE COMMISSION

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

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

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

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

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

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

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

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

**Finding:** If the Commission determines that the importation of such articles is such that the effect or tendency is to destroy or substantially injure an efficiently and economically operated industry, or to prevent the establishment of such an industry, or to restrain or

monopolize trade and commerce, it may issue orders excluding the articles from entry or issue cease and desist orders. The President may disapprove these actions within 60 days after issuance of the Commission's determination.

#### **Sec. 201 (a), Antidumping Act, 1921 (Antidumping Investigations), Imports Marketed at Less Than Fair Value<sup>1</sup>**

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

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

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

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

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

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

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

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

The Commission conducts investigations at the direction of the President to determine whether any articles are being or are practically certain to be imported into the United States under such conditions and in such quantities as to materially interfere with programs of the Department of Agriculture for agricultural commodities or products

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<sup>1</sup>Effective Jan. 1, 1980, the Antidumping Act, 1921, was replaced and repealed by title VII of the Tariff Act of 1930. Also contained in title VII and effective Jan. 1, 1980, was a new countervailing duty law which added the requirement of a Commission determination regarding injury to a domestic industry before imposition of countervailing duties.

thereof, or to reduce substantially the amount of any product processed in the United States from such commodities or products, and makes findings and recommendations to the President. The President may restrict the imports in question by imposition of either import fees or quotas.

## OTHER AREAS OF INVOLVEMENT BY STATUTE

### Bestowal of Bounties or Grants on Imports

The Commission determines, with respect to any duty-free article on which the Secretary of the Treasury has determined that a bounty or grant is being paid, whether an industry in the United States is being or is likely to be injured, or is prevented from being established, by reason of the importation of such article. (Sec. 303, Tariff Act of 1930; 46 Stat. 687.)

### Uniform Statistical Data

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

In conjunction with such activities, the Commission and the Secretary of Commerce are to identify concepts underlying the formulation of an international commodity code for reporting transactions in international trade and to report thereon to the Congress. (Sec. 484(e), Tariff Act of 1930, 19 U.S.C. 1484(e); sec. 608, Trade Act of 1974.)

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

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

### Tariff Summaries

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

of production, and the extent and relative importance of U.S. consumption, production, and trade, together with certain basic factors affecting the competitive position and economic health of domestic industries. (Sec. 332, Tariff Act of 1930; 19 U.S.C. 1332.)

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

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

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

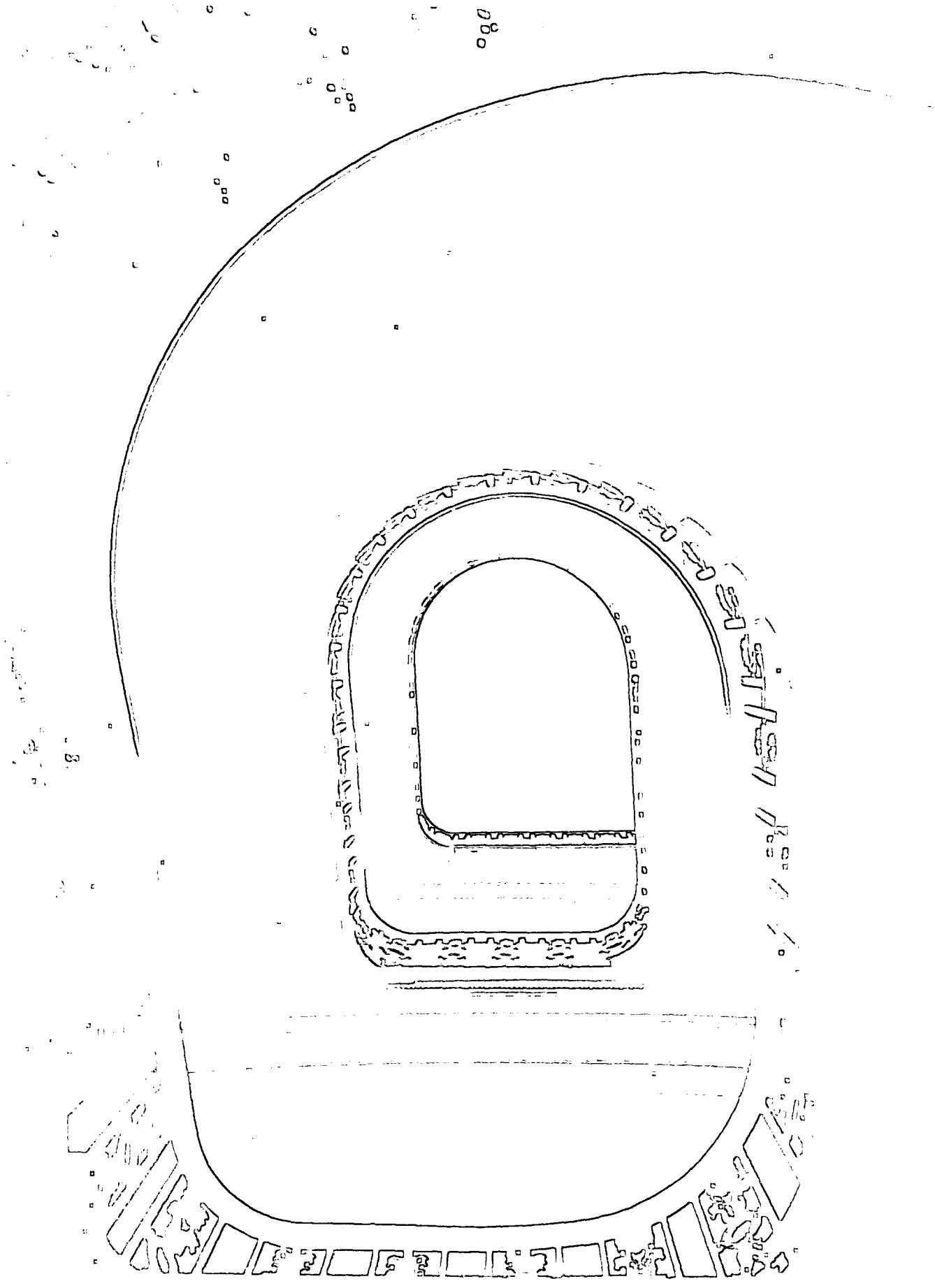
With respect to articles which may be considered for duty-free treatment when imported from designated developing countries, the Commission advises the President as to the probable economic effect of the removal of duty on the domestic industry and on consumers. (Secs. 131 and 503, Trade Act of 1974;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

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

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

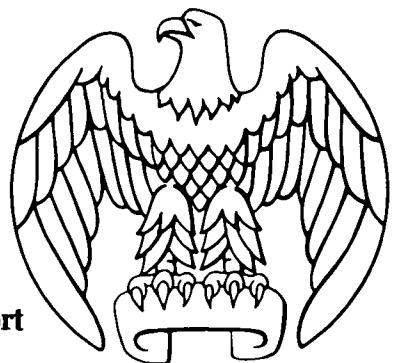
#### **Trade With Communist Countries**

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





**United States  
International  
Trade  
Commission**



**Annual Report  
1979**

**United  
States  
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Commission**

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**USITC PUBLICATION 1084**

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Washington, D.C. 20402



Members of the Commission, left to right: Commissioners Michael J. Calhoun, Bill Alberger, Catherine Bedell, Paula Stern, and George M. Moore.



# message

from the chairman

During fiscal year 1979, the International Trade Commission was engaged in an unusually wide range of activities pertaining to international trade. We look back on the results of this work with a sense of pride and accomplishment.

The Commission's professional staff made a number of contributions to the Multilateral Trade Negotiations, which were concluded in Geneva, Switzerland, in 1979. Abroad, our technical experts provided specialized on-the-scene assistance to the U.S. negotiating team. At home, Congress requested the Commission to analyze the impact and possible economic effect of the various tariff-cutting agreements and the proposed new codes devised by the United States and its trading partners to reduce nontariff barriers to trade. The 24-volume report which resulted from this request assisted Congress in its review of the proposed trade agreements and the implementing legislation, which was passed into law as the Trade Agreements Act of 1979.

At the same time, the Commission sustained a substantial caseload. We completed 62 investigations, including 26 antidumping and 19 unfair trade practices cases. Also, we responded to a multitude of requests from the President, Members of Congress, and the public. This work included in-depth studies on international trade trends, as well as expert analysis on commodities and legislative proposals.

As the fiscal year ended, the Commission began advance preparations for handling one of the heaviest caseloads in its 64-year history. This involved the hiring and training of additional professional personnel and the realinement of its organization to carry out the new responsibilities assigned to it by Congress. We also began to make long-range plans to identify future issues for study that will contribute to the development of a soundly based international trade policy.



Catherine Bedell  
*Chairman*

June 16, 1980



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# **summary** of activities

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Sec. 201 "escape clause" cases .....	3
Sec. 203 "review" case .....	1
Sec. 603 preliminary investigation .....	1
Total .....	<u>62</u>

## **Other Activities**

Publications issued (in addition to reports on investigations):	
Synthetic organic chemicals, production and sales .....	13
Benzoid chemicals, imports .....	1
Responses to letters from Members of Congress and congressional committees .....	500
Import and export transactions analyzed .....	145,000
Library transactions:	
Volumes circulated .....	75,000
Reference calls .....	10,000
Reports prepared on proposed legislation .....	30
Reports prepared on specified commodities .....	27
Reports prepared on East-West trade .....	4
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# introduction

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

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

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

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

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

Commission activities cover a broad range of responsibilities, including—

- Investigating eligibility of and recommending appropriate import relief for domestic industries.
- Taking action against unfair practices in import trade, including the importation and sale of items at less than fair value or the importation of items whose production or export was subsidized by a foreign government.
- Conducting studies on trade and tariff issues relating to U.S. foreign trade.
- Assisting in the development of uniform statistical data to achieve comparability of import, export, and domestic production statistics.

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



# public investigations

The U.S. International Trade Commission is authorized by law to investigate all aspects of international trade involving the United States. During fiscal 1979, investigations were conducted under provisions of the Trade Agreements Act of 1979, the Trade Act of 1974, the Tariff Act of 1930, as amended, and the Anti-dumping Act, 1921, as amended.

## TRADE AGREEMENTS ACT OF 1979<sup>1</sup>

The Commission, following receipt on August 10, 1979, of a request from the Special Representative for Trade Negotiations, instituted an investigation under section 225 of the Trade Agreements Act of 1979 with respect to the dutiable status of certain benzenoid chemical imports from Switzerland and the European Community.

The Trade Agreements Act of 1979 contains a new tariff nomenclature for benzenoid chemicals with rates of duty adjusted to reflect the adoption by the United States of a revised system of customs valuation based principally upon transaction value. Under section 225 of the act, the President is authorized to proclaim modification of the article descriptions in subparts B and C of part 1 of schedule 4 of the Tariff Schedules of the United States in order to transfer articles within those provisions. The President may not make modification unless the Commission determines that (1) the chemical or product was not valued for customs purposes on the basis of American selling price upon entry into the United States during a period determined by the Commission to be representative, and (2) a rate of duty provided for in such subparts, other than the rate of duty that would apply but for this section, is more appropriate and representative for such chemical or product.

As the fiscal year ended, the Commission was reviewing a list of chemicals of which the United States was notified by Switzerland and the European Community with regard to the U.S. customs treatment of each chemical during 1976, 1977, and 1978.

<sup>1</sup>Public Law 96-39, approved July 26, 1979.

## TRADE ACT OF 1974<sup>2</sup>

### Advice to the President

Section 503<sup>3</sup> of the Trade Act of 1974 requires that the President, from time to time, furnish the Commission with lists of articles which may be provided duty-free treatment under provisions of a Generalized System of Preferences. The Commission must then advise the President as to the probable economic effect on industries and on consumers of granting these preferences for each article listed if imported from countries designated by the President as beneficiary developing countries.

The Special Representative for Trade Negotiations, on March 9, 1979, furnished the Commission with a list of articles to be considered for inclusion in the Generalized System of Preferences. The Commission initiated investigations Nos. TA-503(a)-5 and 332-104 on March 27, 1979, and transmitted its report to the President on September 10, 1979.

### Relief From Injury Caused by Import Competition

Section 201<sup>4</sup> of the Trade Act of 1974 provides means whereby relief may be sought for the purpose of facilitating orderly adjustment to import competition. A trade association, firm, certified or recognized union, or group of workers or other entity which is representative of an industry may file a petition for import relief. When petitioned, the Commission is required to determine whether an article is being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or the threat thereof, to a domestic industry producing an article like or directly competitive with the imported article. If the Commission determines in the affirmative, it must find the amount of the increase in, or imposition of, any duty or restriction on such article which is necessary to prevent or remedy such injury, or recommend the provisions of adjustment assistance to firms, workers, or communities. Under section 203, if the

<sup>2</sup>Public Law 93-618, approved Jan. 3, 1975.

<sup>3</sup>19 U.S.C. 2463.

<sup>4</sup>19 U.S.C. 2251.

President determines to provide import relief for the industry, he shall (1) proclaim an increase in, or imposition of, a duty on the article concerned; (2) proclaim a tariff-rate quota; (3) impose or modify a quantitative restriction on imports; (4) negotiate an orderly marketing agreement; or (5) take any combination of such actions. If the President does not provide relief in the form recommended by the Commission, the Congress can, by approval of a concurrent resolution, override the President's action; under section 203(c)(2) the President is then required to implement the Commission's recommended relief.

During fiscal 1979, the Commission completed three investigations under section 201 within the 6-month statutory time limit. Table 1 shows information on the investigations completed during the year.

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

Section 203(i)<sup>5</sup> of the Trade Act of 1974 in part provides that—

<sup>5</sup>19 U.S.C. 2253.

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

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

During fiscal 1979, the Commission, upon receipt of a request from the Tool & Stainless Steel Industry Committee and the United Steelworkers of America, AFL-CIO, conducted one section 203 investigation. The request for the investigation (No. TA-203-5) was received on November 30, 1978, and the public hearing was held on March 6, 1979.

Table 1.—Investigations completed under sec. 201 of the Trade Act of 1974, fiscal year 1979

Investigation No.	Article concerned	Petitioner or requestor	Petition or request filed	Public hearing	Finding of Commission	Commissioners' votes			Commission's report	
						Affirmative	Negative	Not participating	To the President	USITC Publication No.
TA-201-36 .	Clothespins.	( <sup>6</sup> )	—	10- 5-78	Affirmative <sup>2</sup>	Parker <sup>3</sup> Alberger <sup>3</sup> Moore <sup>3</sup> Bedell <sup>3</sup>	—	Stern <sup>4</sup>	12-12-78	933
TA-201-37 .	Bolts, nuts, and large screws of iron or steel.	House Committee on Ways and Means.	6-9-78	9-11-78 and 9-12-78	Affirmative <sup>5</sup>	Moore <sup>6</sup> <sup>7</sup> Bedell <sup>6</sup> <sup>7</sup>	Alberger <sup>8</sup>	Parker <sup>10</sup> Stern <sup>4</sup>	11- 3-78	924
TA-201-38 .	Certain machine needles.	The Torrington Co. . . . .	8-7-78	11-20-78 and 11-21-78	Negative	—	Parker Alberger Moore Bedell Stern	—	2- 7-79	936

<sup>1</sup> Commission instituted the investigation on its own motion on July 27, 1978.

<sup>2</sup> On Feb. 8, 1979, the President granted relief in the form of an import quota. The global quota will limit the importation of clothespins valued at no more than \$1.70 a gross to 2 million gross annually for 3 years.

<sup>3</sup> Recommended the imposition of a 5-year quota of 3.2 million gross on U.S. imports of wood and plastic spring clothespins. The proposed quota, effective Jan. 1, 1979, would be administered annually on a global basis and allocated by import-value brackets.

<sup>4</sup> Commissioner Stern assumed her duties as a Commissioner on Oct. 16, 1978, and was not a Commissioner at the time of the public hearing or during most of the investigative period.

<sup>5</sup> On Dec. 22, 1978, the President determined that import relief in the form of 15-percent tariffs on iron or steel bolts, nuts, and large screws is in the national economic interest and therefore will proclaim this remedy. Under this remedy, tariffs will remain at 15 percent for large screws (including lag screws) and 15 percent plus the current tariff of 0.2 and 0.1 cent per pound, respectively, for bolts and nuts for a 3-year period, after which time they will revert to their current levels (which range from less than 1 percent ad valorem equivalent to 12.5 percent). As required by statute, this relief must be implemented within 15 days of this determination.

<sup>6</sup> Finding the domestic industry threatened with serious injury.

<sup>7</sup> Recommended that ad valorem rates of duty be imposed on all the articles at a level of about 20 percent during the first 2 years of import relief and 15, 10, and 10 percent, respectively, for the subsequent 3 years.

<sup>8</sup> Finding serious injury already present.

<sup>9</sup> Recommended no remedy.

<sup>10</sup> Chairman Parker did not participate in the vote in order to avoid any possibility or appearance of conflict of interest.

Table 2.—Investigations under sec. 201 of the Trade Act of 1974 pending on Sept. 30, 1979

Investigation No.	Article	Petition or request received	Origin
TA-201-39 . . .	Nonelectric cooking ware.	5- 4-79	Petition by General Housewares Corp.
TA-201-40 . . .	Leather wearing apparel.	7-24-79	Petition by National Outerwear and Sportswear Association, Amalgamated Clothing and Textile Workers Union, International Ladies' Garment Workers Union, and Tanners' Council of America, Inc.
TA-201-41 . . . Certain fish . . . .		8-20-79	Petition by Fishermen's Marketing Association of Washington, Inc., Seattle, Wash., and the Coast Druggers Association, Westport, Wash.

In the Commission's report,<sup>6</sup> which was transmitted to the President on April 24, 1979, Commissioners Moore and Bedell advised the President that, in their opinion, termination of the quotas would have a serious adverse economic effect on the domestic industry. They said the recovery period of less than 3 years has been far too short, the industry has not yet sufficiently adjusted to the new conditions of competition, and the industry, despite much effort and progress during the relief period, needs more time to complete the adjustment process. Vice Chairman Alberger and Commissioner Stern advised the President that termination of the current quotas would have little, if any, adverse impact on U.S. producers. They stated that the domestic industry has adjusted successfully to import competition through the implementation of a modernization and rationalization of operations program which has made the stainless and alloy tool steel industry highly competitive with foreign producers. They also said that the economic health of the industry is exceptionally good and comparable with that in 1964, which was the industry's historic peak year. All four Commissioners also suggested that if the President should decide to extend the quotas, he may wish to (1) increase the annual quota amounts, (2) provide

for an equitable distribution of the quotas for countries that do not now have separate country quotas, and (3) provide for some solution for problems encountered by U.S. consumers of articles under quota that are not produced in the United States or are not produced in sufficient quantities in the United States to meet the demand. Chairman Joseph O. Parker did not participate in the investigation in order to avoid any possibility or appearance of conflict of interest. On June 12, 1979, the President announced his decision to extend specialty steel import relief for 8 months in the form of temporary quantitative limitations through February 13, 1980.

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

Litigation begun in 1977 challenging the validity of orderly marketing agreements negotiated that year by the President limiting footwear imports from Taiwan and the Republic of Korea continued through fiscal 1979. (*Sneaker Circus, Inc., et al. v. Carter, et al.*, 2d Cir., Doc. No. 78-6173.) The Commission was named as a party in that action. Plaintiffs alleged, among other things, that the Commission did not follow proper procedures in, and did not have a proper basis for, determining that "good cause" existed within the meaning of section 201(e) of the Trade Act of 1974 (19 U.S.C. 2251(e)) for instituting a new footwear investigation within 1 year of completing an earlier investigation. The new investigation, which was requested by the Senate Committee on Finance, was begun in October 1976, after the Commission found "good cause" to exist. As a result of the investigation, the Commission made a unanimous affirmative determination, and President Carter negotiated the orderly marketing agreements with Taiwan and the Republic of Korea.

In September 1978 the U.S. District Court for the Eastern District of New York, where the action was first filed, found for the Government on the merits, finding, among other things, that the Commission had acted properly in deciding the good-cause question (457 F. Supp. 771). Plaintiffs appealed the district court decision to the

<sup>6</sup>Stainless Steel and Alloy Tool Steel, Report to the President on Investigation No. TA-203-5 . . . , USITC Publication 968, 1979.

U.S. Court of Appeals for the Second Circuit. At the request of plaintiffs, the court of appeals remanded the matter to the district court in January 1979 for the consideration of new information concerning, among other things, the effect on the Taiwan agreement of U.S. recognition of the People's Republic of China. In May 1979 the district court denied plaintiff's motion for relief from judgment, and the case reverted to the court of appeals. The case was still pending before the court of appeals at the end of the fiscal year; briefs were filed in September 1979.

### Market Disruption Investigation

Section 406<sup>7</sup> of the Trade Act of 1974 provides, in part, that upon the filing of a petition, upon request of the President or the Special Representative for Trade Negotiations, upon resolution of either the Committee on Ways and Means of the House of Representatives or the Committee on Finance of the Senate, or on its own motion, the Commission shall make an investigation to determine, with respect to imports of an article which is the product of a Communist country, whether market disruption exists with respect to an article produced by a domestic industry.

As fiscal 1979 ended, the Commission had one investigation pending under section 406 of the Trade Act of 1974, concerning market disruption by imports of anhydrous ammonia from the U.S.S.R. (No. TA-406-5). The petition was filed on July 11, 1979, by Agrico Chemical Co., CF Industries, Inc., Center Plains Industries, Felmont Oil Corp., First Mississippi Corp., W. R. Grace & Co., International Minerals & Chemical Corp., Mississippi Chemical Corp., Olin Corp., Terra Chemicals International, Inc., Union Oil Co. of California, Vistron Corp., and Wycon Chemical Co. A public hearing was held by the Commission in Washington, D.C., on August 29-31, 1979.

### East-West Trade Statistics Monitoring System

Section 410<sup>8</sup> of the Trade Act of 1974 requires the Commission to establish and maintain a program to

monitor trade between the United States and the non-market economy countries, and to publish a detailed summary of the data collected under this program not less frequently than once every calendar quarter.

The Commission submitted four reports on East-West trade to the Congress and the East-West Foreign Trade Board in fiscal 1979 pursuant to section 410 of the Trade Act of 1974, as follows:

1. 16th Quarterly Report to the Congress and the East-West Foreign Trade Board on Trade Between the United States and the Nonmarket Economy Countries During July-September 1978 (December 1978, USITC Publication 934).
2. 17th Quarterly Report to the Congress and the East-West Foreign Trade Board on Trade Between the United States and the Nonmarket Economy Countries During 1978 (March 1979, USITC Publication 965).
3. 18th Quarterly Report to the Congress and the East-West Foreign Trade Board on Trade Between the United States and the Nonmarket Economy Countries During January-March 1979 (June 1979, USITC Publication 988).
4. 19th Quarterly Report to the Congress and the East-West Foreign Trade Board on Trade Between the United States and the Nonmarket Economy Countries During April-June 1979 (September 1979, USITC Publication 1005).

### Preliminary Investigation Under Section 603<sup>9</sup> of the Trade Act of 1974

On November 9, 1978, the Commission instituted on its own motion a preliminary investigation (No. 603-TA-4) of unfair acts and practices of Connecticut Valley Arms, Inc., in the importation of Spanish firearm components. Subsequently, the company entered into a consent order agreement which directed it to cease and desist from labeling and advertising its "Mountain Rifle" and "Mountain Pistol" as "Made in the U.S.A." until such time as the articles are substantially manufactured in the United States.

### TARIFF ACT OF 1930, AS AMENDED Countervailing Duty Investigations

Section 303<sup>10</sup> of the Tariff Act of 1930, as amended, provides that—

<sup>7</sup>19 U.S.C. 2436.

<sup>8</sup>19 U.S.C. 2440.

<sup>9</sup>19 U.S.C. 2482.

<sup>10</sup>19 U.S.C. 1303.

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

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

During fiscal 1979, the Commission instituted and concluded seven investigations under section 303. They are summarized in table 3.

## General Investigations

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

Section 332<sup>11</sup> of the Tariff Act of 1930 sets forth the Commission's authority to investigate, among other things—

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

<sup>11</sup>19 U.S.C. 1332.

Table 3.—Investigations completed under sec. 303(b) of the Tariff Act of 1930, fiscal year 1979

Investigation No.	Article concerned	Advice received from Treasury	Public hearing	Finding of Commission	Commissioners' votes			Commission's report	
					Affirmative	Negative	Not participating	To Secretary of Treasury	USITC Publication No.
303-TA-4 and 5 . . . Yarns of wool from Uruguay and Brazil.		11-22-78	1- 9-79	Negative	—	Parker Alberger Moore Bedell Stern	—	2-12-79	940
303-TA-6 and 7 . . . Certain leather wearing apparel from Colombia and Brazil.		11-22-78	1- 9-79	Negative	Parker Bedell	Alberger Moore Stern	—	2-22-79	948
303-TA-8 . . . . . Gloves and glove linings of fur on the skin from Brazil.		11-22-78	1- 9-79	Negative	—	Parker Alberger Moore Bedell Stern	—	2-16-79	941
303-TA-9 . . . . . Certain fish and certain shellfish from Canada.		1- 9-79	2-27-79	Negative	—	Parker Alberger Moore Bedell Stern	—	4- 9-79	966
303-TA-10 . . . . . Oleoresins from India. . . . .		4- 4-79	5-22-79	Negative	Parker	Alberger Moore Bedell Stern	—	7- 5-79	989

The effect of export bounties and preferential transportation rates;  
 The volume of importations compared with domestic production and consumption; and  
 Conditions, causes, and effects relating to competition of foreign industries with those of the United States.

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

During fiscal 1979, four investigations under section 332 of the Tariff Act of 1930 were completed by the Commission, as shown in table 4. The 12 investigations which were in progress at the close of fiscal 1979 are summarized in table 5. The Commission initiated two research studies in fiscal 1979 under the authority of section 332: *International Technology Transfer: A Review of Related Legal Issues* (USITC Publication 935) was issued in January 1979 and a research study on import trends in TSUS items 806.30 and 807.00 was pending as the fiscal year ended.

### Unfair Trade Practices

Section 337<sup>12</sup> of the Tariff Act of 1930 declares unlawful unfair methods of competition and unfair acts in the importation of articles into the United States, or in their sale by the owner, importer, consignee, or agent of

<sup>12</sup>19 U.S.C. 1337.

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

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

Table 4.—Investigations completed under sec. 332 of the Tariff Act of 1930, fiscal year 1979

Investigation No.	Subject	Origin	USITC Publication	
			No.	Date
332-87	Conditions of competition in the Western U.S. steel market between domestic and foreign steel products.	Motion of the Commission . . . . .	951 (Interim) 1004 (Final)	March 1979 September 1979
332-92	Baseline study of the telephone switching equipment industry.	Request from the Subcommittee on Trade of the House Committee on Ways and Means.	946	February 1979 <sup>1</sup>
332-101	Agreements being negotiated at the Multilateral Trade Negotiations in Geneva.	Request from the Senate Committee on Finance and the House Committee on Ways and Means.	—	(?)
332-104 and TA-503(a)-5.	President's list of articles which may be designated as eligible articles for purposes of the Generalized System of Preferences.	Request from the Special Representative for Trade Negotiations.	—	(?)

<sup>1</sup> Submitted to the Subcommittee on Trade of the House Committee on Ways and Means, January 1979 (in confidence).

<sup>2</sup> Submitted to the Senate Committee on Finance and the House Committee on Ways and Means, June 1979 (in confidence); certain portions of the report were released and published by the Senate Committee on Finance in August 1979.

<sup>3</sup> Submitted to the Special Representative for Trade Negotiations, September 1979 (in confidence).

accordance with the strict statutory time limits prescribed in section 337 proceedings.

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

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

During fiscal 1979, the Commission concluded 19 investigations under section 337, which are summarized in table 6. The 15 investigations pending on September 30, 1979, are summarized in table 7.

Table 5.—Investigations under sec. 332 of the Tariff Act of 1930 pending on Sept. 30, 1979

Investigation No.	Subject	Origin	USITC Publication	
			No.	Date
332-73 . . . . .	Formulation of an international commodity code . . . . .	Sec. 608(c)(1) of the Trade Act of 1974.	—	—
332-84 . . . . .	Quarterly statistical reports providing certain information on canned and frozen mushrooms.	Request from the President . . . . .	931 952 978 998	November 1978 March 1979 May 1979 August 1979
332-91 . . . . .	United States exports to the Soviet Union: past trends, recent developments, and future prospects.	Motion of the Commission . . . . .	—	—
332-93 . . . . .	Annual and quarterly statistical reports providing certain information on nonrubber footwear.	Request from the President (Presidential Proclamation 4510).	929 950 980 981 997	November 1978 March 1979 May 1979 May 1979 August 1979
332-94 . . . . .	Annual and quarterly statistical reports providing certain information on stainless steel and alloy tool steel.	Request from the President (Presidential Proclamation 4445).	927 942 960 961 973 996	November 1978 February 1979 March 1979 March 1979 May 1979 August 1979
332-95 . . . . .	Annual and quarterly statistical reports providing certain information on color television receivers.	Request from the President (Presidential Proclamation 4511).	925 939 962 971 995	November 1978 February 1979 March 1979 May 1979 August 1979
332-96 . . . . .	Report on consumption of watches and watch movements, or modules.	Public Law 89-805 and the Tariff Schedules of the United States.	—	March 1979
332-97 . . . . .	Report on consumption of broom corn brooms . . . . .	Public Law 89-241 and Executive Order 11377.	967	April 1979
332-102 . . . . .	Competitive factors influencing world trade in integrated circuits.	Request from the Subcommittee on International Trade of the Committee on Finance and the Subcommittee on International Finance of the Committee on Banking, Housing, and Urban Affairs, United States Senate.	—	—
332-103 . . . . .	Quarterly and annual surveys of certain bolts, nuts, and large screws of iron or steel. . . . .	Request from the President (Presidential Proclamation 4632).	963 979 1000	March 1979 May 1979 August 1979
332-105 . . . . .	Casein and its impact on the domestic dairy industry . . . . .	Request from the House Committee on Ways and Means.	—	—
332-106 . . . . .	Identification of chemicals for new tariff nomenclature for certain benzenoid chemicals.	Request from the Special Representative for Trade Negotiations.	—	—

Table 6.—Investigations completed under sec. 337 of the Tariff Act of 1930, fiscal year 1979

Article concerned	Complainant	Complaint filed	Date of publication of notice in <i>Federal Register</i> and No.	Public hearing	Finding and remedy of Commission	Date orders issued	USITC Publication No.
Doxycycline . . . . .	Pfizer, Inc., New York, N.Y. . . . .	4-13-78; 4-21-78 (amendment)	5- 9-74, 337-TA-3 <sup>1</sup>	9-23-74	Violation; exclusion order.	4-12-79	964
Certain skateboards and platforms therefor. . . . .	Richard L. Stevenson d.b.a. Makaha International, Los Angeles, Calif. . . . .	10- 6-77; 10-25-77 (amendment)	11-11-77, 337-TA-37	10-10-78	No violation . . . . .	11-13-78	926
Certain luggage products . . . . .	Airway Industries, Inc., Ellwood City, Pa. . . . .	10-28-77; 11-11-77 (amendment)	11-30-77, 337-TA-39	5- 5-78 and 9-20-78	Violation; exclusion order. <sup>2</sup>	11-30-78	932
Monumental wood windows . . . . .	Wrand Industries, Inc., Chester, Pa. . . . .	1- 3-78	2- 9-78, 337-TA-40	—	No violation; terminated.	1- 8-79	—
Certain electric slow cookers. . . . .	Rival Manufacturing Co., Kansas City, Mo. . . . .	12-20-77; 4- 6-78 (amendment)	2- 9-78, 337-TA-42	—	Violation; exclusion order.	8- 9-79	994
Certain centrifugal trash pumps. . . . .	Hale Fire Pump Co., Conshohocken, Pa. . . . .	1- 9-78	2-14-78, 337-TA-43	12-13-78	No violation . . . . .	2-14-79	943
Certain roller units . . . . .	Presto Lock Co., division of Walter Kidde & Co., Inc., Elmwood Park, N.J. . . . .	1-12-78	2-14-78, 337-TA-44	11-29-78	Violation; exclusion order. <sup>3</sup>	2-14-79	944
Certain combination locks . . . . .	Presto Lock Co., division of Walter Kidde & Co., Inc., Elmwood Park, N.J. . . . .	1-12-78	2-16-78, 337-TA-45	12- 1-78	No violation . . . . .	2-16-79	945
Certain flexible foam sandals. . . . .	Tiddies, Inc., Pasadena, Tex. . . . .	1-18-78	2-17-78, 337-TA-47	—	Violation; exclusion order. <sup>4</sup>	2-21-79	947
Alternating pressure pads . . . . .	Gaymar Industries, Inc., Orchard Park, N.Y., and Medisearch PR, Inc., Guayama, P.R. . . . .	1-23-78	2-23-78, 337-TA-48	—	Terminated; no present violation. <sup>5</sup>	2-23-79	—
Certain attache cases . . . . .	Samsonite Corp., Denver, Colo. . . . .	1-30-78	3- 7-78, 337-TA-49	2- 1-78	No violation; terminated.	3- 7-79	955
Certain synthetic gemstones. . . . .	Queensbury Opal Co., Ltd., Beechwood, Ohio. . . . .	2- 9-78; 3- 8-78 (amendment)	3-17-78, 337-TA-50	—	No violation; terminated. <sup>6</sup>	3-20-79	957
Certain cigarette holders . . . . .	Spoon Ring Co., Los Angeles, Calif. . . . .	2-21-78; 3- 8-78; 3-21-78, and 3-22-78 (amendments)	3-29-78, 337-TA-51	2-21-78	No violation; terminated.	3-29-79	959
Certain swivel hooks and mounting brackets. . . . .	Coats & Clark, Inc., Stamford, Conn. . . . .	5- 9-78; 6- 1-78 (amendment)	6-14-78, 337-TA-53	—	No violation; terminated. <sup>5</sup>	6-14-79	983
Certain multicellular plastic film. . . . .	Sealed Air Corp., Fair Lawn, N.J. . . . .	5-12-78	6-29-78, 337-TA-54	5-17-79	Violation; exclusion order. <sup>6</sup>	6-29-79	987
Certain novelty glasses . . . . .	Howw Manufacturing, Inc., and Plus Four, Inc., Carol Stream, Ill. . . . .	5-25-78; 6-14-78 (amendment)	7-11-78, 337-TA-55	6-14-79	Violation; exclusion order. <sup>7</sup>	7-11-79	991
Certain thermometer sheath packages. . . . .	Steridyne Corp., Riviera Beach, Fla. . . . .	6- 7-78	7-25-78, 337-TA-56	6-28-79	Violation; exclusion order. <sup>8</sup>	7-25-79	992
Certain cattle whips . . . . .	Stockmer's Inc., Lawton, Iowa. . . . .	7- 7-78	8- 9-78, 337-TA-57	—	Terminated . . . . .	8- 9-79	993
Certain fabricated steel plate products from Japan. . . . .	Steel Plate Fabricators Association, Hinsdale, Ill. . . . .	8- 7-78	9-15-78, 337-TA-58	—	No violation . . . . .	1-24-79	—

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

<sup>2</sup> The President took no action; exclusion order became final on Jan. 1, 1979.

<sup>3</sup> The President took no action; exclusion order became final on Apr. 16, 1979.

<sup>4</sup> The President took no action; exclusion order became final on Apr. 22, 1979.

<sup>5</sup> Settlement agreement.

<sup>6</sup> The President took no action; exclusion order became final on Aug. 29, 1979.

<sup>7</sup> The President took no action; exclusion order became final on Sept. 10, 1979.

<sup>8</sup> The President took no action; exclusion order became final on Sept. 25, 1979.

Table 7.—Investigations under sec. 337 of the Tariff Act of 1930 pending on Sept. 30, 1979

Article concerned	Complainant	Complaint filed	Date of publication of notice in <i>Federal Register</i> and No.	Public hearing
Certain plastic fastener assemblies . . . . .	Dennison Manufacturing Co., Framingham, Mass. . . . .	6-30-77	8-11-77, 337-TA-36	—
Certain apparatus for the continuous production of copper rod . . . . .	Southwire Co., Carrollton, Ga. . . . .	4-11-78	5-22-78, 337-TA-52	9-25-79
Pump top insulated containers . . . . .	Aladdin Industries, Inc., Nashville, Tenn. . . . .	9-25-78; 10- 6-78 (amendment)	11- 9-78, 337-TA-59	—
Certain automatic crankpin grinders . . . . .	Landis Tool Co., Waynesboro, Pa. . . . .	11-15-78; 11-29-78 and 12- 1-78 (amendments)	12-15-78, 337-TA-60	—
Certain compact cyclotrons with a pre-septum . . . . .	Cyclotron Corp., Berkeley, Calif. . . . .	11-20-78	12-28-78, 337-TA-61	—
Certain rotary scraping tools . . . . .	Thompson Tool Co., Inc., Norwalk, Conn. . . . .	12- 5-78; 12-21-78 and 1- 3-79 (amendments)	1-10-79, 337-TA-62	—
Certain precision resistor chips . . . . .	Vishay Intertechnology, Inc., Malvern, Pa. . . . .	12-15-78	1-17-79, 337-TA-63 <sup>1</sup>	—
Certain high-voltage circuit interrupters and components thereof . . . . .	Westinghouse Electric Corp., Pittsburgh, Pa. . . . .	2-16-79; 3- 9-79 (amendment)	3-28-79, 337-TA-64 <sup>2</sup>	—
Certain precision resistor chips . . . . .	Societe Francaise de L'Electro-Resistance, Nice, France . . . . .	3-30-79; 4-16-79 (amendment)	6- 1-79, 337-TA-65 <sup>1</sup>	—
Certain plastic-molding apparatus and components thereof . . . . .	I. P. Container Corp., Paterson, N.J. . . . .	4- 5-79; 4-20-79 (amendment)	5-10-79, 337-TA-66	—
Certain inclined-field acceleration tubes and components thereof . . . . .	High Voltage Engineering Corp., Burlington, Mass. . . . .	5-17-79; 6- 1-79 (amendment)	6-27-79, 337-TA-67	—
Certain surveying devices . . . . .	Gammon Reel, Inc., San Francisco, Calif. . . . .	5-17-79; 6- 4-79 (amendment)	7- 5-79, 337-TA-68	—
Certain airtight cast-iron stoves . . . . .	Jotul, Inc., Oslo, Norway; Kristia Associates, Portland, Maine, and Jotul Stove Dealers of the United States. . . . .	6-23-79; 6-14-79 (amendment)	7-12-79, 337-TA-69	—
Certain coat hanger rings . . . . .	International Coat Hanger Manufacturing Co., Garden Grove, Calif. . . . .	6- 6-79; 6-25-79 (amendment)	7-18-79, 337-TA-70	—
Certain anaerobic impregnating compositions and components therefor . . . . .	Loctite Corp., Newington, Conn. . . . .	7-19-79	8-31-79, 337-TA-71	—

<sup>1</sup> The Administrative Law Judge, pursuant to the authority delegated to her by the Commission on May 1, 1979, consolidated investigations Nos. 337-TA-63 and 337-TA-65.

<sup>2</sup> Suspended on Oct. 4, 1979, until conclusion of the Patent and Trademark Office reissue proceeding.

### Litigation Arising From Investigations Conducted Under Section 337

On January 12, 1979, Richard L. Stevenson, complainant in investigation No. 337-TA-37 (Certain Skateboards and Platforms Therefor), appealed to the U.S. Court of Customs and Patent Appeals the Commission's determination that there was no violation of section 337 in the importation or sale of certain skateboards in the

United States. The Commission had found that the patent at issue in the investigation was invalid. On December 20, 1979, the court reversed the Commission's determination of no violation and remanded the case to the Commission for action consistent with its opinion.

On April 16, 1979, Hale Fire Pump Co., a complainant in investigation No. 337-TA-43 (Certain Centrifugal Trash Pumps), appealed the Commission's determination that a patent in issue

had not been infringed and that there was no violation of section 337. The U.S. Court of Customs and Patent Appeals had scheduled briefing and oral argument by the close of the fiscal year.

On May 10, 1979, Refractarios Monterrey S.A., a respondent in investigation No. 337-TA-41 (Certain Ceramic Tile Setters), appealed to the U.S. Court of Customs and Patent Appeals the Commission's refusal to review a Commission Administrative Law Judge's order that certain evidentiary matters should remain confidential under a protective order. Both the Commission and Ferro Corp., complainant in the Commission's investigation, moved to dismiss the appeal for lack of subject-matter jurisdiction. At the end of the fiscal year, these motions were pending before the court.

Two appeals were filed with the U.S. Court of Customs and Patent Appeals in investigation No. 337-TA-52 (Certain Apparatus for the Continuous Production of Copper Rod). Southwire Co., complainant in the investigation, appealed the Commission's March 29, 1979, summary determination and partial termination with regard to three patents the Commission found to be licensed to Western Electric Co. (Appeal No. 79-25, filed May 29, 1979). Southwire also appealed the Commission's June 20, 1979, summary determination and partial termination with regard to one other patent that the Commission found to be licensed to Western Electric Co. (Appeal No. 79-31, filed Aug. 16, 1979). At the end of the fiscal year, both appeals were still pending.

On August 27, 1979, Sealed Air Corp., complainant in investigation No. 337-TA-54 (Certain Multicellular Plastic Film), appealed to the U.S. Court of Customs and Patent Appeals the Commission's determination that respondent Tong Seae Industrial Co., Ltd., a foreign manufacturer and exporter of multicellular plastic film, was not in violation of section 337. The Commission had found that the process used by Tong Seae to manufacture multicellular plastic film abroad would not, if practiced in the United States, infringe complainant's process patent. On September 10, 1979, Tong Seae and Polybubble, Inc., another respondent in the Commission's investigation, filed a second appeal arising out of the Commission's determination in the multicellular plastic film case. The Tong Seae/Poly-

bubble appeal alleged that the Commission had erred in refusing to find the patent in controversy invalid. Both appeals were pending before the court at the end of the fiscal year.

Astra-Sjuc, AB, Medline Industries, and Carling International Division of Medline Industries appealed from the adverse determination and order of the Commission in investigation No. 337-TA-56 (Certain Thermometer Sheath Packages), issued July 25, 1979. The appeal, *Astra-Sjuc, AB, et al. v. United States International Trade Commission and Steridyne Corporation*, No. 80-3, filed October 12, 1979, was pending at the close of the fiscal year.

## ANTIDUMPING ACT, 1921, AS AMENDED

### Provisions of the Antidumping Act

Section 201(a)<sup>13</sup> of the Antidumping Act, 1921, provides that whenever the Secretary of the Treasury advises the Commission that a class or kind of foreign merchandise is being, or is likely to be, sold in the United States or elsewhere at less than its fair value, the Commission shall determine within 3 months whether an industry in the United States is being or is likely to be injured, or is prevented from being established, by reason of the importation of such merchandise. At the conclusion of its investigation, the Commission notifies the Secretary of the Treasury of its determination. If the Commission determines in the affirmative, the Secretary of the Treasury issues a finding of dumping, and the described imports become subject to special dumping duties.

During fiscal 1979, the Commission completed 20 investigations under section 201(a) of the Antidumping Act. The Commission's determinations were affirmative in 15 cases<sup>14</sup> and negative in 5 cases. The investigations are summarized in table 8.

There were five investigations pending as the fiscal year ended: On August 7, 1979, the Commission instituted investigations Nos. AA1921-206, 207, 208, and 209 (Titanium Dioxide From Belgium, France, the United Kingdom, and the Federal Republic of Germany). On

<sup>13</sup>19 U.S.C. 160 et seq.

<sup>14</sup>Under the Antidumping Act, decisions in which the Commissioners voting are evenly divided in their findings are deemed to be in the affirmative.

Table 8.—Antidumping investigations completed in fiscal year 1979

Investigation No.	Article concerned	Advice received from Treasury	Public hearing	Finding of Commission	Commissioners' votes			Commission's report	
					Affirmative	Negative	Not participating	To Secretary of Treasury	USITC Publication No.
AA1921-185	Nylon yarn from France	7-18-78	8-29-78	Negative	—	Parker Alberger Moore Bedell	—	10-18-78	922
AA1921-187	Motorcycles from Japan	8- 3-78	9-28-78 and 9-29-78	Negative	—	Parker Alberger Moore Bedell	Stern <sup>1</sup>	11- 3-78	923
AA1921-188	Steel wire for prestressed concrete from Japan.	8-22-78	10- 3-78	Affirmative	Parker Alberger Moore Bedell	—	Stern <sup>2</sup>	11-22-78	928
AA1921-189	Certain steel wire nails from Canada.	11- 1-78	12-14-78	Negative	—	Alberger Moore Bedell Stern	Parker <sup>3</sup>	2- 1-79	937
AA1921-190 and 191.	Rayon staple fiber from France and Finland.	11-13-78	1- 4-79 and 1- 5-79	Affirmative	Parker Moore Bedell Stern <sup>4</sup>	Alberger Moore Bedell Stern <sup>5</sup>	—	2-13-79	938
AA1921-192	Silicon metal from Canada.	12- 5-78	1-23-79	Negative	Parker	Alberger Moore Bedell Stern	—	3- 5-79	954
AA1921-193	Bicycle tires and tubes from the Republic of Korea.	12-26-78	2- 8-79	Affirmative	Parker <sup>6</sup> Alberger <sup>7</sup> Moore <sup>8</sup> Bedell <sup>9</sup> Stern <sup>10</sup>	—	—	3-26-79	958
AA1921-194, 195, and 196.	Perchloroethylene from Belgium, France, and Italy.	1-30-79	3-13-79	Affirmative	Parker Moore Bedell	Alberger Stern	—	4-30-79	969
AA1921-197	Carbon steel plate from Taiwan.	2-12-79	4- 3-79	Affirmative	Moore Bedell	Alberger Stern	Parker <sup>3</sup>	5-14-79	970
AA1921-198, 199, and 200.	Sugar from Belgium, France, and West Germany.	2-16-79	4-10-79	Affirmative	Parker Alberger Moore Bedell Stern	—	—	5-16-79	972
AA1921-201	Rayon staple fiber from Italy	2-22-79	4- 5-79	Affirmative	Parker Moore Bedell	Alberger Stern	—	5-22-79	976
AA1921-202	Methyl alcohol from Canada	3-29-79	5-15-79 and 5-16-79	Affirmative	Parker Moore Bedell	Alberger Stern	—	6-29-79	986
AA1921-203	Carbon steel plate from Poland.	4-17-79	5-24-79	Negative	—	Alberger Moore Bedell Stern	Parker <sup>3</sup>	6-18-79	984
AA1921-204 and 205.	Kraft condenser paper from Finland and France.	5-30-79	7-24-79 and 7-25-79	Affirmative	Parker Alberger Moore Bedell Stern	—	—	8-31-79	999

<sup>1</sup>Commissioner Stern assumed her duties as a Commissioner on Oct. 16, 1978, and was not a Commissioner at the time of the public hearing or during most of the investigative period.

<sup>2</sup>Commissioner Stern did not participate in the decision because she did not assume her duties as a Commissioner until the preliminary investigation of the economic factors and legal issues in the case had been completed.

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

<sup>4</sup>On imports of commodity-type rayon staple fiber from France.

<sup>5</sup>On imports of commodity-type rayon staple fiber from Finland.

<sup>6</sup>Determined that an industry is being or is likely to be injured.

<sup>7</sup>Determined that an industry is being injured.

August 17, 1979, the Commission instituted investigation No. AA1921-210 (Certain Marine Radar Systems From the United Kingdom).

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

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

During fiscal 1979, six such inquiries were completed by the Commission. They are summarized in table 9.

### Litigation Arising From Investigations Conducted Under the Antidumping Act

As noted in the Commission's annual report for 1978, in complaints filed with the Customs Court during 1973, plaintiffs Atkins Kroll & Co., Inc., and Border Brokerage Co., Inc., asserted that the injury determinations of the Commission in investigations No. AA1921-33 (Steel Reinforcing Bars From Canada) and No. AA1921-39 (Carbon Steel Bars and Shapes From Canada), respectively, were invalid. On September 10, 1979, the court dismissed the action in the Atkins Kroll & Co. case. A decision was pending

Table 9.—Antidumping inquiries completed during fiscal year 1979

Investigation No.	Article concerned	Advice received from Treasury	Public hearing			Commissioners' votes		Commission's report	
				Finding that "there is no reasonable indication [of injury]" (Treasury terminates its investigation)	Finding that "there is a reasonable indication [of injury]" (Treasury continues its investigation)	Not participating	To Secretary of Treasury	USITC Publication No.	
AA1921-Inq.-23 . . .	Titanium dioxide from Belgium, France, the United Kingdom, and the Federal Republic of Germany.	10-30-78	11-15-78	Alberger Stern	Parker <sup>1</sup> Moore Bedell	—	11-29-78	930	
AA1921-Inq.-24 . . .	Certain 45 r.p.m. adaptors from the United Kingdom.	1-30-79	2-15-79	Parker Alberger Moore Bedell Stern	—	—	3- 1-79	953	
AA1921-Inq.-25 . . .	Steel wire coat and garment hangers from Canada.	4-17-79	5- 2-79	Parker Alberger Moore Bedell Stern	—	—	5-17-79	974	
AA1921-Inq.-26 . . .	Certain steel wire nails from the Republic of Korea.	4-17-79	5- 4-79	—	Alberger Moore Bedell Stern	Parker <sup>2</sup>	5-17-79	975	
AA1921-Inq.-27 . . .	Sugar from Canada . . . . .	4-25-79	5-10-79	—	Parker <sup>1</sup> Alberger Moore Bedell Stern	—	5-25-79	977	
AA1921-Inq.-28 . . .	Countertop microwave ovens from Japan.	8-24-79	9-12-79 and 9-13-79	—	Parker <sup>1</sup> Alberger Moore Bedell Stern	—	9-24-79	1003	

<sup>1</sup>Chairman Parker voted that he did not find that "there is no reasonable indication [of injury]."

<sup>2</sup>Chairman Parker did not participate in the vote in order to avoid any possibility or appearance of conflict of interest.

at the close of the fiscal year in the Border Brokerage Co. case.

Another case which was noted in the Commission's annual report for 1978 was the complaint filed with the Customs Court on October 17, 1974, in which Pasco Terminals, Inc., asserted, inter alia, that the injury determination of the Commission in investigation No. AA1921-92 (Elemental Sulfur From Mexico) was invalid. The Customs Court held that Pasco Terminals, Inc., had no standing to protest the imposition of dumping duties (416 F. Supp. 1242 (1974)). Pasco Terminals, Inc., moved for a rehearing of that decision, and on December 1, 1976, the motion for rehearing was denied (C.D. 4676). On appeal, the U.S. Court of Customs and Patent Appeals reversed and remanded the case to the Customs Court. On September 26, 1979, the court granted the Government's motion for summary judgment and dismissed the action.

The 1977 and 1978 annual reports contained references to the complaints of Armstrong Bros. Tool Co. et al., filed with the Customs Court on September 26, 1977. These complaints assert, inter alia, that the negative determination of the Commission in investigations No. AA1921-41 (Wrenches, Pliers, Screwdrivers, and Metal-Cutting Snips and Shears From Japan) and No. AA1921-149 (Chisels, Punches, Hammers, Sledges, Vises, C-Clamps, and Battery Terminal Lifters From Japan) were invalid.

On the same date that the Armstrong complaints were filed, Sprague Electric Co. filed a complaint with the Customs Court challenging the Commission's negative determination in investigation No. AA1921-159 (Tantalum Electrolytic Fixed Capacitors From Japan). At the close of the fiscal year, all three cases were pending before the court on cross-motions for summary judgment.

In a complaint filed with the U.S. District Court for the Northern District of New York on December 7, 1978, Flintkote Co., Glens Falls Division, asserted that the Commission's failure to find injury in its determination in investigation No. AA1921-184 (Portland Hydraulic Cement From

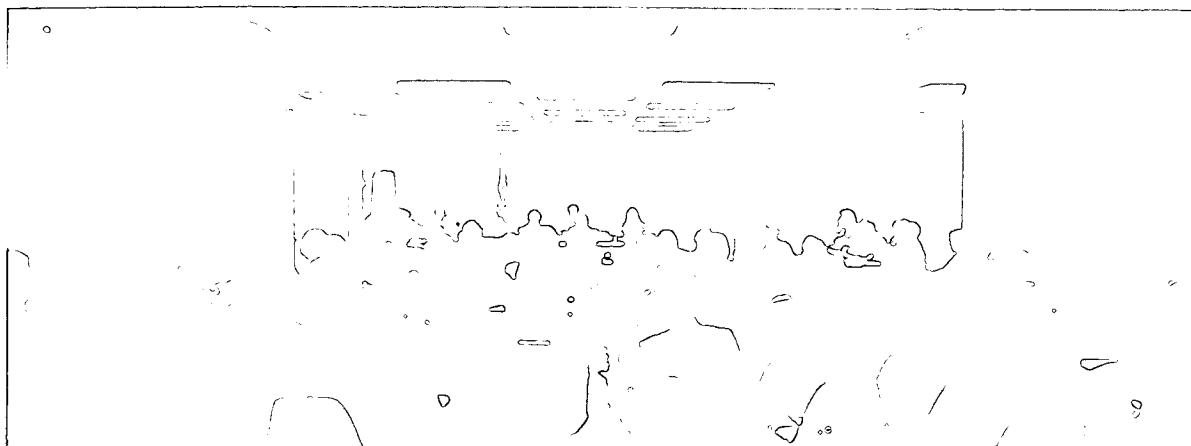
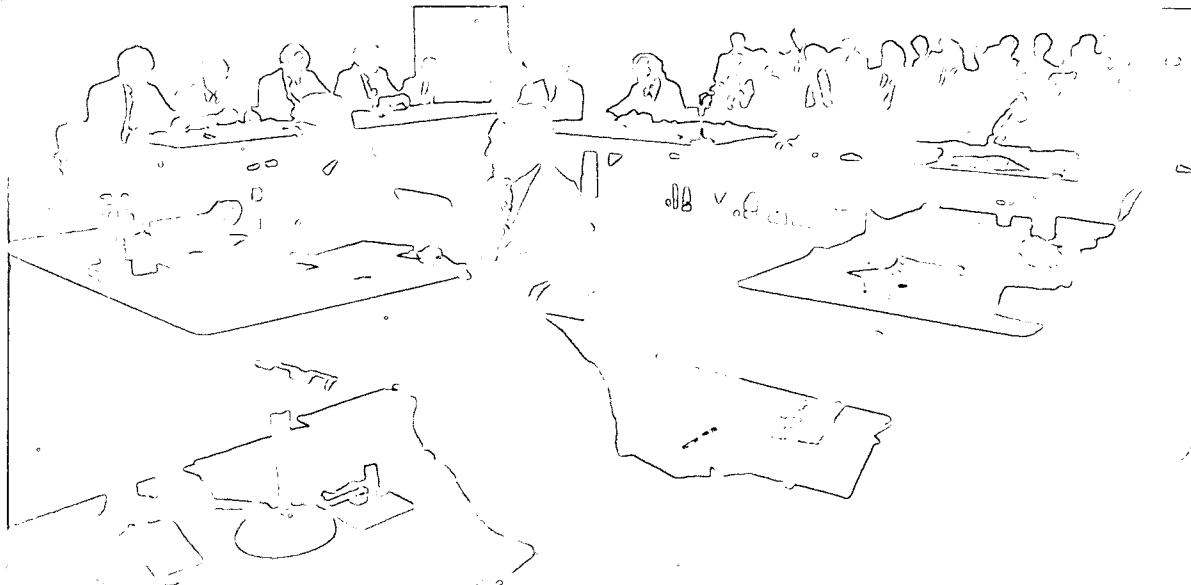
Canada) was invalid. On February 16, 1979, the action was dismissed on the ground that the proper forum for the challenge was the U.S. Customs Court. (*Flintkote Co. v. Blumenthal*, 469 F. Supp. 115 (N.D.N.Y. 1979).) This decision was affirmed by the U.S. Court of Appeals for the Second Circuit on March 19, 1979. (*Flintkote Co., Glens Falls Division v. Blumenthal*, 596 F.2d 51 (2d Cir. 1979).) On February 16, 1979, Flintkote Co., Glens Falls Division, had filed a summons with the Customs Court urging that the court exercise equitable powers in preventing the liquidation of certain entries. The action was dismissed by the court on February 23, 1979 (court No. 79-2-00304, C.R.D. 79-5).

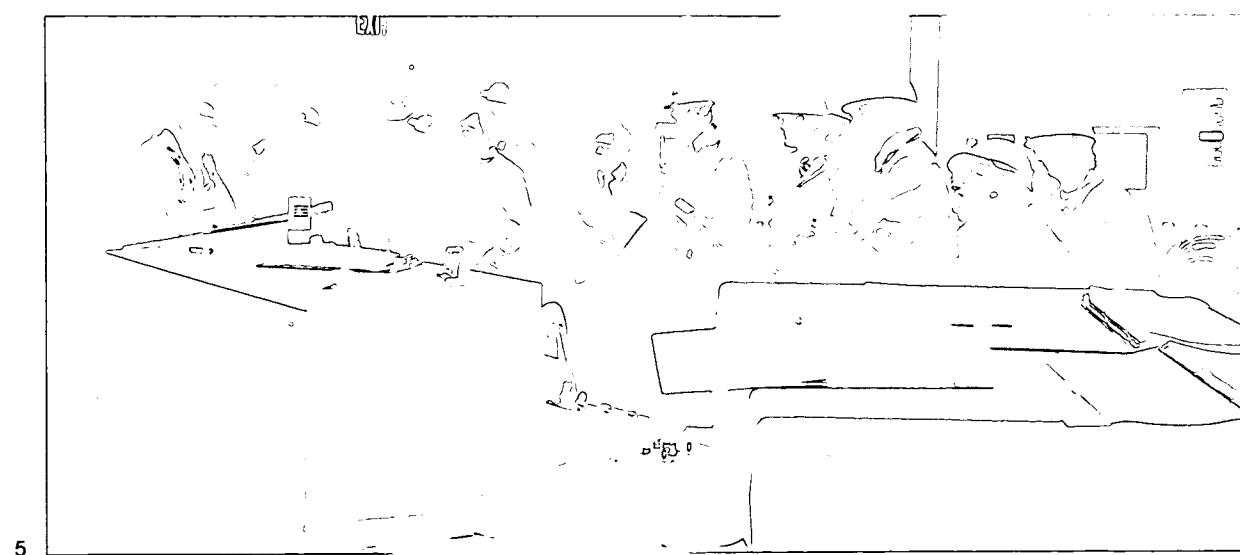
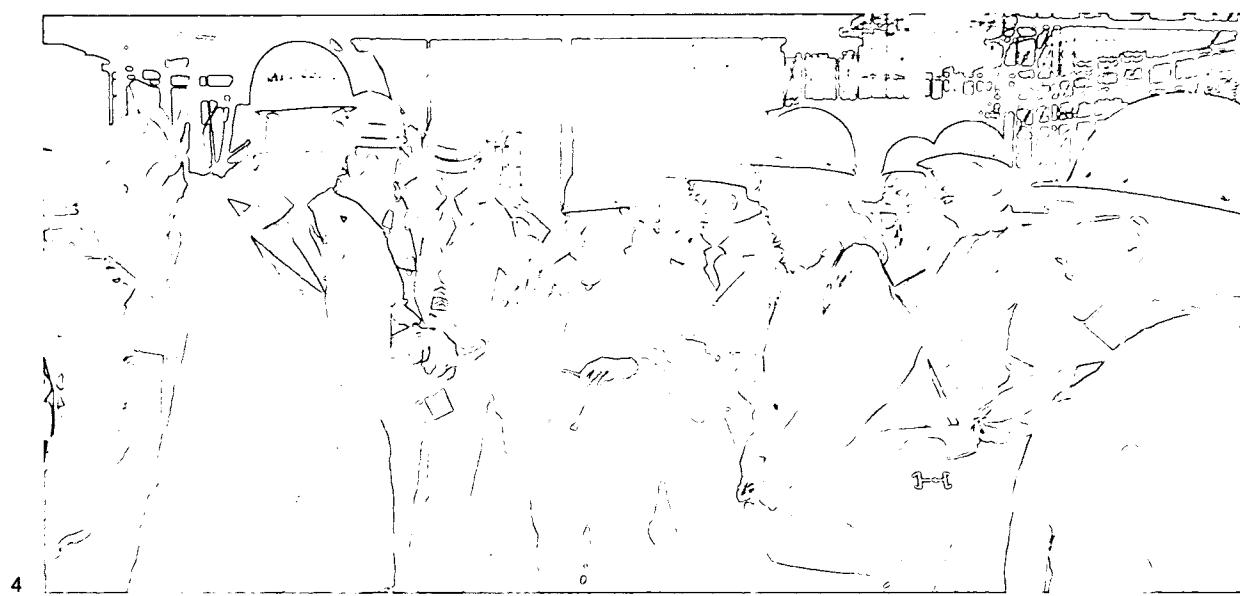
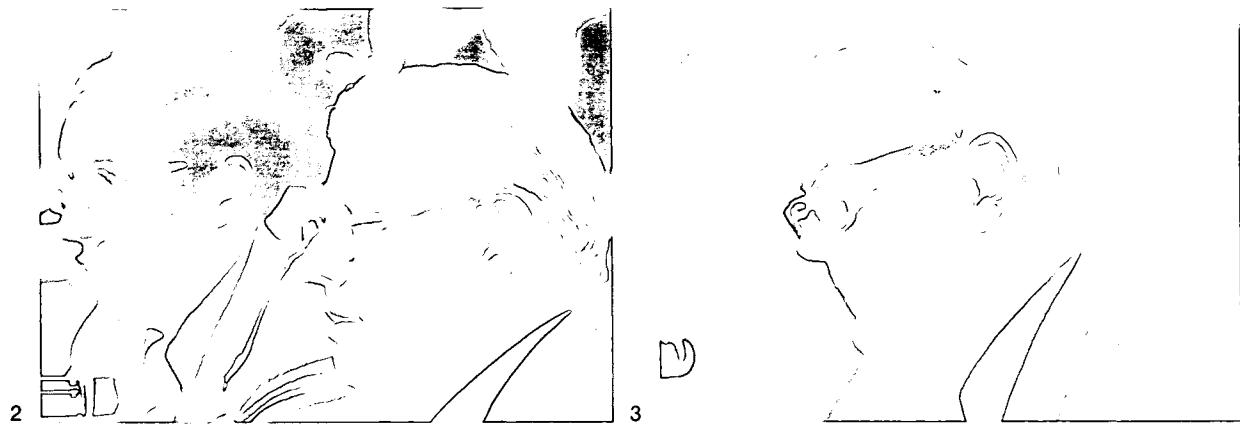
Alberta Gas Chemicals, Inc., the U.S. subsidiary of a Canadian firm, filed suit in the Customs Court on August 22, 1979, seeking review of the Department of the Treasury's denial of Alberta Gas Chemicals' protest of the refusal to allow entry of its methyl alcohol from Canada absent the filing of an antidumping bond. (*Alberta Gas Chemicals, Inc. v. United States*, Customs Court No. 79-8-01295.) The requirement of the bond resulted from the finding of dumping published by Treasury on July 27, 1979, following an affirmative injury determination by the Commission on June 29, 1979. Plaintiffs allege, inter alia, that the affirmative determination of the Commission in investigation No. AA1921-202 (Methyl Alcohol From Canada) was clearly erroneous. On October 19, 1979, the Department of Justice moved to dismiss the action for lack of jurisdiction of the subject matter and for failure to present a justifiable issue, or, alternatively, for summary judgment. At the close of the fiscal year, these motions were still pending, and discovery had not yet commenced in the litigation.

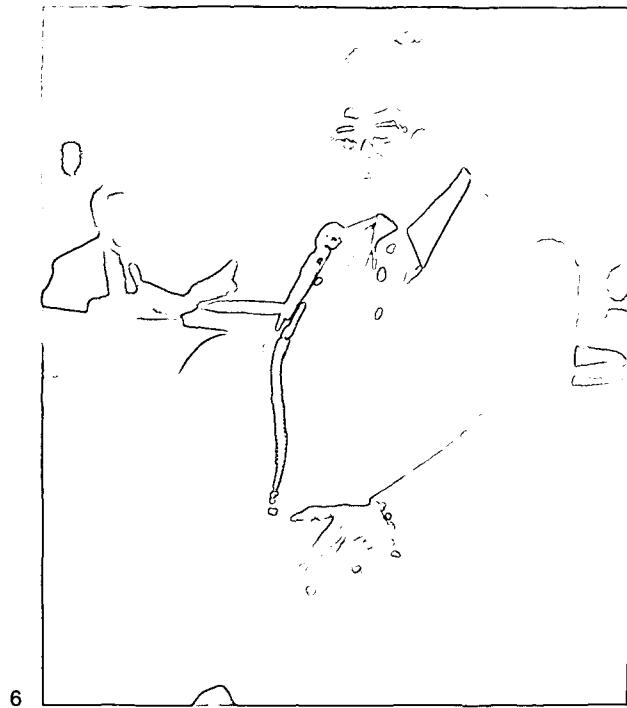
As of the close of the fiscal year, the Customs Court also had pending before it cross-motions for summary judgment in *SCM Corp. v. United States*, an appeal arising from the Commission's negative injury determination in investigation No. AA1921-145 (Portable Electric Typewriters From Japan).

## Western steel

In fiscal 1979 the Commission completed an intensive factfinding investigation on the conditions of competition in the Western U.S. steel market between domestic and foreign steel products. The 28-month study was undertaken by the Commission under section 332 of the Tariff Act of 1930, a provision which allows the Commission to investigate trade matters of immediate concern to the Government and the public. Hearings were held by the Commission in Colorado, Oregon, and California to obtain firsthand testimony from the industry. Among witnesses at the Los Angeles hearing on March 29, 1979, were Mark T. Anthony (1), president of Kaiser Steel Corp.; Dale Armstrong (2), vice president of U.S. Steel Corp., Western Steel Division; and Bruce B. Dunwoody (3), vice president of Bethlehem Steel Corp., Pacific Coast Division. Following the hearing, the Commission and staff, as guests of Kaiser Steel Corp., toured its Fontana Works (4); the San Bernardino County, Calif., mill is one of the most modern steelmaking facilities in the world. A 20-story structure houses two new Basic Oxygen Process steelmaking furnaces where the completely enclosed operation is computer controlled (5), under continuous human supervision.



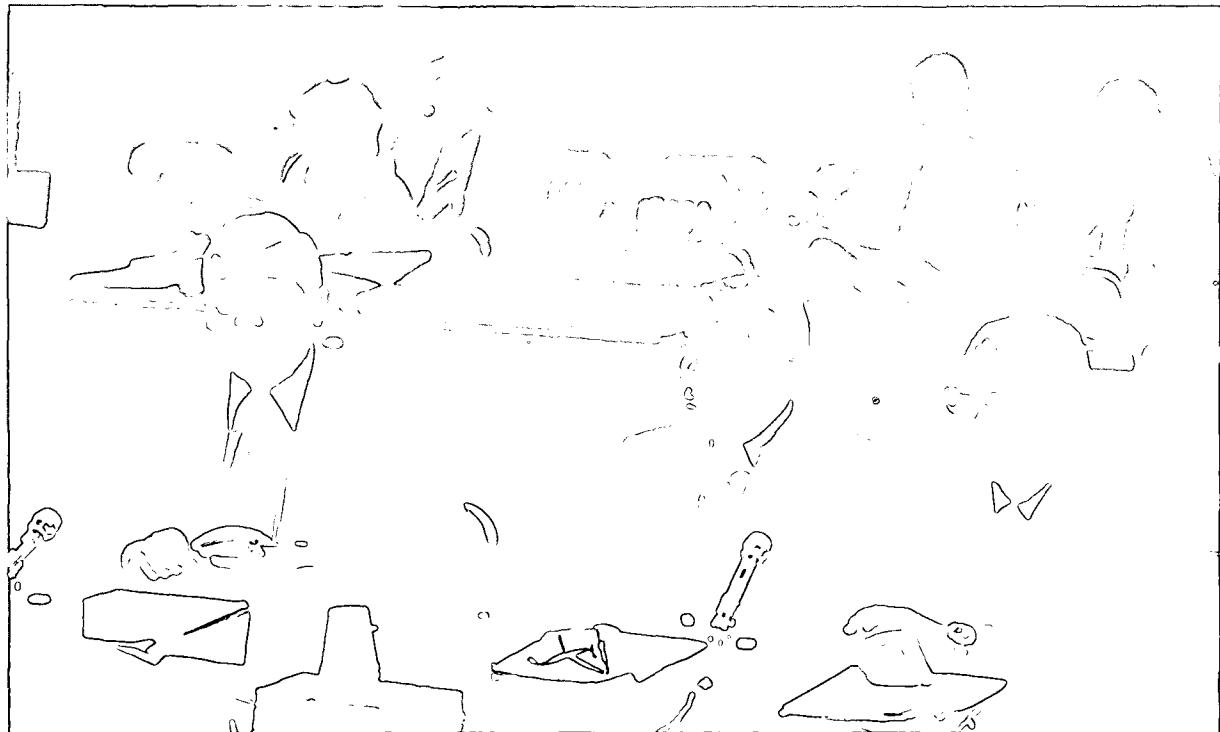




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#### Generalized System of Preferences

A delegation from the State of Hawaii testified at the Commission's public hearing on June 26, 1979, on the President's list of articles which may be designated as eligible articles for purposes of the Generalized System of Preferences. The dignitaries included Representative Daniel K. Akaka (6), D-Hawaii, and, left to right, John Farias, Jr., chairman, Board of Agriculture; State Senator Henry Takitani, chairman of the State Committee on Agriculture; and State Senator Ralph K. Ajifu (7).



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#### Anhydrous ammonia

The Commission conducted its fifth investigation under section 406(a) of the Trade Act of 1974 to determine whether increased imports of anhydrous ammonia from the U.S.S.R. caused market disruption in the United States. Senator Henry Bellmon (8), R.-Okla., and Representative Bill Chappell, Jr. (9), D.-Fla., appeared at the Commission's hearing on August 29, 1979.

#### Centrifugal trash pumps

Among 19 section 337 cases completed by the Commission under the Tariff Act of 1930 was an investigation on centrifugal trash pumps (10) to determine whether unfair methods of competition or unfair acts occurred in the importation of such articles into the United States or in their sale.



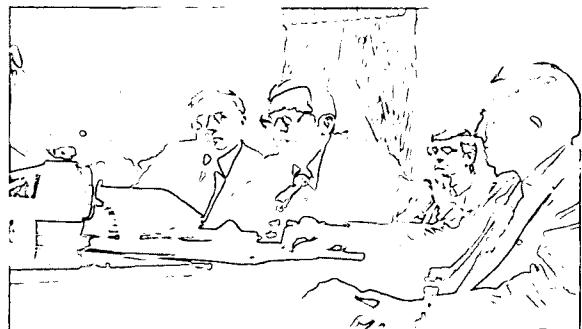
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### **Stainless steel**

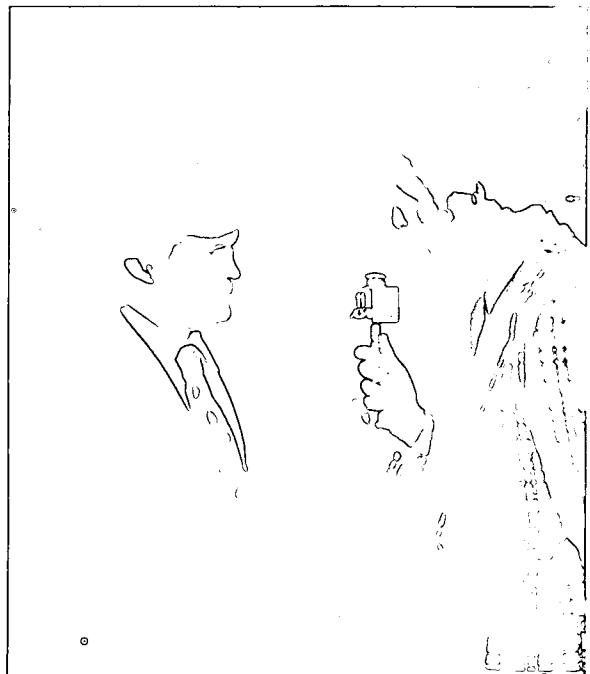
On March 6, 1979, the Commission heard comments from both petitioners and respondents concerning the probable economic effect on the domestic industry of the termination of the annual quotas on imports of stainless and alloy tool steel (import relief) provided by four Presidential proclamations. The section 203 "review" case was instituted under the Trade Act of 1974. Senator H. John Heinz (11), R.-Pa., and Representative Doug Walgreen (12), D.-Pa., presented personal testimony at the Washington, D.C., hearing. Also speaking in support of the petition were Richard P. Simmons (13), president of Allegheny Ludlum Steel Corp.; Lloyd McBride (14), president of the United Steelworkers of America; and Jacob Clayman (15), vice president of the Consumer Federation of America and president and secretary-treasurer of the Industrial Union Department, AFL-CIO.



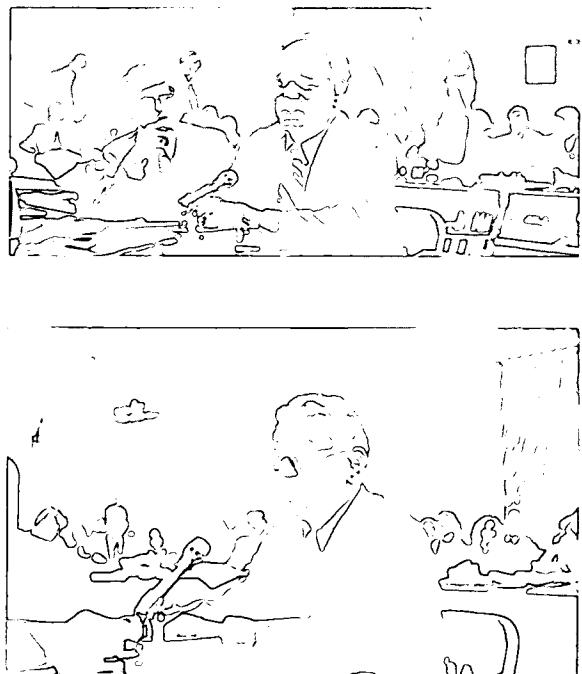
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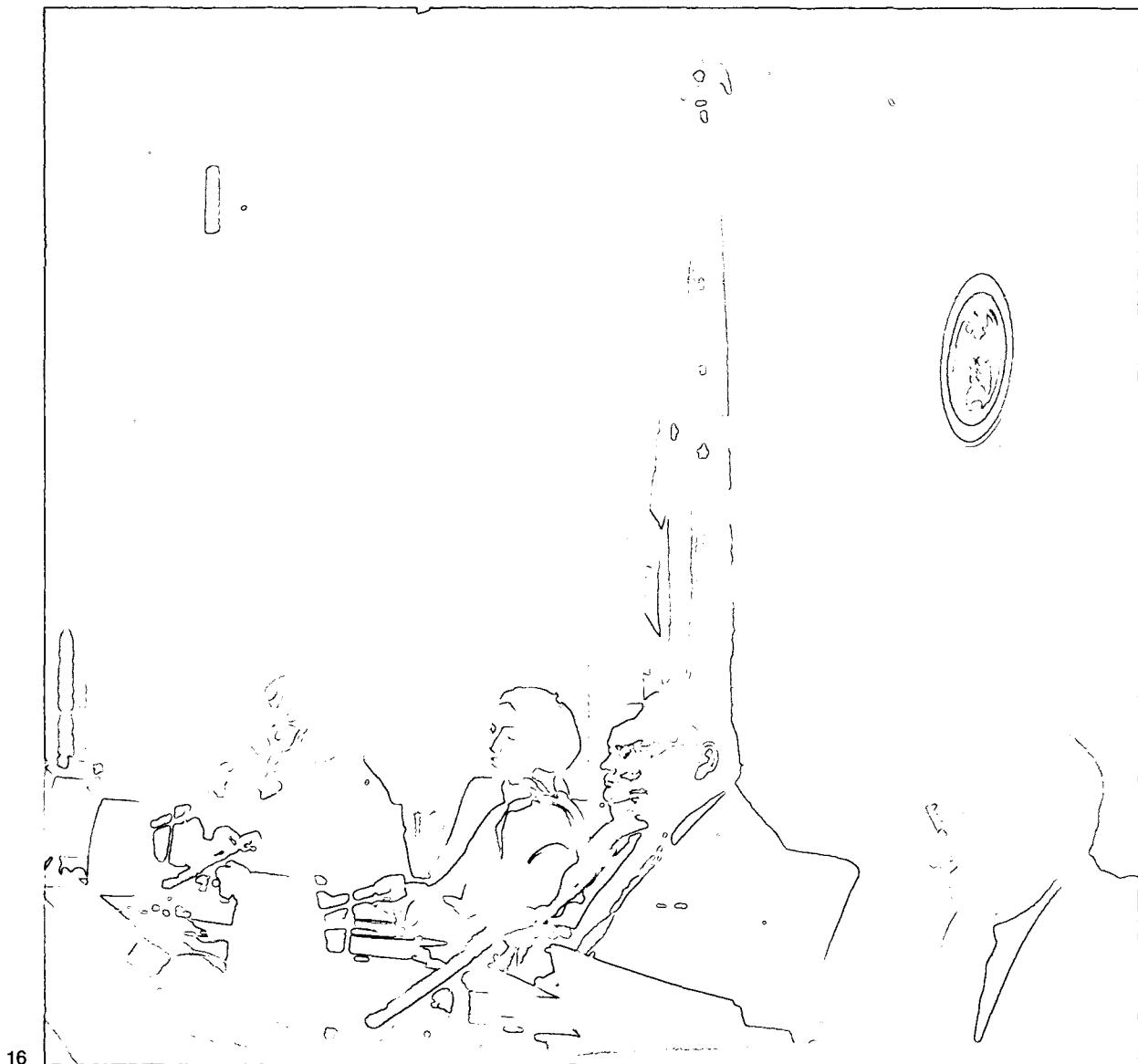
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### Porcelain-on-steel cooking ware

An important case to the sole remaining domestic producer of porcelain-on-steel cooking ware was the subject of a Commission "escape clause" investigation completed under section 201 of the Trade Act of 1974. At the Commission's September 6, 1979, hearing (16), appearances in support of petitioner General Housewares Corp., of Terre Haute, Ind., were made by Senator Robert C. Byrd (17), Senator Jennings Randolph (18), and Representative Robert H. Mollohan (19), all Democrats of West Virginia, and Senator Birch Bayh (20), D.-Ind. Other West Virginians testifying included Moundsville City Manager Richard L. Escalante, center, Larry Wiedebusch, Member of the House of Delegates, left, and James A. Mosby, State Industrial Development Representative (21).





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# **other activities**

## **TRADE AGREEMENTS PROGRAM**

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

Under section 163(b) of the Trade Act of 1974, the Commission is to submit a yearly report to Congress on the operation of the trade agreements program. The 29th report, covering calendar year 1977, and the 30th report, covering calendar year 1978, were near completion at the end of fiscal year 1979.

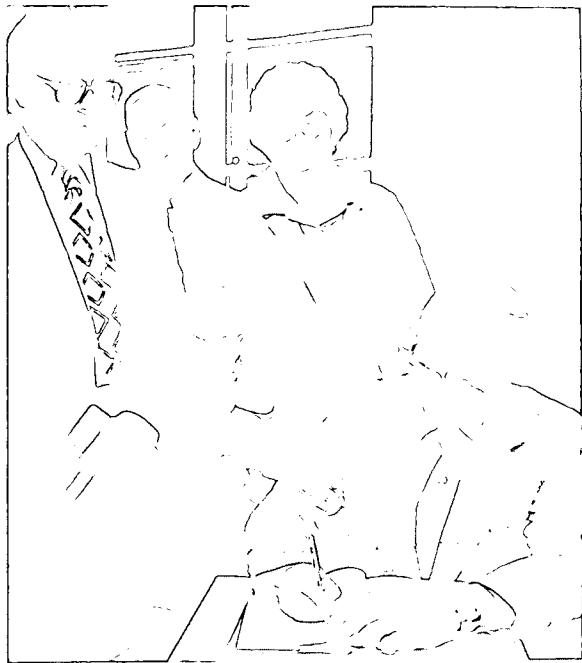
The Commission's work relating to the trade agreements program during fiscal 1979 fell into six major areas. The first consisted of assembling tariff, commodity, and statistical information in support of activities associated principally with the Multilateral Trade Negotiations (MTN) or with the program's daily operation. The second

consisted of preparing, in the complete nomenclature of the Tariff Schedules of the United States, four successive versions of tariff concessions offered by the United States in the MTN, culminating in a fifth document specifying the concessions finally agreed upon. The third consisted of assisting STR and the Congress in the preparation of legislation to approve and implement many of the trade agreements negotiated under the Trade Act of 1974. The fourth consisted of preparation of a Presidential proclamation to implement the major part of the tariff concessions granted by the United States. The fifth involved technical assistance to the STR in work related to the operation of the Generalized System of Preferences (GSP). The sixth involved technical assistance to the STR in conducting the interagency executive branch review of certain reports which the Commission submits to the President.

## **Multilateral Trade Negotiations**

A seventh round of comprehensive Multilateral Trade Negotiations under the auspices of the General Agreement on Tariffs and Trade (GATT) opened in September 1973. The negotiations were in progress in Geneva, Switzerland, and in many capitals of the world throughout the period covered by this report, but they were substantially complete by the end of fiscal 1979. The Commission provided technical assistance to the STR in most areas of the negotiations. Computer data on U.S. imports and tariffs were prepared for the U.S. delegation in Geneva. Technical assistance was regularly provided to many of the Washington-based task forces which provided support for the U.S. delegation, including extensive assistance in assembling statistics and other data for the U.S. tariff offers initially tabled in Geneva in January 1978. Commission staff and Commissioners participated in Geneva meetings of the MTN negotiating groups, and

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



William E. Culbert, deputy head of the U.S. delegation, signed the MTN tariff protocol for the United States on July 11, 1979, in Geneva. Also present were (from left) William T. Hart, Commission Executive Liaison and Special Advisor for Trade Agreements; Julio Raimondi, Minister for Economic Affairs of Argentina; and Ann Hughes, Department of Commerce.

five members of the Commission staff were on the permanent U.S. MTN delegation in Geneva during the first half of the fiscal year. Three additional staff members were temporarily detailed to Geneva to assist in the final tariff negotiations with the developed countries. Assistance was also provided for the bilateral negotiations with Taiwan, Hungary, and countries forming the Cartegena Agreement.

Toward the end of fiscal 1978, at the request of the Senate Committee on Finance and the House Committee on Ways and Means, the Commission began work on an extensive analysis of the MTN as part of a large program to assist Members of Congress in their examination of the various MTN agreements and consideration of implementing legislation sent to the two committees. This study, completed in June 1979, assessed the impact on U.S. industry, labor, and consumers of the tariff reductions made by the United States and its major trading

partners and of the nontariff-measure agreements being negotiated with respect to safeguards, government procurement, subsidies and countervailing duty measures, technical barriers to trade (standards), licensing procedures, customs valuation, and several other more specific agreements such as those on trade in aircraft and dairy products.

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

#### Formal Documentation for U.S. Tariff Offers and Concessions

In the last half of fiscal 1978, the Office of Executive Liaison and Special Advisor for Trade Agreements began preparation of the document setting out all tariff concessions offered by the United States in the MTN in the complete nomenclature of the TSUS. The initial version of this so-called legal offer list was tabled in Geneva in December 1978. As the negotiations proceeded to a conclusion, extensive revisions were made in the initial offers. To accurately reflect all these changes at key stages of the negotiations, two revised editions of the document were issued. The final concessions agreed upon were then recorded in a similar 600-page document, which in early July was annexed to the Geneva (1979) Protocol concluding the tariff negotiations among developed countries.

Late in 1979, work was begun on preparation of a consolidated schedule of U.S. concessions under the GATT (schedule XX), which would incorporate, in addition to the concessions negotiated in the MTN, those made in the Kennedy



Signaling a "new era for fair trade and U.S. export growth," President Carter signed the Trade Agreements Act of 1979 in a White House ceremony on July 29, 1979. Attending the ceremony were industry representatives, Members of Congress, senior administration officials, and Commissioners from the U.S. International Trade Commission. The action was the culmination of years of negotiations on trade liberalization among 99 nations. The trade agreements, which received almost unanimous approval by the Congress, will gradually cut tariffs by about a third and impose a series of measures to reduce nontariff barriers to trade.

round and earlier negotiations. The consolidated schedule XX is expected to be completed and circulated to the other GATT contracting parties for certification during 1980.

### MTN Implementing Legislation

Considerable time and effort were spent by the Office of the General Counsel, the Office of Nomenclature, Valuation, and Related Activities, and the Office of Executive Liaison and Special Advisor for Trade Agreements in assisting STR and the staffs of the House Committee on Ways and Means and the Senate Committee on Finance in drafting the Trade Agreements Act of 1979, which became Public Law 96-39 on July 26, 1979.

The purposes of this act are—

- (1) To approve and implement the trade agreements negotiated under the Trade Act of 1974;
- (2) To foster the growth and maintenance of an open world trading system;
- (3) To expand opportunities for the commerce of the United States in international trade; and

- (4) To improve the rules of international trade and to provide for the enforcement of such rules, and for other purposes.

This legislation, inter alia, approved the agreements which had been negotiated in the MTN and submitted to the Congress in June, set the conditions under which the President could accept the agreements for the United States, and provided for the modifications of various U.S. statutes which would be necessary to implement the agreements. The major amendments to existing U.S. laws made by the Trade Agreements Act of 1979 concerned countervailing and anti-dumping duties, customs valuation, government procurement, the establishment of product standards, trade in civil aircraft, and the basis for levying duties on distilled spirits. A large number of other provisions affected a wide range of specific products.

### Implementation of Tariff Concessions

Tariff concessions granted by the United States in trade agreements are implemented by

Presidential proclamations which modify the Tariff Schedules of the United States accordingly. At least two proclamations will be required to implement the vast number of reductions negotiated in the MTN and certain bilateral agreements. Work on the first of these proclamations was begun in May 1979 by the Office of Executive Liaison and Special Advisor for Trade Agreements and the Office of Nomenclature, Valuation, and Related Activities, and continued throughout the remainder of the fiscal year. When subsequently completed, it would be by far the largest and most complex such proclamation ever issued.<sup>2</sup> A second large proclamation, which will deal principally with implementing tariff concessions tied to the effective date for the United States of the new customs valuation standards contained in the MTN agreement relating to customs valuation, was planned for the spring of 1980.

### Generalized System of Preferences

The Trade Act of 1974 gave the President authority to establish a Generalized System of Preferences, under which eligible articles that are the product of designated beneficiary developing countries can be imported into the United States free of duty. Executive Order 11888 implemented the GSP effective January 1, 1976; the Special Trade Representative and the Secretary of State are jointly responsible for its administration. The Executive order has been modified several times to change the list of articles receiving GSP treatment and the list of beneficiary countries. During fiscal year 1979, the Commission again provided technical assistance in the interagency review leading to these modifications, as well as assistance in preparation of the orders implementing the changes. The Commission provided its advice on 37 items as to the probable economic effects on U.S. industries producing like or directly competitive articles and on consumers of the elimination of import duties under the GSP. In addition, Commission personnel assisted in monitoring GSP

imports and did the major part of the work entailed in application of the "competitive need" criteria set out in section 504 of the Trade Act. For the sixth executive branch review of the operation of GSP, parts of which consisted of public hearings held by the Trade Policy Staff Committee, STR was supplied technical data on U.S. production of and trade in more than 86 articles on which petitions had been submitted for a modification of their GSP status. Commission personnel also assisted in the work begun for the preparation of the 5-year status report to Congress on the operation of the GSP program.

The Trade Agreements Act of 1979 made four changes regarding the operation of the GSP program. The first permits the extension of beneficiary status to members of the Organization of Petroleum Exporting Countries provided that the country in question entered into a bilateral product-specific trade agreement with the United States under section 101 or 102 of the Trade Act of 1974 before January 3, 1980. The second change lowered the "local content" requirement from 50 percent to 35 percent of the appraised value of the article for imports from any two or more countries which are members of the same association of countries which is treated as one country under section 502(a)(3) of the Trade Act. The third change gives the President authority to waive the 50-percent competitive-need criterion where the total value of imports of an eligible article is less than \$1 million (adjusted annually). The fourth change extends the implementation date of competitive-need changes from 60 days to 90 days after the close of each calendar year.

### Executive Branch Review of Commission Reports

Many of the reports which the Commission submits to the President under various statutes, such as section 201 of the Trade Act of 1974, involve matters on which action by the President would affect trade-agreement obligations of the United States. Executive branch review of these reports for the purpose of formulating executive branch recommendations to the President is usually centered in the Office of the Special

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<sup>2</sup>The proclamation was signed by the President on Dec. 11, 1979.

Representative for Trade Negotiations. The Commission provides technical assistance in the review process, including such supplemental information as may be required. During the period covered by this report the Commission submitted two reports to the President on investigations which were instituted as a result of petitions for import relief under section 201 of the Trade Act and eight reports under section 337 of the Tariff Act of 1930. Most of these reports required eventual action by the President.<sup>3</sup>

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

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

Section 608(a) of the Trade Act of 1974 and Public Law 95-106 amended section 484(e)<sup>4</sup> of the Tariff Act of 1930 by providing for comparability of U.S. imports, production, and export data, as follows:

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

<sup>3</sup>The reports under sec. 201 of the Trade Act concerned investigations to determine whether a domestic industry was being seriously injured, or threatened with serious injury, by imported articles. The products involved were clothespins and bolts, nuts, and large screws of iron or steel.

The reports under sec. 337 of the Tariff Act of 1930 concerned unfair acts in the importation into the United States of doxycycline, certain roller units, certain luggage products, electric slow cookers, flexible foam sandals, multicellular plastic film, novelty glasses, and thermometer sheath packages.

<sup>4</sup>19 U.S.C. 1484(e).

an accurate statement specifying, in terms of such detailed enumeration, the kinds and quantities of all merchandise imported and exported and the value of the total quantity of each kind of article.

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

During fiscal year 1979, the Committee for Statistical Annotation of Tariff Schedules, which is made up of delegates of the Secretary of the Treasury and the Secretary of Commerce and which is chaired by a delegate of the Commission, considered 40 requests for statistical annotations to the TSUSA and 40 requests for modifications to Schedule B in order to improve the comparability of U.S. import and export data and for other reasons. As a result of these requests, the committee created 142 new TSUSA items and provided 146 new Schedule B numbers.

### Harmonized Commodity Code

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

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

During fiscal year 1979 the Commission participated in the U.S. contribution to the technical work of the Harmonized System Committee by

preparing comments on 14 chapters of the Harmonized Code and by providing technical assistance to the U.S. delegate to the Harmonized System Committee at Committee sessions. In addition, preliminary work was done on 41 new chapters of the Harmonized Code. Commission staff attended all three sessions of the Harmonized System Committee during fiscal year 1979 and initiated bilateral meetings with representatives of the European Community prior to meetings of the Committee in order to facilitate and expedite its deliberations.

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

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

During fiscal 1979 the Commission issued supplements 4 and 5 to the 10th (1978) edition of the *TSUSA*.

#### **PERIODIC REPORTS ON COMMODITIES**

##### **Synthetic Organic Chemicals**

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

Government uses of these data reportedly include monitoring of toxic substances by the Environmental Protection Agency and the National Institute for Occupational Safety and Health, trade adjustment assistance by the Department

of Labor, planning and investigations by the Food and Drug Administration, trade negotiations by the Office of the Special Representative for Trade Negotiations, mobilization studies by the Department of Commerce, assurance of petrochemical feedstock supplies by the Department of Energy, and monitoring of the economy (particularly the chemical industry) by the Council on Wage and Price Stability. The business community, including industry, consultants, and financial analysts, also reportedly uses these data extensively.

**Annual reports.**—The 61st annual report on U.S. production and sales of synthetic organic chemicals, covering calendar year 1977, was released by the Commission on October 12, 1978.<sup>5</sup> Also during fiscal year 1979, the Commission prepared the 62d annual report, covering calendar year 1978.<sup>6</sup> Fifteen groups of chemicals were involved:

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

Approximately 750 manufacturers report data to the Commission on some 8,000 chemical products; these data form the base for the annual report. Also included in the annual report is a directory of manufacturers for each of the named chemicals and chemical products. The data for another annual Commission publication, *Imports of Benzenoid Chemicals and Products*, are obtained by analyzing invoices covering most of the general imports of benzenoid chemicals.

<sup>5</sup>*Synthetic Organic Chemicals, United States Production and Sales, 1977*, USITC Publication 920, 1978.

<sup>6</sup>*Synthetic Organic Chemicals, United States Production and Sales, 1978*, USITC Publication 1001, 1979.

**Monthly reports.**—The monthly production reports (Series C/P) add timeliness to the Commission's statistics. A report, containing production data for 91 selected synthetic organic chemicals, plastics and resins, and other trend-setting indicator materials, is issued for each month at a date approximately 6 weeks after the month covered by the report.

## Quantitative Determinations

As required by statute, Executive order, or Presidential proclamation, the Commission continued to submit annual and quarterly reports during fiscal year 1979 on several commodities.

Annual reports were submitted on U.S. consumption of watch movements<sup>7</sup> and brooms.<sup>8</sup>

In 1976, after receiving the Commission's report on stainless steel and alloy tool steel (Investigation No. TA-201-5), the President imposed quantitative restrictions on stainless steel and alloy tool steel for a period of 3 years and implemented a monitoring program administered by the Commission.<sup>9</sup> The quotas, which were due to expire on June 13, 1979, were extended to February 13, 1980.<sup>10</sup> In fiscal year 1979, the Commission issued four quarterly reports<sup>11</sup> covering U.S. producers' production, shipments, employment, man-hours, and prices. Two annual reports<sup>12</sup> were also issued during the year. One covered U.S. importers' prices, unshipped orders, and inventories; the other covered U.S. producers' profit, unshipped orders, inventories,

capacity, capital expenditures, and research and development expenditures. The quarterly and annual reports are to continue for the duration of the quantitative restrictions.

In conformance with the provisions of the orderly marketing agreement negotiated with the Government of Japan limiting the export of color television receivers and certain subassemblies thereof from Japan to the United States for a period of 3 years, the Commission issued four quarterly reports<sup>13</sup> showing aggregate monthly data provided by U.S. producers of color TV receivers on production, shipments, inventories, imports, employment, man-hours, prices, and other economic factors indicative of conditions in the U.S. industry. In addition, the Commission issued the second of the required annual reports<sup>14</sup> showing quarterly data on profit and capacity and annual data on capital expenditures for U.S. producers, and quarterly data on prices, orders, and inventories for importers. These periodic reports will continue for the duration of the orderly marketing agreement.

Following receipt of the Commission's report on mushrooms in January 1977 (Investigation No. TA-201-10), the President determined that import relief was not in the national economic interest. However, he decided to monitor import competition in the domestic market for canned mushrooms. Accordingly, pursuant to section 332(g) of the Tariff Act of 1930, the President requested the Commission to prepare quarterly statistical reports on U.S. production, sales, inventories, imports, exports, and apparent consumption of canned mushrooms. These quarterly reports are to be continued until the Commission is notified by STR that they are no longer required. The Commission issued four such quarterly reports in fiscal 1979.<sup>15</sup>

<sup>7</sup>Public Law 89-805 (80 Stat. 1521, 1522); unnumbered USITC publication, 1979.

<sup>8</sup>Public Law 89-241 (79 Stat. 948, 949); Executive Order 11377 implements headnote 3 to schedule 7, pt. 8, subpt. A, of the TSUS; USITC Publication 967, 1979.

<sup>9</sup>Presidential Proclamation 4445 implements headnote 2(g)(i) and (ii) of pt. 2, subpt. A, of the Appendix to the TSUS.

<sup>10</sup>Presidential Proclamation 4665 extended the quotas to Feb. 13, 1980.

<sup>11</sup>Third calendar quarter 1978, USITC Publication 927, 1978; fourth calendar quarter 1978, USITC Publication 942, 1979; first calendar quarter 1979, USITC Publication 973, 1979; second calendar quarter 1979, USITC Publication 996, 1979.

<sup>12</sup>Annual report on U.S. importers for calendar year 1978, USITC Publication 961, 1979; annual report on U.S. producers for calendar year 1978, USITC Publication 960, 1979.

<sup>13</sup>Third calendar quarter 1978, USITC Publication 925, 1978; fourth calendar quarter 1978, USITC Publication 939, 1979; first calendar quarter 1979, USITC Publication 971, 1979; second calendar quarter 1979, USITC Publication 995, 1979.

<sup>14</sup>Annual report for calendar year 1978, USITC Publication 962, 1979.

<sup>15</sup>Third calendar quarter 1978, USITC Publication 931, 1978; fourth calendar quarter 1978, USITC Publication 952, 1979; first calendar quarter 1979, USITC Publication 978, 1979; second calendar quarter 1979, USITC Publication 998, 1979.

After considering the Commission's report on footwear (investigation No. TA-201-18), the President decided not to impose the tariff-rate-quota remedy recommended by the Commission for the injury it found, but rather to negotiate orderly marketing agreements limiting the export of certain footwear from Taiwan and the Republic of Korea to the United States. On June 24, 1977, he announced such agreements covering certain footwear shipped to the United States for the 4 years ending June 30, 1981.<sup>16</sup> The President announced that the Commission would issue quarterly reports showing monthly data on U.S. production, imports for consumption, apparent consumption, employment, and prices. It would also conduct annual surveys of domestic producers with respect to profit, orders, capacity, inventories, prices, capital expenditures, and research and development expenditures, and annual surveys of importers with respect to prices, orders, and inventories. The Commission issued the first of its annual surveys of footwear producers and importers on May 31, 1978,<sup>17</sup> and the second on May 31, 1979.<sup>18</sup> In addition, four quarterly reports were issued during 1979.<sup>19</sup> The quarterly and annual reports are to continue for the duration of the orderly marketing agreements.

On January 6, 1979, the President, after receiving the Commission's recommendations in connection with investigation No. TA-201-37, imposed duty increases on bolts, nuts, and large screws of iron or steel.<sup>20</sup> The duty increases are scheduled to remain in effect for 3 years. The Commission is currently monitoring the fastener industry to determine the effects of the in-

creased duties and has published one annual<sup>21</sup> and two quarterly reports.<sup>22</sup> The annual report covered U.S. producers' profits, unfilled orders, inventories, capital expenditures, and capacity and U.S. importers' unfilled orders, inventories, and prices. The quarterly reports provided data on U.S. production, shipments, imports, exports, apparent consumption, employment, man-hours, and prices.

### Other Periodic Reports

The compilation and publication of the following two series of data began some years ago in response to congressional and general public interest. Series A relates to all motor vehicles (i.e., passenger automobiles, trucks, buses, and so forth) and is published annually, in the spring; Series B relates to new passenger automobiles only and is published annually, in the fall. Two such reports were published during fiscal year 1979:

*Automotive Trade Statistics, 1964-78: U.S. Factory Sales, Imports, Exports, Apparent Consumption, and Trade Balances with Canada and All Other Countries (Series A-Motor Vehicles)*, USITC Publication 985, June 1979.  
*Automotive Trade Statistics, 1964-78: U.S. Factory Sales, Retail Sales, Imports, Exports, Apparent Consumption, Suggested Retail Prices, and U.S. Bilateral Trade Balances With the Eight Major Producing Countries (Series B: Passenger Automobiles)*, USITC Publication 1002, September 1979.

<sup>16</sup>Presidential Proclamation 4510, June 22, 1977, implements headnote 3(k)(i) and (ii) to pt. 2, subpt. A, of the Appendix to the TSUS.

<sup>17</sup>Annual report for calendar years 1976 and 1977, USITC Publication 889, 1978.

<sup>18</sup>Annual report for calendar years 1977 and 1978, USITC Publication 980, 1979.

<sup>19</sup>Third calendar quarter 1978, USITC Publication 929, 1978; fourth calendar quarter 1978, USITC Publication 950, 1979; first calendar quarter 1979, USITC Publication 981, 1979; second calendar quarter 1979, USITC Publication 997, 1979.

<sup>20</sup>Presidential Proclamation 4632 implements headnote 4(a) and (b) of pt. 2, subpt. A, of the Appendix to the TSUS.

### SUMMARIES OF TRADE AND TARIFF INFORMATION

The Commission periodically publishes a series of summaries of trade and tariff information to provide the Congress, the courts, Government agencies, foreign governments, industrial

<sup>21</sup>Annual report on U.S. producers and U.S. importers for calendar year 1978, USITC Publication 963, 1979.

<sup>22</sup>First calendar quarter 1979, USITC Publication 979, 1979; second calendar quarter 1979, USITC Publication 1000, 1979.

institutions, research and trade organizations, and the general public with information on each of the commodities listed in the Tariff Schedules of the United States.

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

The overall summary program will run several years, ultimately covering all items of the TSUS. In fiscal year 1979, the Commission issued only three summaries owing to the overriding commitment of the Commission to an extensive analysis of the Multilateral Trade Negotiations. The summaries issued in fiscal year 1979 (USITC Publication 841) covered the following subjects:

Title	Control No.	Release date
Unmounted Ophthalmic Lenses .....	7-2-6	October 1978
Live Plants .....	1-6-4	November 1978
Live Cattle and Meat of Cattle .....	1-1,2-5	September 1979

## ASSISTANCE TO THE CONGRESS

During fiscal year 1979, the Office of Congressional Liaison continued to provide liaison with the Congress, State and local governments, international organizations, and nonexecutive Government agencies. Responding to congressional inquiries remained a major activity of the Office: the Commission replied to an average of 41 written requests and 83 oral inquiries each month. In addition, technical assistance was provided on 56 bills, and staff specialists participated at a number of congressional hearings.

Three investigations initiated in fiscal 1978 in response to specific congressional requests were completed in fiscal 1979. Two of them were requested by the House Committee on Ways and Means: Bolts, Nuts, and Large Screws of Iron or Steel (No. TA-201-37), instituted under section 201 of the Trade Act of 1974, and A Baseline Study of the Telephone Terminal and Switching Equipment Industry (No. 332-92), conducted under section 332 of the Tariff Act of

1930. The report on the metal fasteners investigation was sent to the President in November 1978, and the telephone equipment study report was transmitted to the committee in January 1979. The third investigation, Agreements Being Negotiated at the Multilateral Trade Negotiations in Geneva (No. 332-101), a section 332 review jointly requested by the House Committee on Ways and Means and the Senate Committee on Finance, was completed in June 1979.

The report on a section 332 investigation that the Commission instituted on its own motion in fiscal 1977 after receiving a congressional request, Conditions of Competition in the Western U.S. Steel Market Between Certain Domestic and Foreign Steel Products (No. 332-87), was completed in September 1979.

Two additional section 332 investigations, instituted at the specific request of congressional committees during fiscal 1979, were in progress at the end of the fiscal year: Competitive Factors Influencing World Trade in Integrated Circuits (No. 332-102) was jointly requested by the Senate Committees on Finance and on Banking, Housing, and Urban Affairs in October 1978, and Casein and Its Impact on the Domestic Dairy Industry (No. 332-105) was requested by the House Committee on Ways and Means in June 1979. Also, the Commission continued its ongoing section 332 investigation on Formulation of an International Commodity Code (No. 332-73) as required by section 608(c)(1) of the Trade Act of 1974.

During the year, 10 Members of Congress appeared as witnesses at hearings before the Commission, and written testimony was received from additional Members.

## NEW YORK CITY FIELD OFFICE

From its earliest days the Commission recognized the advisability of operating a field office in the Nation's leading center for international commerce—the port of New York and New Jersey. Established in 1922, the New York facility remains the only Commission office functioning outside the Nation's Capital.

Located in the U.S. Customs Service area within the World Trade Center complex in lower

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

From their vantage point at the World Trade Center, Commission personnel provide timely assessments of developments or trends which might affect the work of the Commission. The

field office gathers data and supplies technical assistance required in the conduct of studies and investigations. At the same time, it provides information and assistance to the general public, the trade community, and various Government agencies. Particularly useful is the library which the Commission maintains at Suite 629, 6 World Trade Center. Serving as the field office's information center, the library contains Commission reports, notices, and press releases, as well as selected statistical data, legal documents, commodity classification schedules, and other trade-related publications.

# administration and finances

## ORGANIZATION OF THE COMMISSION

On September 30, 1979, the U.S. International Trade Commission was composed of 5 Commissioners and 361 staff members.<sup>1</sup> The chart on page 38 depicts the Commission's organization at the end of fiscal 1979.

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

### Membership of the Commission

As provided in the Tariff Act of 1930, as amended, the six Commissioners of the U.S. International Trade Commission are Presidential appointees who are confirmed by the Senate. Their terms are 9 years in length, unless a Com-

missioner is appointed to fill an unexpired term, and they are not eligible for reappointment if they serve for more than 5 years. By provision of Public Law 95-106 the President is authorized to designate the Chairman and Vice Chairman for 2-year terms. The Chairman and Vice Chairman may not be of the same political party, nor may the President appoint two Commissioners of the same political party for two consecutive 2-year terms as Chairman. Not more than three Commissioners may belong to the same political party. During fiscal 1979 Joseph O. Parker served as Chairman, and Bill Alberger served as Vice Chairman.

The following Commissioners served during fiscal year 1979:

*Commissioner Joseph O. Parker*, Republican of Virginia. Mr. Parker's term expired December 16, 1979, and he resigned effective December 31, 1979.

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

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

*Commissioner Italo H. Ablondi*, Democrat of New York. Mr. Ablondi's term expires June 16, 1981.<sup>2</sup>

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

*Commissioner Paula Stern*, Democrat of the District of Columbia. Ms. Stern's term expires June 16, 1987.

*Commissioner Michael J. Calhoun*, Independent of the District of Columbia, entered on duty on February 1, 1980. Mr. Calhoun's term expires December 31, 1988.

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

<sup>2</sup>Commissioner Ablondi resigned effective Oct. 10, 1978.

## Executive Staff of the Commission

General Counsel . . . . .	Michael H. Stein. <sup>3</sup>
Director, Office of Executive Liaison and Special Advisor for Trade Agreements . . . . .	William T. Hart.
Senior Advisor to the Commission . . . . .	Russell N. Shewmaker. <sup>3</sup>
Secretary to the Commission . . . . .	Kenneth R. Mason.
Director, Office of Congressional Liaison . . . . .	George L. Hooper.
Chief Administrative Law Judge . . . Administrative Law Judge . . . . .	Donald K. Duvall.
Director, Office of Administration Chief, Finance and Budget Division . . . . .	Janet D. Saxon.
Director, Office of Administration Chief, Finance and Budget Division . . . . .	Charles R. Ramsdale.
Director of Personnel . . . . .	Edward C. Wallington, Jr.
Chief, Services Division . . . . .	Terry P. McGowan.
Chief, Production Division . . . . .	Ronald P. Fox.
Director of Operations . . . . .	Kenneth Will, Jr.
Director of Investigations (Acting) . . . . .	Charles W. Ervin. <sup>4</sup>
Chief, Unfair Import Investigations Division (Acting) . . . . .	E. William Fry. <sup>5</sup>
Director, New York Field Office . . . . .	Edward M. Lebow. <sup>6</sup>
Director, Office of Industries . . . . .	Walter S. Trezevant.
Chiefs of Divisions:	Norris A. Lynch.
Agriculture, Fisheries, and Forest Products . . . . .	Edward P. Furlow.
Minerals and Metals . . . . .	Vacant.
Energy and Chemicals . . . . .	Aimison Jonnard.
Textiles, Leather Products, and Apparel . . . . .	Reuben I. Schwartz.
Machinery and Equipment . . . . .	Aaron H. Chesser. <sup>7</sup>
General Manufactures . . . . .	Selma L. Coble.
Director, Office of Economic Research . . . . .	Norman S. Fieleke. <sup>8</sup>
Director, Office of Data Systems (Acting) . . . . .	Michael Olsavsky.
Director, Office of Nomenclature, Valuation, and Related Activities . . . . .	Eugene A. Rosengarden.
Public Information Officer . . . . .	Harold W. Sundstrom.

<sup>3</sup>From July 12, 1979, through May 23, 1980, Mr. Shewmaker served as General Counsel and Mr. Stein served as Senior Advisor.

<sup>4</sup>Effective Dec. 3, 1979.

<sup>5</sup>Effective Jan. 18, 1980.

<sup>6</sup>Effective May 5, 1980.

<sup>7</sup>Effective Feb. 10, 1980.

<sup>8</sup>Effective Nov. 13, 1979.

## Sources of Information

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

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

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

## EMPLOYMENT AND APPROPRIATIONS

The Commission staff represents a unique blend of professional investigators, attorneys, economists, and commodity analysts, including nationally and internationally recognized experts in their fields. In fiscal year 1979, average employment—in terms of work-years—was 390, about 1 percent below that of fiscal year 1978. The following tabulation shows the number of permanent full-time officers and employees of the Commission by organizational units at the close of fiscal year 1979:

Position or activity	Sept. 30, 1979
Commissioners . . . . .	5
Offices of the Commissioners . . . . .	18
Office of the Secretary . . . . .	11
Office of Executive Liaison and Special Advisor for Trade Agreements . . . . .	8

Position or activity—Con.	Sept. 30, 1979
Office of the General Counsel .....	22
Office of Congressional Liaison .....	2
Office of the Senior Advisor .....	2
Office of the Administrative Law Judge .....	6
Office of the Director of Administration .....	4
Finance and Budget Division .....	8
Personnel Division .....	13
Services Division .....	10
Production Division .....	17
Office of the Director of Operations .....	3
New York Field Office .....	5
Investigative Staff .....	23
Office of Legal Services .....	17
Office of Industries .....	116
Office of Economic Research .....	27
Office of Data Systems .....	29
Office of Nomenclature, Valuation, and Related Activities .....	15
Total .....	361

The U.S. International Trade Commission submits its budget to the President for transmittal to the Congress.<sup>9</sup> During fiscal year 1979, appropriated funds made available to the Commission amounted to \$13,250,000. Reimbursements received totaled \$12,420, making available a

grand total of \$13,262,420. Obligations for fiscal years 1978 and 1979 were as follows:

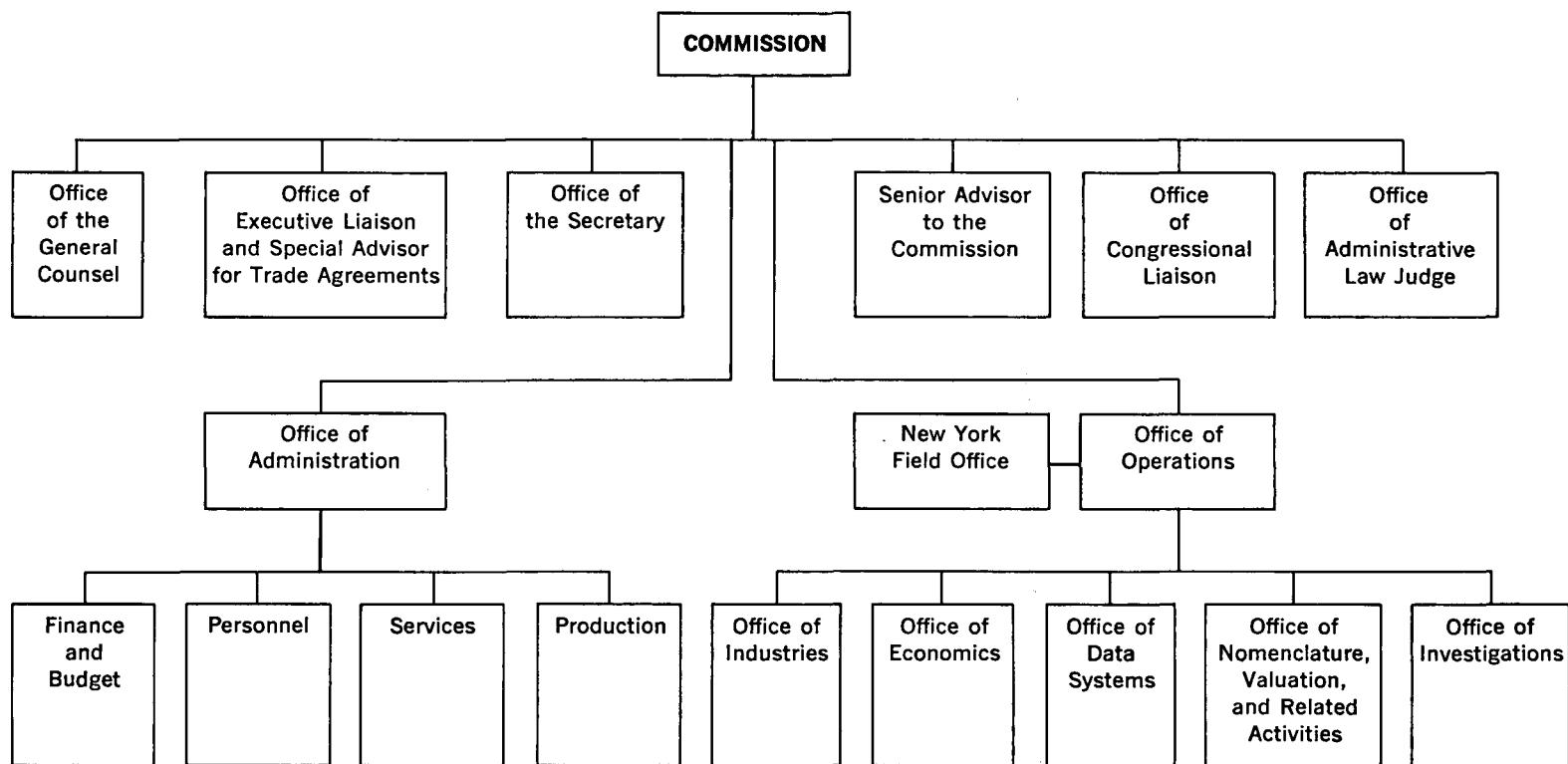
Item	Fiscal year 1978	Fiscal year 1979
Salaries and personnel benefits .....	\$9,487,919	\$9,974,481
Travel and transportation .....	266,647	214,389
Rental and communications services .....	1,027,995	1,060,399
Other services .....	611,237	645,776
Printing and Reproduction .....	195,666	170,230
Equipment, supplies, and materials .....	406,192	500,680
Total .....	11,995,656	12,565,955

A majority of the Commission's employees are housed in the U.S. International Trade Commission Building, at 701 E Street NW.<sup>10</sup> Owing to space limitations, employees in the Office of the Administrative Law Judge, the Office of Economic Research, and the Office of Data Systems are located in the Bicentennial Building, at 600 E Street NW.

<sup>9</sup>Because of the unique role of the Commission as a quasi-judicial and independent agency designed to provide trade expertise to both legislative and executive branches of Government, Congress provided that the budget of the International Trade Commission would not be subject to control by the Office of Management and Budget, but would instead be submitted directly to the Congress.

<sup>10</sup>The building was built from 1839 to 1869 under the supervision of Thomas U. Walter, one of the architects of the Capitol. The Commission took up quarters in the building in 1921 after such occupants as the Postmaster General, the General Land Office, the Bureau of Education, the National Selective Draft Board, and General John J. Pershing.

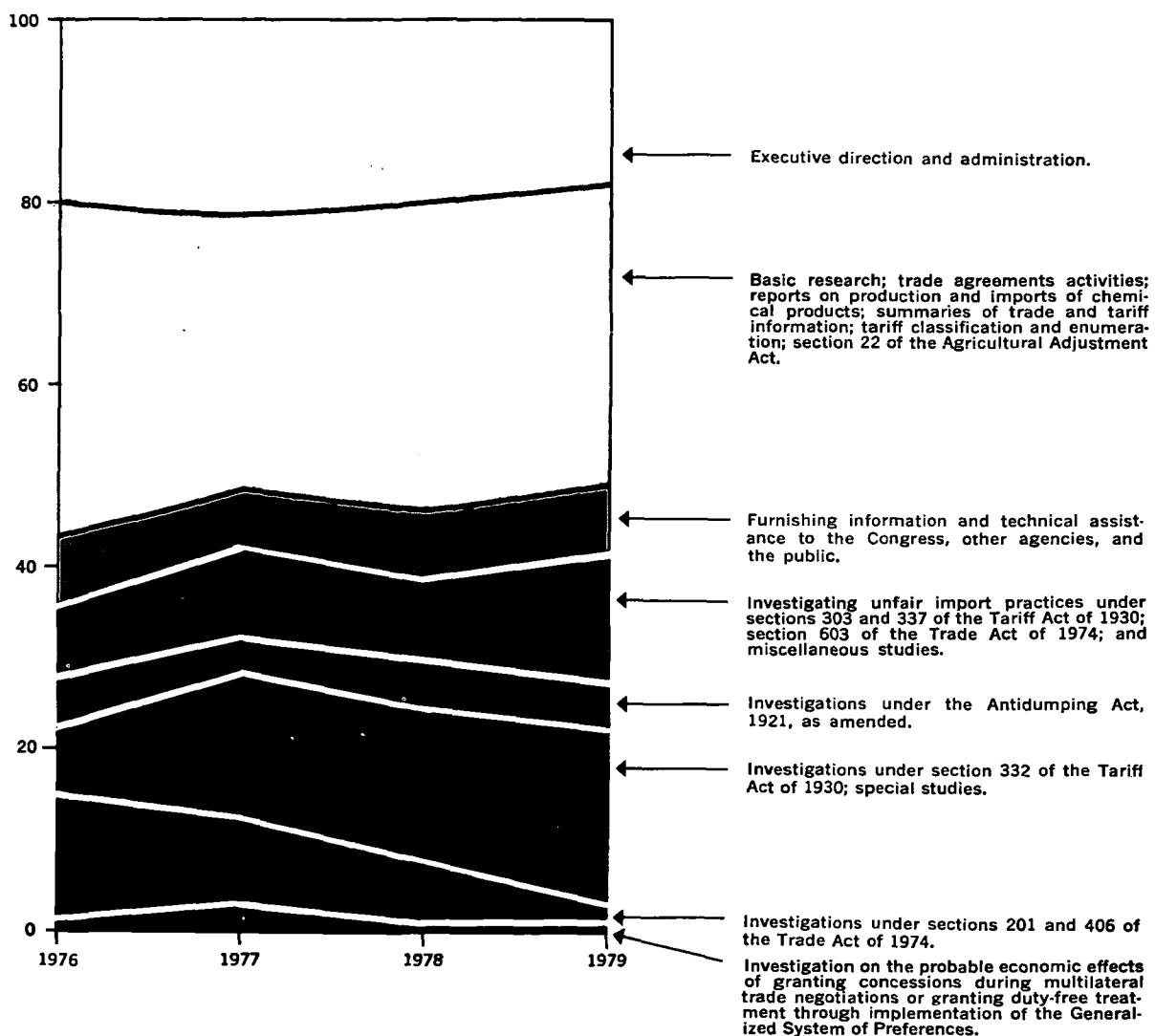
## UNITED STATES INTERNATIONAL TRADE COMMISSION



# appendix a

## SUMMARY OF PRINCIPAL ACTIVITIES OF THE U.S. INTERNATIONAL TRADE COMMISSION, FISCAL YEARS 1976-79

Percentage distribution of employee compensation



# **appendix b**

## **REPORTS SUBMITTED ON PROPOSED LEGISLATION**

1. H.R. 116 (Mr. Bafalis)—To amend section 8e of the Agricultural Adjustment Act of 1933, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, to subject imported tomatoes to restrictions comparable to those applicable to domestic tomatoes. June 14, 1979.
2. H.R. 297 (Mr. Drinan)—To suspend for two years the duty on wood excelsior imported from Canada. April 19, 1979.
3. H.R. 593 (Mr. Mitchell)—To amend the Tariff Schedules of the United States in order to increase the rate of duty on certain boxes, cases, and chests lined with textile fabrics. July 19, 1979.
4. H.R. 802 (Mr. White)—To extend from eight months to twenty-four months the period in which domesticated animals may pasture in foreign countries and be accorded duty-free status upon reentry into the United States.
5. H.R. 1076 (Mr. Pickle, et al.)—To modify the method of establishing quotas on the importation of certain meat, to include within such quotas certain meat products, and for other purposes. May 4, 1979.
6. H.R. 1212 (Mr. Fuqua)—For the relief of the University of Florida, Gainesville, Florida. May 4, 1979 (Ways and Means Committee), and October 15, 1979 (Finance Committee).
7. H.R. 1319 (Mr. Akaka, et al.)—To extend the period for duty-free entry of a 3.60-meter telescope and associated articles for the use of the Canada-France-Hawaii Telescope Project at Mauna Kea, Hawaii. June 12, 1979 (Ways and Means Committee), and October 15, 1979 (Finance Committee).
8. H.R. 1436 (Mr. Preyer, et al.)—To suspend until the close of June 30, 1980, the duty on certain nitrocellulose. July 10, 1979.
9. H.R. 1457 (Mr. Rangel)—To amend the Tariff Schedules of the United States to prohibit the importation of coal and of certain articles of uranium, if the product of the Union of South Africa. October 18, 1979.
10. H.R. 1587 (Mr. Frenzel)—To suspend the duty on gypsum building boards and lath until the close of June 30, 1981. March 23, 1979.
11. H.R. 1660 (Mr. Duncan)—To continue until the close of June 30, 1981, the existing suspension of duties on certain forms of zinc. March 7, 1979.
12. H.R. 2297 (Mr. Duncan)—To continue until the close of June 30, 1982, the existing suspension of duties on synthetic rutile. March 27, 1979 (Ways and Means Committee), and October 15, 1979 (Finance Committee).
13. H.R. 2492 (Mr. Jenkins)—To correct an anomaly in the rate of duty applicable to articles of apparel in which feathers or downs are used as filling and to extend until June 30, 1984, the duty provisions applicable to crude feathers and downs. May 4, 1979 (Ways and Means Committee), and October 31, 1979 (Finance Committee).
14. H.R. 2535 (Mr. Albosta, et al.)—To amend the Tariff Schedules of the United States to suspend for a temporary period the duty on certain alloy tool steels used for making chipper knives. April 19, 1979 (Ways and Means Committee), and November 5, 1979 (Finance Committee).
15. H.R. 2537 (Mr. Bauman, et al.)—To suspend until December 31, 1982, a portion of the duties on strontium nitrate. July 26, 1979 (Ways and Means Committee), and December 3, 1979 (Finance Committee).
16. H.R. 2580 (Mr. Shelby)—To suspend for a three-year period the duty on 2-Methyl, 4-chlorophenol. July 13, 1979.
17. H.R. 2703 (Mr. Shannon)—To provide duty-free treatment to certain dyeing and tanning materials. April 12, 1979 (Ways and Means Committee), and November 16, 1979 (Finance Committee).

18. H.R. 2727 (Mr. Ullman, et al.)—To modify the method of establishing quotas on the importation of certain meat, to include within such quotas certain meat products. May 25, 1979.
19. H.R. 3046 (Mr. Fithian, et al.)—To suspend the duty on freight cars until the close of June 30, 1981. July 25, 1979 (Ways and Means Committee), and December 6, 1979 (Finance Committee).
20. H.R. 3122 (Mr. Vanik)—Relating to the tariff treatment of certain articles: (1) Dyeing and Tanning Materials, (2) Wool Excelsior, (3) Nitrocellulose, (4) 2-Methyl, 4-chlorophenol, (5) Ceramic Insulators, and (6) Zinc. October 24, 1979 (Finance Committee).
21. H.R. 3127 (Mr. Charles Wilson—Tex.)—To reduce temporarily the rate of duty on ceramic insulators used in spark plugs. July 10, 1979.
22. H.R. 3207 (Mr. Rostenkowski)—To suspend the duties on certain bicycle parts and accessories until the close of June 30, 1983. August 16, 1979 (Ways and Means Committee), and October 31, 1979 (Finance Committee).
23. H.R. 3317 (Mr. Devine)—For the relief of Ohio Wesleyan University, Delaware, Ohio. September 27, 1979 (Ways and Means Committee), and October 30, 1979 (Finance Committee).
24. H.R. 3352 (Mr. Rostenkowski, et al.)—To provide for the temporary suspension of duty on the importation of fluorspar. July 13, 1979 (Ways and Means Committee), and December 3, 1979 (Finance Committee).
25. H.R. 3993 (Mr. Duncan)—To continue until the close of June 30, 1982, the existing suspension of duties on manganese ore (including ferruginous ore) and related products. August 24, 1979.
26. H.R. 3403 (Mr. Mikva, et al.)—To implement the Convention on the Means of Prohibiting and Preventing the Illicit Import, Export, and Transfer of Ownership of Cultural Property. June 27, 1979.
27. H.R. 3591 (Mr. Vander Jagt)—To reduce temporarily the duty on titanium sponge. July 13, 1979 (Ways and Means Committee), and November 6, 1979 (Finance Committee).
28. H.R. 3728 (Mr. Gibbons)—To repeal the statutory authority to impose quotas on certain imported meat and meat products. June 21, 1979.
29. H.R. 3755 (Mr. McKinney)—For the relief of St. Paul's Episcopal Church, Riverside, Conn. July 3, 1979 (Ways and Means Committee), and October 30, 1979 (Finance Committee).
30. H.R. 4147 (Mr. Guarini)—To amend the Tariff Schedules of the United States to provide a temporary suspension of the duty on certain alloys of cobalt. July 10, 1979 (Ways and Means Committee), and November 16, 1979 (Finance Committee).
31. H.R. 4309 (Mr. Benjamin, et al.)—To amend the Tariff Schedules of the United States to provide for the proper classification of cold finished steel bars; and for other purposes. November 2, 1979 (Finance Committee).
32. H.R. 4385 (Mr. Neal)—For the relief of Wake Forest University, Winston-Salem, N.C. August 9, 1979 (Ways and Means Committee), and October 30, 1979 (Finance Committee).
33. H.R. 4738 (Mr. Crane)—To reduce temporarily the duty on titanium sheet, plate, and other rolled titanium products. November 23, 1979 (Finance Committee), and November 28, 1979 (Ways and Means Committee).
34. H.R. 4739 (Mr. Downey)—To suspend for a three-year period the duty on pillow buns of latex foam. July 26, 1979 (Ways and Means Committee), and November 5, 1979 (Finance Committee).
35. H.R. 4800 (Mr. Drinan)—To extend duty-free treatment to synthetic tantalum/columbium concentrate. September 19, 1979 (Ways and Means Committee), and November 14, 1979 (Finance Committee).
36. H.R. 4954 (Mr. Duncan—Tenn.)—To continue until the close of June 30, 1982, the existing suspension of duties on manganese ore (including ferruginous ore) and related products. November 21, 1979 (Finance Committee).
37. H.R. 5065 (Mr. Lederer)—For the relief of the Chinese Cultural and Community Center of Philadelphia, Pennsylvania. November 26, 1979.

38. S. 55 (Mr. Bentsen, et al.)—To modify the method of establishing quotas on the importation of certain meat, to include within such quotas certain meat products, and for other purposes. May 4, 1979.
39. S. 424 (Mr. Matsunaga, et al.)—To extend the period for duty-free entry of a 3.60-meter telescope and associated articles for the use of the Canada-France-Hawaii Telescope Project at Mauna Kea, Hawaii. March 23, 1979.
40. S. 1004 (Mr. Bentsen, et al.)—To suspend the duty on freight cars until the close of June 30, 1981. July 25, 1979.
41. S. 1103 (Mr. Bentsen)—To amend the Tariff Schedules of the United States with respect to certain civil aircraft. November 26, 1979.
42. S. 1111 (Mr. Heinz)—To continue until the close of June 30, 1982, the existing suspension of duties on manganese ore (including ferruginous ore) and related products. August 24, 1979.
43. S. 1258 (Mr. Cochran)—To correct an anomaly in the rate of duty applicable to articles of apparel in which feathers or downs are used as filling and to extend until June 30, 1984, the duty provisions applicable to crude feathers and downs. September 26, 1979.
44. S. 1536 (Mr. Heinz)—For the relief of the Chinese Cultural and Community Center of Philadelphia, Pa. November 26, 1979.
45. S. 1738 (Mr. Matsunaga)—To amend the Tariff Schedules of the United States to repeal the duty on certain field glasses and binoculars. November 9, 1979.

# appendix c

## KEY STATUTES INVOLVING THE U.S. INTERNATIONAL TRADE COMMISSION

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

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

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

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

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

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

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

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

**Finding:** If the Commission determines that the importation of such articles is such that the effect or tendency is to destroy or substantially injure an efficiently and economically operated industry, or to prevent the establishment of such an industry, or to restrain or

monopolize trade and commerce, it may issue orders excluding the articles from entry or issue cease and desist orders. The President may disapprove these actions within 60 days after issuance of the Commission's determination.

**Sec. 201 (a), Antidumping Act, 1921 (Antidumping Investigations), Imports Marketed at Less Than Fair Value<sup>1</sup>**

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

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

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

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

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

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

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

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

The Commission conducts investigations at the direction of the President to determine whether any articles are being or are practically certain to be imported into the United States under such conditions and in such quantities as to materially interfere with programs of the Department of Agriculture for agricultural commodities or products

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<sup>1</sup>Effective Jan. 1, 1980, the Antidumping Act, 1921, was replaced and repealed by title VII of the Tariff Act of 1930. Also contained in title VII and effective Jan. 1, 1980, was a new countervailing duty law which added the requirement of a Commission determination regarding injury to a domestic industry before imposition of countervailing duties.

thereof, or to reduce substantially the amount of any product processed in the United States from such commodities or products, and makes findings and recommendations to the President. The President may restrict the imports in question by imposition of either import fees or quotas.

## OTHER AREAS OF INVOLVEMENT BY STATUTE

### Bestowal of Bounties or Grants on Imports

The Commission determines, with respect to any duty-free article on which the Secretary of the Treasury has determined that a bounty or grant is being paid, whether an industry in the United States is being or is likely to be injured, or is prevented from being established, by reason of the importation of such article. (Sec. 303, Tariff Act of 1930; 46 Stat. 687.)

### Uniform Statistical Data

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

In conjunction with such activities, the Commission and the Secretary of Commerce are to identify concepts underlying the formulation of an international commodity code for reporting transactions in international trade and to report thereon to the Congress. (Sec. 484(e), Tariff Act of 1930, 19 U.S.C. 1484(e); sec. 608, Trade Act of 1974.)

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

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

### Tariff Summaries

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

of production, and the extent and relative importance of U.S. consumption, production, and trade, together with certain basic factors affecting the competitive position and economic health of domestic industries. (Sec. 332, Tariff Act of 1930; 19 U.S.C. 1332.)

### **Advice Concerning Trade Negotiations**

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

### **Generalized System of Preferences**

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

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

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

### **Trade With Communist Countries**

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