



**UNITED STATES
INTERNATIONAL TRADE COMMISSION**

ANNUAL REPORT

1977
Fiscal Year



**United
States
International
Trade
Commission**

COMMISSIONERS

Daniel Minchew, *Chairman*
Joseph O. Parker, *Vice Chairman*
George M. Moore
Catherine Bedell
Italo H. Ablondi
Bill Alberger

Kenneth R. Mason
Secretary to the Commission

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Members of the Commission, left to right: Commissioner Bedell, Vice Chairman Parker, Chairman Minchew, and Commissioners Leonard,¹ Ablondi, and Moore.

Commissioner Leonard resigned effective June 10, 1977.

message

from the chairman

Professionalism was the keynote of fiscal year 1977 at the U.S. International Trade Commission. With the implementation of our reorganization plan, we put our structural problems behind us and have been able to focus on how well we are doing our job. Aiding us greatly in this process of self-improvement has been the new administrative chairmanship given us by the Congress on August 17, 1977. By placing this administrative responsibility in the hands of one Commissioner, Congress has greatly improved the overall efficiency of our agency and at the same time has freed five Commissioners to concentrate almost exclusively on the substantive responsibilities of their office. Under the new system, we have been able to reduce the size of our administrative staff, allowing us to devote more resources to the research and investigative work of the Commission.

Professionalism has meant testing under a heavier workload the innovations we introduced in 1976—a different way of handling investigations, for instance, with a smaller staff of full-time investigators.

It has meant continuing proven successes. The USITC's "sunshine" procedures adopted by the agency well before the law required them have proven so effective in opening up Commission deliberations to the public that Common Cause has lauded the USITC as one of the two most open and accessible agencies in the entire Government. Our out-of-town hearings, which we have continued to hold in parts of the country likely to be affected by our findings, have again and again justified the time and effort we have expended, both by securing more pertinent testimony from people involved in the day-to-day operations of industries involved in our investigations and by introducing the public at large to the role and functions of our agency.

Professionalism has also meant breaking new ground, whether in research efforts such as the report *Factors Affecting World Petroleum Prices to 1985*, which successfully challenged conventional wisdom on this subject; or the introduction of consent orders as an option in settling unfair trade practice cases under section 337, as was done in our color television investigation in August 1977; or whether simply in the increased productivity and efficiency which have allowed us to meet great increases in the demand for our services without increasing our authorized number of personnel.

Our dedicated staff has handled a growing caseload which, in some areas, has doubled or tripled over the past 2 years. Despite the extra calls on us for service, we have managed our resources in a way which has actually allowed us to improve as well as increase our production. We have supplied data and support to our negotiators at the multilateral trade negotiations in Geneva. We have bettered the form, as well as the content, of USITC publications. We have set up a more efficient mechanism for responding to congressional interest through fact sheets, special briefings, and more conscientious attention to inquiries. To make us a more effective source of information for the Government and the public, we have installed a sophisticated data processing system, which will continue to improve our responsiveness over the years.

In every respect, the constructive effect of our agency on current affairs has greatly increased over the past year. I am personally very

proud of the many ways in which the people on our staff have quietly demonstrated their professional attitudes and capabilities and their dedication to the public service that this agency provides. I am confident that, through their efforts, the accomplishments of this year will be continued and expanded in the years to come.

A handwritten signature in black ink, appearing to read "Daniel Minchew".

Daniel Minchew
Chairman

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Summary of activities

Investigations Completed

Title II, Tariff Act of 1930:	
Sec. 332 investigations	6
Sec. 337 investigations of alleged unfair practices in importation and sale of imported products	9
Antidumping Act, 1921, as amended (secs. 201 and 203)	11
Trade Act of 1974:	
Sec. 503—advice on possible trade agreements	1
Sec. 201 "escape clause" cases	12
Sec. 203 "review" case	1
Sec. 603 preliminary investigation	1
Total	41

Other Activities

Publications issued (in addition to reports on investigations):	
Synthetic organic chemicals	13
Benzoid chemicals	2
Responses to letters from Members of Congress and congressional committees	1,250
Import and export transactions analyzed	143,000
Library transactions:	
Volumes circulated	70,000
Reference calls	8,900
Reports prepared on proposed legislation	56
Reports prepared on U.S. consumption of specified commodities	6
Reports prepared on East-West trade	6

introduction

The United States International Trade Commission is an independent Federal agency created by Act of Congress on September 8, 1916, as the United States Tariff Commission. On January 3, 1975, the agency's name was changed to the United States International Trade Commission by the Trade Act of 1974.

As a factfinding agency, the Commission has broad powers to study and investigate all factors relating to U.S. foreign trade, its effect on domestic production, employment, and consumption, and the competitiveness of U.S. products. 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 350 individuals. They represent a divergence of professions and include attorneys, economists, investigators, and commodity analysts. Together with the supporting staff of data systems experts and service and production personnel, they provide the Commission with the expertise required to carry out its responsibilities. The staff's 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 for 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.

Providing the President, Congress, other Government agencies, and the public with technical information on trade and tariff matters.

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 provides technical and factual information on trade matters to a diverse audience including businessmen, union leaders, consumers, and the media. It also receives opinions and comments on issues and policies relating to international trade. Through public hearings throughout the Nation and in Washington, D.C., 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 Congress. Its recommendations frequently form a basis for economic policy decisions on U.S. international trade.

In summary, the Commission contributes to the development of U.S. international trade policy, which is soundly based and as equitable as possible to all concerned. The Commission strives to deserve a reputation for expertise, objectivity, thoroughness, and accomplishment, all hallmarks of good public service.

public investigations

The U.S. International Trade Commission is authorized by law to investigate almost all aspects of international trade involving the United States. During fiscal 1977, Commission investigations were conducted under provisions of the Trade Act of 1974, the Tariff Act of 1930, as amended, and the Antidumping Act, 1921, as amended. To increase public interest and actual participation and to make it more convenient for interested parties to present testimony, the Commission continued to hold important factfinding hearings throughout the Nation.

TRADE ACT OF 1974¹

Advice to the President

Section 503² 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.

On November 22, 1976, the Special Representative for Trade Negotiations furnished the Commission with a list of articles to be considered for inclusion in the Generalized System of Preferences. In a notice issued on December 2, 1976, the Commission announced institution of investigations Nos. TA-503(a)-3 and 332-81. The Commission transmitted its report to the White House on January 24, 1977.

Relief From Injury Caused by Import Competition

Section 201³ 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 the 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 provision of adjustment assistance to firms, workers, or communities. Under section 203, if the President determines to provide import relief for the industry, he shall (1) proclaim an increase in, or imposition of, a duty on the article concerned; (2) proclaim a tariff-rate quota; (3) impose or modify a quantitative restriction on imports; (4) negotiate an orderly marketing agreement; or (5) take any combination of such actions. If the President does not provide relief in the form recommended by the Commission, the Congress can, by approval of a concurrent resolution, override the President's action; under section 203(c)(2) the President is then required to implement the Commission's recommended relief.

During fiscal 1977, the Commission completed 12 investigations under section 201, all within the 6-month statutory time limit. Table 1 on the following page shows information on the investigations completed during the year.

¹ Public Law 93-618, approved Jan. 3, 1975.

² 19 U.S.C. 2463.

³ 19 U.S.C. 2251.

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

Section 203(i)⁴ of the Trade Act of 1974 in part provides that—

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

Upon petition on behalf of the industry concerned, filed with the Commission not earlier than the date which is 9 months, and not later than the date which is 6 months, before the date any import relief provided pursuant to this section or section 351 or 352 of the Trade Expansion Act of

1962 is to terminate by reason of the expiration of the initial period therefor, the Commission shall advise the President of its judgment as to the probable economic effect on such industry of such termination.

During fiscal year 1977, the Commission, upon receipt of a request from the Special Representative for Trade Negotiations, conducted investigation No. TA-203-2. On February 14, 1977, the Commission advised the President that the termination of the annual quotas on imports of certain alloy tool steel (bearing steel) would have little effect on U.S. producers. The report (USITC Publication 805) was released on February 24, 1977. On June 15, 1977, the President terminated the restrictions.

⁴ 19 U.S.C. 2253.

Table 1.—Summary of investigations completed under sec. 201 of the Trade Act of 1974, fiscal year 1977

Investigation No.	Articles concerned	Petitioner or requester	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-201-15 . . . Plant hangers	Knots To You, Inc.		6-22-76	8-24-76; 8-31-76	Negative	—	Minchew Parker Leonard Moore Bedell Ablondi	—	12-22-76	797
TA-201-16 . . . Sugar	Senate Committee on Finance.		9-17-76	11- 4-76; 11-18-76; 11-30-76	Affirmative ¹	Parker ² Leonard ³ Moore ² Bedell ² Ablondi ¹³	Minchew ⁴	—	3-17-77	807
TA-201-17 . . . Mushrooms	Special Representative for Trade Negotiations.		9-20-76	11-11-76 and 11-12-76	—do. ⁵	Parker Leonard Moore Ablondi	Minchew	Bedell ⁶	1-1C-77	798
TA-201-18 . . . Footwear	Senate Committee on Finance.		9-28-76	12- 7-76; 12- 9-76	—do. ⁷	Minchew Parker Leonard Moore Bedell Ablondi	—	—	2- 8-77	799
TA-201-19 . . . Television receivers, color and monochrome, assembled or not assembled, finished or not finished, and sub-assemblies thereof.	(⁸)		9-22-76	1-11-77 and 1-12-77; 1-18-77 and 1-19-77; 1-21-77 and 1-22-77	—do. ⁹	Minchew ¹⁰ Parker ¹¹ Leonard ¹⁰ Moore ¹⁰ Bedell ¹¹ Ablondi ¹²	—	—	3-22-77	808
TA-201-20 . . . Low-carbon ferro-chromium.	Committee of Producers of Low Carbon Ferro-chrome.		1-10-77	4- 5-77	Negative	Moore	Minchew Bedell Ablondi	Parker ¹³	7-11-77	825
TA-201-21 . . . Cast-iron cooking ware.	The Atlanta Stove Works, Inc., General Housewares Corp., and Lodge Manufacturing Co.		1-21-77	4-12-77	—do—	Minchew	Parker Moore Bedell Ablondi	Leonard ¹⁴	5-24-77	817
TA-201-22 . . . Fresh cut flowers	Growers Division of the Society of American Florists & Ornamental Horticulturists.		1-31-77	4-14-77; 4-19-77 and 4-20-77	—do—	—	Minchew Moore Bedell Ablondi	Parker ¹³	8- 1-77	827
TA-201-23 . . . Certain headwear	Empire State Cloth Hat & Cap Manufacturing Association and the United Hatters, Cap & Millinery Workers International Union.		2-18-77	5-17-77; 5-26-77	—do—	—	Minchew Moore Bedell Ablondi	Parker ¹³	8-18-77	829

See footnotes at end of table.

Table 1.—Summary of investigations completed under sec. 201 of the Trade Act of 1974, fiscal year 1977—Con.

Investigation No.	Articles concerned	Petitioner or requester	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-201-24	Cast-iron stoves	The Atlanta Stove Works, Inc., Washington Stove Works, United States Stove Co., Portland Stove Foundry, Inc., and Martin Industries, Inc.	3- 9-77	5-19-77 and 5-20-77	Equally divided. ¹⁵	Minchew Moore	Bedell Ablondi	Parker ¹³	7-25-77	826
TA-201-25	Live cattle and certain edible meat products of cattle.	National Association of American Meat Promoters, the Meat Promoters of South Dakota, the Meat Promoters of North Dakota, the Meat Promoters of Montana, and the Meat Promoters of Wyoming.	3-17-77	6-14-77 and 6-15-77; 6-28-77 and 6-29-77; 7-12-77; 7-19-77 and 7-20-77	Negative	—	Parker Moore Bedell Ablondi	Minchew ¹⁶	9-17-77	834
TA-201-26	Malleable cast-iron pipe and tube fittings.	American Pipe Fittings Association.	3-29-77	6-21-77	—do—	—	Minchew Parker Moore Bedell Ablondi	—	9-29-77	835

¹ On May 4, 1977, the President announced that he would not accept the Commission's recommendations for reduced quotas of U.S. imports of sugar, but announced at the same time that he would attempt to provide a payment to farmers of up to 2 cents per pound for sugar that they had produced whenever the market price fell below 13.5 cents per pound.

² Recommended an annual quota of 4,275,000 short tons, raw value, to be applied to imports of sugars, sirups, and molasses provided for under Tariff Schedules of the United States (TSUS) items 155.20 and 155.30. The proposed quotas would extend for 5 years beginning Jan. 1, 1977, and terminate at the end of calendar year 1981. Quota would be administered on a country-by-country basis at the discretion of the President.

³ Recommended an annual quota of 4,400,000 short tons, raw value, to be applied to imports of sugars, sirups, and molasses provided for under TSUS items 155.20 and 155.30. The quota would commence at the time of the Presidential proclamation that would bring the quota into force, and it would extend for 3 1/2-month periods thereafter, with the quota year beginning on the anniversary dates of the Presidential proclamation. Commissioners Leonard and Ablondi proposed that the quota be a global quota distributed among U.S. importers by the auction of nontransferable import licenses. The auction of such licenses would occur from time to time, at the discretion of the Secretary of Agriculture, and under such rules as the Secretary of Agriculture would propose in order to assure an equitable distribution of the licenses.

⁴ Recommended an annual quota of 4,400,000 short tons, raw value, to extend for 5 calendar years, beginning Jan. 1, 1977, and terminating at the end of calendar year 1981. The proposed quota would be administered on a country-by-country basis, with the 1977 quota determined on the basis of the proportion of imports supplied by each of the sugar-supplying countries during the period 1972-76. Chairman Minchew proposed further that if a country failed to meet its quota, its shortfall would be distributed proportionately among countries which supplied 100 percent of their quotas for that year.

⁵ On Mar. 10, 1977, the President rejected the Commission's decision on grounds of national economic interest.

⁶ Commissioner Bedell abstained from voting to avoid any possibility or appearance of

conflict of interest.

⁷ On Apr. 1, 1977, the President expanded programs of trade adjustment assistance which would result in a proposal of legislation within 90 days. Discussions leading to orderly marketing arrangements with principal supplying countries: Brazil, Republic of Korea, Republic of China, Spain, and Italy.

⁸ Industrial Union Department, AFL-CIO; American Flint Glass Workers Union of North America; Allied Industrial Workers of America; Communications Workers of America; Glass Bottle Blowers' Association of the United States and Canada; Independent Radionic Workers of America; International Association of Machinists; International Brotherhood of Electrical Workers; International Union of Electrical, Radio & Machine Workers; United Furniture Workers of America; United Steelworkers of America; Corning Glass Works; GTE Sylvania Inc.; Owens-Illinois, Inc.; Sprague Electric Co.; and Wells-Gardner Electronics Corp.

⁹ President issued proclamation on June 24, 1977.

¹⁰ With respect to all articles which were the subject of the investigation.

¹¹ With respect to color television receivers, complete and incomplete.

¹² With respect to color television receivers, assembled or not assembled, finished or not finished.

¹³ Vice Chairman Parker did not participate in the vote in this investigation because of illness and hospitalization.

¹⁴ Commissioner Leonard abstained from voting to avoid any possibility or appearance of conflict of interest.

¹⁵ On Sept. 22, 1977, the President determined that imports of cast-iron stoves, stove parts, and fireplace grates, primarily from the Republic of Korea and the Republic of China, are not entering the United States in such quantities as to substantially cause or threaten serious injury to domestic producers. Accordingly, import relief was denied under provisions of the Trade Act of 1974.

¹⁶ Chairman Minchew abstained from voting to avoid any possibility or appearance of conflict of interest.

Table 2.—Summary of investigations under sec. 201 of the Trade Act of 1974 pending on Sept. 30, 1977

Investigation No.	Article	Petition or request received	Origin
TA-201-27	Bolts, nuts, and large screws of iron or steel.	6-10-77	Petition by United States Fastener Manufacturing Group, United Steelworkers of America, and International Association of Machinists & Aerospace Workers.
TA-201-28	High-carbon ferrocromium.	7- 1-77	Petition by Committee of Producers of High Carbon Ferrocrome.
TA-201-29	Citizens band (CB) transceivers.	8-10-77	Petition by E. F. Johnson Co.

Litigation Arising Under Section 333 of the Tariff Act of 1930 in Connection With Section 201 of the Trade Act of 1974

Under section 333 of the Tariff Act of 1930, as amended (19 U.S.C. 1333), the Commission may request U.S. district courts to force compliance with Commission orders for firms and persons to provide the Commission with information, including answers to questionnaires. Twice in the past fiscal year the Commission filed actions for such court enforcement through attorneys employed by the Commission. On January 6, 1977, the Com-

mission filed a petition for enforcement of Commission orders in the U.S. District Court for the District of Columbia against 10 producers of corn sweeteners to compel them to furnish information that the Commission considered relevant to an investigation it was then conducting under section 201 of the Trade Act of 1974 on allegedly increased imports of sugar. The district court, Judge John H. Pratt presiding, ordered a hearing in the matter and on February 8, 1977, entered an order granting in part the relief requested by the Commission. In an accompanying memorandum opinion, Judge Pratt held that the sugar investigation was within the Commission's authority and that the demands for information were not too indefinite. He held that some of the information was reasonably relevant to the Commission's purpose and ordered that it be produced, but he also determined that other information demanded was not reasonably relevant and need not be produced.

On August 4, 1977, the Commission filed an action against two producers of processed mushrooms to compel them to answer Commission questionnaires. The suit was voluntarily settled and discontinued when the producers agreed to supply the information requested.

East-West Trade Statistics Monitoring System

Section 410⁵ of the Trade Act of 1974 requires the Commission to establish and maintain a program to monitor trade between the United States and nonmarket 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 six reports on East-West trade to the Congress and the East-West Foreign Trade Board in fiscal 1977 pursuant to section 410 of the Trade Act of 1974, as follows:

1. Eighth Quarterly Report to the Congress and the East-West Foreign Trade Board on Trade Between the United States and the Nonmarket Economy Countries (December 1976, USITC Publication 800).
2. Ninth Report to the Congress and the East-West Foreign Trade Board on Trade Between the United States and the Nonmarket Economy Countries (March 1977, USITC Publication 809).
3. Special Report to the Congress and the East-West Foreign Trade Board on Probable Impact on U.S. Trade of Granting Most-Favored-Nation Treatment to the U.S.S.R. (April 1977, USITC Publication 812).
4. Special Report to the Congress and the East-West Foreign Trade Board on Implications for U.S. Trade

of Granting Most-Favored-Nation Treatment to the People's Republic of China (May 1977, USITC Publication 816).

5. Tenth Report to the Congress and the East-West Foreign Trade Board on Trade Between the United States and the Nonmarket Economy Countries (June 1977, USITC Publication 822).
6. Eleventh Report to the Congress and the East-West Foreign Trade Board on Trade Between the United States and the Nonmarket Economy Countries (September 1977, USITC Publication 836).

Preliminary Investigations Under Section 603⁶ of the Trade Act of 1974

Two Commission-instituted preliminary investigations were in progress during fiscal year 1977 to determine whether to institute an investigation under section 337 of the Tariff Act of 1930, as amended. Investigation No. 603-TA-1, relating to television receivers from Japan, was instituted by the Commission on its own motion on March 26, 1976. On August 29, 1977, the Commission terminated this preliminary investigation. On July 7, 1977, again on its own motion, the Commission instituted investigation No. 603-TA-3 on monumental teak windows from Sweden. The investigation was still in progress at the end of the fiscal year.

TARIFF ACT OF 1930, AS AMENDED

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 that act are usually broader in scope and focus than other statutory investigations conducted by the Commission.

Section 332⁷ 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;

⁵ 19 U.S.C. 2482.

⁷ 19 U.S.C. 1332.

Table 3.—Investigations completed under sec. 332 of the Tariff Act of 1930, as amended, during fiscal year 1977

Investigation No.	Subject	Origin	USITC Publication No.	Date
332-79(1)	Information for use in determining whether to remove permanent-magnet direct current motors from the list of articles eligible for the Generalized System of Preferences.	Request from the President	802	February 1977 ¹
332-79(2)	Information for use in determining whether to remove cast-iron household stoves and cast-iron parts of household stoves (including fireplace and stovetop grates) from the list of articles eligible for the Generalized System of Preferences.	—do—	803	February 1977 ¹
332-79(3)	Information for use in determining whether to remove leather wearing apparel from the list of articles eligible for the Generalized System of Preferences.	—do—	792	November 1976 ²
332-80	Probable economic effect of the provisions of H.R. 14600 and the need to protect a domestic industry (watches and parts therefor).	Request from the House Committee on Ways and Means.	(?)	(?)
332-81	President's list of articles which may be designated as eligible articles for purposes of the Generalized System of Preferences.	Request from the President	(*)	(*)
332-83	The administration and operation of the customs laws.	Motion of Commission	820	June 1977
332-86	The fuel efficiency incentive tax proposal: its impact upon the future of the U.S. passenger automobile industry.	Request from the Senate Committee on Finance.	(?)	(?)
332-88	The gas guzzler tax proposal: a comparison of its impact with that of the fuel efficiency incentive tax proposal upon the future of the U.S. passenger automobile industry.	—do—	(*)	(*)

¹ Business confidential report transmitted to the President on Dec. 30, 1976.

² Business confidential report transmitted to the President on Nov. 10, 1976.

³ The report was transmitted to the House Committee on Ways and Means on May 30, 1977, and published as a committee print (Committee on Ways and Means, U.S. House of Representatives, 95th Cong., 1st sess., June 1977).

⁴ Report submitted to the President in confidence.

⁵ The report was transmitted to the Senate Committee on Finance on July 15, 1977, and published as a committee print (Committee on Finance, U.S. Senate, 95th Cong., 1st sess., July 1977).

⁶ The report was transmitted to the Senate Committee on Finance on Sept. 2, 1977, and published as a committee print (Committee on Finance, U.S. Senate, 95th Cong., 1st sess., September 1977).

The tariff relations between the United States and foreign countries, commercial treaties, preferential provisions, and economic alliances;

The effect of export bounties and preferential transportation rates;

The volume of importations compared with domestic production and consumption; and

Conditions, causes, and effects relating to competition of foreign industries with those of the United States.

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

During fiscal year 1977, six investigations under section 332 of the Tariff Act of 1930 were

completed, as shown in table 3 above. Investigations which were in progress at the close of fiscal 1977 are summarized in table 4.

Commission-initiated research studies completed during fiscal year 1977 and pending on September 30, 1977, are as follows:

Research subject	Status
Factors affecting world petroleum prices to 1985.	Completed; USITC Publication 832. September 1977.
Softwood lumber consumption: short-range predictive models.	Completed; USITC Staff Research Study No. 9, August 1977.
Trade in vegetable oilseed products and fats.	Pending.
Study of the effects of GSP on U.S. trade in the program's first year of operation, 1976.	Do.
World trade in grains.	Do.
A survey and analysis of government-owned industries in market economies.	Do.
Tariff and nontariff barriers to world trade in passenger automobiles.	Do.
Related-party transactions in U.S. import trade.	Do.
Study on cost analysis of the Arrangement Regarding International Trade in Textiles.	Do.
Newspaper consumption: short-range predictive model.	Do.

Table 4.—Investigations under sec. 332 of the Tariff Act of 1930, as amended, pending on Sept. 30, 1977

Investigation No.	Subject	Origin
332-73	Formulation of an international commodity code.	Sec. 608(c)(1) of the Trade Act of 1974.
332-82	Probable domestic impact of changing from the current "chief value" method of classifying textile imports to a "chief weight" method of classifying such imports.	Request from the President.
332-84	Quarterly statistical reports providing certain information on canned and frozen mushrooms.	Do.
332-85	Conditions of competition in U.S. markets between domestic and foreign live cattle and cattle meat fit for human consumption.	Motion of Commission
332-87	Conditions of competition in the western U.S. steel market between certain domestic and foreign steel products.	Do.

Unfair Trade Practices

Section 337⁶ of the Tariff Act of 1930 declares unlawful unfair methods of competition and unfair acts in the importation of articles into the United States, or in their sale by the owner, importer, consignee, or agent of either, the effect or tendency of which is to destroy or substantially

⁶ 19 U.S.C. 1337.

Table 5.—Investigations completed under sec. 337 of the Tariff Act of 1930, as amended, fiscal year 1977

Articles concerned	Complainant	Complaint filed	Instituted (date and No.)	Public hearing	Finding of Commission	Date of finding	USITC Publication No.
Certain bismuth molybdate catalysts.	Standard Oil Co. (SOHIO), Cleveland, Ohio.	5-30-75	10-15-75, 337-TA-20	7-19-76	Terminated; no violation. ¹	10-15-76 (10-21-76)	—
Dry wall screws	Superior Dry Wall Screw Mfg. Co., Inc., Landover, Md.	8-20-75; 10-10-75	11-13-75, 337-TA-21 (amendment)	—	—do. ²	10-29-76 (11-3-76)	—
Reclosable plastic bags	Minigrip, Inc., Orangeburg, N.Y.	10-20-75	1-15-76, 337-TA-22	12-16-76	Violation; permanent exclusion order. ³	1-17-77 (1-24-77)	801
Certain color television receiving sets.	GTE Sylvania, Inc., and Philco Consumer Electronics Corp.	1-15-76; 5-25-76	4- 1-76, 337-TA-23 (amendment)	7- 5-77	Terminated; consent orders entered into.	7-29-77 (8- 4-77)	—
Certain exercising devices	Rainbow Lifeguard Products, Inc., El Monte, Calif.	2- 3-76; 3-25-76	4-20-76, 337-TA-24 (amendment)	3-29-77	Violation; permanent exclusion order. ⁴	4-20-77 (4-25-77)	813
Certain above-ground swimming pools.	Coleco Industries, Inc., Hartford, Conn.	2-25-76; 3-25-76	4-29-76, 337-TA-26 (supplement)	4- 1-77	Terminated; no violation	4-29-77 (5- 4-77)	815
Certain solder removal wicks.	Solder Removal Co. and Jesse C. Hood, Covina, Calif.	5-10-76	7- 1-76, 337-TA-26	6-10-77	—do—	7- 1-77 (7- 8-77)	823
Chicory root, crude and prepared.	R.E. Schanzer Corp., New Orleans, La.	6-11-76	7-16-76, 337-TA-27	8-30-76	—do—	3-30-77 (4- 4-77)	—
Certain knitting machines and throat plates therefor.	Marvel Specialty Co., Inc., Hickory, N.C.	10- 6-76	11-12-76, 337-TA-28	—	—do—	3-24-77 (3-30-77)	—

¹ Commissioners Leonard and Minchew voted to deny complainant's motion in its entirety.

² By reason of license agreement.

³ Commissioner Abblondi dissented in part and concurred in part.

⁴ The President did not act.

⁵ Commissioner Abblondi determined that the amount of bond should be 200 percent of the value of the article concerned, f.o.b. foreign port.

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 either an order excluding imports from entry into the United States 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.

At the beginning of fiscal 1977, the Commission had eight investigations before it under section 337. During the year nine new investigations were instituted, and nine were concluded. These investigations are summarized in table 5. Investigations pending on September 30, 1977, are summarized in table 6.

Litigation Arising From Investigations Conducted Under Section 337

On June 20, 1977, Coleco Industries, Inc., filed an appeal with the U.S. Court of Customs and Patent Appeals appealing the Commission's decision in investigation No. 337-TA-25 (Certain

Above-Ground Swimming Pools). This case, *Coleco Industries, Inc. v. U.S. International Trade Commission, Diamond Pools, Branch Brook Co, Harrow Stores and Pool City*, is now pending before the court.

On August 10, 1977, the Solder Removal Co. and Jesse C. Hood filed an appeal with the U.S. Court of Customs and Patent Appeals appealing the Commission's decision in investigation No. 337-TA-26 (Certain Solder Removal Wicks). This case, *Solder Removal Company and Jesse C. Hood v. U.S. International Trade Commission, Dipl. Ing. Ernest Spirig and Signalarm, Inc.* is also pending before the court.

On November 12, 1976, the U.S. District Court for the District of Columbia granted the Commission's motion to dismiss a suit (*Melco Sales, Inc. v. U.S. International Trade Commission, et al.*, Civil Action No. 76-1932) brought to review action by the Commission in its investigation No. 337-TA-23 (Certain Color Television Receiving Sets). Plaintiffs also sought an order of the court to enjoin further proceedings of the Commission in its investigation. The court held, *inter alia*, that it lacked subject-matter jurisdiction over the suit;

Table 6.—Investigations under sec. 337 of the Tariff Act of 1930, as amended, pending on Sept. 30, 1977

Articles concerned	Complainant	Complaint filed	Instituted (date and No.)	Public hearing
Certain welded stainless steel pipe and tube.	Acme Tube, Inc., Allegheny-Ludlum Steel Corp., Armco Steel Corp., et al.	11-15-77	2-22-77, 337-TA-29	—
Certain display devices for photographs and the like.	Charles D. Burnes Co., Boston, Mass.	1-14-77	2-18-77, 337-TA-30	10-31-77
Certain steel toy vehicles	Tonka Corp., Hopkins, Minn.	3-11-77; 3-24-77 and 3-31-77 (amendments)	4-15-77, 337-TA-31	—
Certain dot matrix impact printers and solenoids.	Centronics Data Computer Corp., Hudson, N.H.	3-14-77; 3-28-77 (amendment)	4-26-77, 337-TA-32	—
Certain light shields for sonar apparatus.	Lowrance Electronics, Inc., Tulsa, Okla.	3-24-77	4-26-77, 337-TA-33	—
Certain numerically controlled machining centers and components thereof.	Burgmaster Division, Houdaille Industries, Inc., Los Angeles, Calif.	4-14-77	5-17-77, 337-TA-34	—
Certain molded golf balls	PCR Golf Ball Co., Inc., Rocky Hill, N.J.	4-14-77 6-13-77 (amendment)	7- 6-77, 337-TA-35	—
Certain plastic fastener assemblies	Dennison Manufacturing Co., Framingham, Mass.	6-30-77 7-22-77 (amendment)	8-11-77, 337-TA-36	—

that the Commission's investigation was not in excess of its statutory jurisdiction; that the investigation was not inconsistent with the foreign affairs of the United States; and that the Commission had not taken any action which directly affected any cognizable interest of the plaintiff, who had claimed injury by reason of the Commission's discovery proceedings in Japan.

On May 12, 1977, the U.S. Court of Customs and Patent Appeals issued its per curiam decision granting the motion of the Commission and the Standard Oil Co. as appellees to dismiss a consolidated appeal (*Rohm and Haas Co. and Nippon Shokubai Kagaku Kogyo Co., Ltd. v. International Trade Commission and Standard Oil Co.*, Consolidated Appeal Nos. 77-2 and 77-4) from final Commission action in its investigation No. 337-TA-20 (Certain Bismuth Molybdate Catalysts). Appellants, who were respondents in the proceeding before the Commission, sought the court's review of an order terminating the investigation, which was based upon the alleged infringement of Standard Oil Co. patents. The court held that appellants lacked standing to challenge the Commission order.

ANTIDUMPING ACT, 1921, AS AMENDED

Provisions of the Antidumping Act

Section 201(a)⁹ 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 1977, the Commission completed 10 investigations under section 201 (a) of the Antidumping Act; 2 others were in progress at the end of the year. The Commission's determinations were affirmative in four cases¹⁰ and negative in six cases. The investigations are summarized in table 7 on the following page.

⁹ 19 U.S.C. 160 *et seq.*

¹⁰ Under the Antidumping Act, decisions in which the Commissioners voting are evenly divided in their findings are deemed to be in the affirmative.

Table 7.—Antidumping investigations completed in fiscal year 1977

Investigation No.	Articles 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.
AA1921-159	Tantalum electrolytic fixed capacitors from Japan.	7-22-76	9- 8-76 and 9- 9-76	Negative Parker	Minchew Leonard Moore Bedell Ablondi	—	—	10-22-76	789
AA1921-160	Knitting machines for ladies' seamless hosiery, from Italy.	8-25-76	10-12-76	—do—	—	Minchew Parker Leonard Moore Bedell Ablondi	—	11-24-76	794
AA1921-161	Portland hydraulic cement from Mexico	9- 1-76	10-19-76	—do—	—	Minchew Parker Leonard Moore Bedell Ablondi	—	12- 1-76	795
AA1921-162	Melamine in crystal form from Japan	9-20-76	11- 9-76	Affirmative Parker	Parker Moore Bedell Ablondi	Minchew Leonard Ablondi	—	12-20-76	796
AA1921-163	Clear sheet glass from Romania	1-12-77	3- 8-77	Negative Moore	Moore Ablondi	Minchew Parker Bedell	Leonard ¹	4-12-77	811
AA1921-164	Round head steel drum plugs from Japan.	3-14-77	5- 3-77	—do—	—	Minchew Parker Moore Bedell Ablondi	Leonard ¹	6-14-77	819
AA1921-165	Metal-walled above-ground swimming pools from Japan.	3-29-77	5-12-77	Affirmative Parker	Parker Moore Bedell Ablondi	Minchew Ablondi	—	6-29-77	821
AA1921-166	Parts for self-propelled bituminous paving equipment from Canada.	4- 7-77	5- 4-77	—do—	Moore	Minchew Ablondi	Parker ²	7- 7-77	824
AA1921-167	Pressure sensitive plastic tape from Italy	5-31-77	7-26-77	—do—	Parker Moore	Minchew Bedell	—	8-31-77	830
AA1921-168	Pressure sensitive plastic tape from West Germany.	6-14-77	8- 9-77	Negative	Ablondi	Minchew Parker Moore Bedell Ablondi	—	9- 7-77	831

¹ Commissioner Leonard abstained from voting to avoid any possibility or appearance of conflict of interest.

² Vice Chairman Parker did not participate in the vote in this investigation because of illness and hospitalization.

On September 30, 1977, investigations Nos. AA1921-174 and 175, on saccharin from Japan and the Republic of Korea, were in progress under the Antidumping Act.

Amendments to 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 investigations 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 1977, two such investigations were referred to the Commission; one was completed

during the fiscal year, and one was pending on September 30, 1977. They are summarized in table 8.

Litigation Arising From Investigations Conducted Under the Antidumping Act

As stated in the Commission's annual report for 1976, SCM Corp. had sued the Commission in the U.S. District Court for the District of Columbia for an order setting aside a negative Commission determination in investigation No. AA1921-145 (Portable Electric Typewriters From Japan); the suit was dismissed by the district court (404 F. Supp. 124). On appeal, the U.S. Court of Appeals for the District of Columbia reversed the district court and remanded the case to it, to retain jurisdiction "until SCM has the opportunity to press its request for relief in the Customs Court." In the event the Customs Court held that it had no

Table 8.—Antidumping inquiries completed or pending on Sept. 30, 1977

Investigation No.	Articles 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)	Not finding that "there is no reasonable indication [of injury]" (Treasury continues its investigation)	Not participating	To Secretary of Treasury	USITC Publication No.
AA1921-Inq-6 . . . Impression fabric of manmade fiber from Japan.		3-10-77	3-28-77	Minchew	Parker Leonard Moore Bedell Ablondi	—	4-11-77	810
AA1921-Inq-7 . . . Methyl alcohol from Brazil.		9-13-77	10- 3-77	Minchew Parker Moore Bedell Ablondi	—	—	10-13-77	837

jurisdiction or no authority to grant adequate relief to SCM, the district court was to proceed to reach the merits (549 F.2d 812). On April 1, 1977, SCM Corp. filed a summons in the Customs Court instituting *SCM Corp. v. United States*. SCM Corp.'s motion for a three-judge court was denied on August 15, 1977; its motion for a determination by the court as to whether it had jurisdiction was under advisement at the close of the fiscal year.

In complaints filed with the Customs Court on September 26, 1977, and now pending in that court, Armstrong Bros. Tool Co. et al. asserted, *inter alia*, that the negative determinations of the Commission in investigations Nos. AA1921-141 (Wrenches, Pliers, Screwdrivers, and Metal-Cutting Snips and Shears From Japan) and AA1921-149 (Chisels, Punches, Hammers, Sledges, Vises, C-Clamps, and Battery Terminal Lifters From Japan) are invalid. Also on September 26, 1977, Sprague Electric Co. filed a complaint (*Sprague Electric Co. v. United States*) challenging a Commission negative determination in investigation No. AA1921-159 (Tantalum Electrolytic Fixed Capacitors). At the close of the fiscal year, the issue had not been joined in any of these cases.

On July 6, 1977, an Italian manufacturer and exporter of plastic tape, Manuli Autoadesivi, S.p.A., and its U.S. subsidiary, an importer of these products, filed a complaint in the U.S. District Court for the District of Columbia to have declared invalid and to enjoin investigation No. AA1921-67 (Pressure Sensitive Plastic Tape From Italy), which had been instituted on June 3, 1977. These

plaintiffs also sought a preliminary injunction. The basis of the action was that the Treasury Department had allegedly published its determination of sales at less than fair value some 2 to 9 days after the permissible time period for this determination had elapsed. The case came before Chief Judge William B. Bryant, who, on motion of the Commission (represented by attorneys employed by the Commission), dismissed the action on the ground that the Customs Court was the proper forum to hear such cases, even if that court would not entertain a motion to enjoin the Commission's investigation while the investigation was in process. No appeal was taken from this order.

In a complaint filed with the Customs Court on October 17, 1974, Pasco Terminals, Inc., asserted, *inter alia*, that the injury determination of the Commission in investigation No. AA1921-92 (Elemental Sulfur From Mexico) was invalid. The Customs Court held that Pasco Terminals, Inc., had no standing to protest the imposition of dumping duties (416 F. Supp. 1242 (1974)). Pasco Terminals, Inc., moved for a rehearing of that decision, and on December 1, 1976, the motion for rehearing was denied (C.D. 4676).

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

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),¹ 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 27th report, covering calendar year 1975, was issued in fiscal year 1977.

The Commission's work as it related to the trade agreements program during fiscal 1977 fell into three major areas. The first consisted of assembling tariff, commodity, and statistical information in support of activities associated with the current round of multilateral trade negotiations or the program's daily operation. The second involved technical assistance to the STR in work related to the operation of the Generalized System of Preferences (GSP). The third involved technical assistance to the STR in conducting the interagency executive branch review of certain reports which the Commission submits to the President.

Multilateral Trade Negotiations

A seventh round of comprehensive multilateral trade negotiations (MTN) under the auspices of the General Agreement on Tariffs and Trade (GATT) opened in September 1973. The negotiations were in progress in Geneva, Switzerland, throughout the period covered by this report. The Commission provided technical assistance to the STR in most areas of the negotiations. Computer tabulations on U.S. imports were prepared for the U.S. delegation in Geneva. Technical assistance was provided regularly to many of the Washington-based task forces which provide support for the U.S. delegation, including extensive assistance in assembling statistics and other data for the U.S. tariff offers. Commission staff and Commissioners participated in Geneva meetings of the MTN negotiating groups, and a member of the Commission staff was on the permanent U.S. MTN delegation in Geneva. In addition to the above activities, the Commission completed several large research projects to provide information on topics which the STR had indicated would be helpful for conduct of the negotiations.

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

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

Work required for the regular operation of the trade agreements program, apart from MTN activities, included, *inter alia*, preparation of a consolidated schedule of U.S. concessions under the GATT.

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. The Special Trade Representative and the Secretary of State are jointly responsible for the administration of the GSP. Executive Order 11888 implemented the GSP effective January 1, 1976. The Executive order has been modified several times; some articles were added and some were deleted from the list of articles receiving GSP treatment. The Commission provided technical assistance in the interagency review leading to these modifications, as well as assistance in preparation of the orders implementing the changes. In addition, Commission personnel assisted in monitoring GSP imports and did the major part of the work entailed in application of the "competitive need" criteria set out in section 504 of the Trade Act. For the third and fourth executive branch reviews of the operation of GSP, parts of which consisted of public hearings held by the Trade Policy Staff Committee, the STR was supplied technical data on U.S. production of and trade in more than 200 articles on which petitions

had been submitted for a modification of their GSP status.

Executive Branch Review of Commission Reports

Many of the reports which the Commission submits to the President under various statutes, such as section 201 of the Trade Act of 1974, involve matters on which action by the President would affect trade-agreement obligations of the United States. Executive branch review of these reports for the purpose of formulating executive branch recommendations to the President is usually centered in the office of the Special Trade Representative. The Commission provides technical assistance in the review process, including such supplemental information as may be required. During the period covered by this report the Commission submitted five reports to the President on investigations which were instituted as a result of petitions for import relief under section 201 of the Trade Act. These reports required eventual action by the President.² With respect to the footwear and color television receiver cases, the Commission provided data to assist in negotiations for orderly marketing agreements, aided in the preparation of the President's proclamations implementing the agreements, and, later, at the request of the President, established a reporting system for monitoring domestic production and trade in footwear and color television receivers. A monitoring system was also established for mushrooms.

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)³ of the Tariff Act of 1930 by providing for comparability of U.S. import, production, and export data, as follows:

² The reports concerned investigations in which a majority of the Commission found that a domestic industry was being seriously injured by imports, or threatened with serious injury, or in which the Commission was evenly divided on the question of injury. The products involved were sugar, canned mushrooms, nonrubber footwear, color television receivers, and cast-iron stoves and fireplace grates.

³ 19 U.S.C. 1484(e).

(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.

During fiscal year 1977 the Commission staff prepared for public comment draft comparability tables covering more than 200 subparts in the *Tariff Schedules of the United States Annotated* (TSUSA) and in the proposed export schedule, and held about 400 meetings with interested public and Government representatives to discuss and review the proposals. After publication of the proposals, Commission staff along with representatives of the Departments of the Treasury and Commerce reviewed comments and suggestions from the public and other Government agencies for incorporation in the final schedules. This effort resulted in the preparation and printing of a 1978 edition of Schedule B (the export schedule) based on the TSUSA, the preparation of a 1978 edition of the TSUSA incorporating changes providing for greater comparability with exports and production, and changes in the product codes based on the Standard Industrial Classification providing for greater comparability with imports and exports.

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

The Commission has participated in the U.S. contribution to the technical work of the Harmonized System Committee by preparing comments on the parts of the Harmonized Code dealing with paper and paper products, footwear, articles of nonmetallic minerals, ceramic and glass articles, and tools and machinery, and by providing technical assistance to the U.S. delegate to the Harmonized System Committee at Committee sessions. In addition, preliminary work has been done on the agriculture chapters of the Harmonized Code and chapters dealing with pharmaceutical products, cosmetics, soaps and detergents, electrical machinery, and optical, photographic, measuring, checking, and other instruments and apparatus. In an effort to afford all interested parties an opportunity to contribute to the Commission's role in drafting comments on the Harmonized Code, the Commission held hearings on various chapters throughout the year.

PREPARATION OF THE TARIFF SCHEDULES OF THE UNITED STATES ANNOTATED

The *Tariff Schedules of the United States Annotated* is published periodically by the Commission. The TSUSA 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 year 1977 the Commission issued supplements 3 through 7 to the 9th (1976) edition of the TSUSA, and work was started on the 10th (1978) edition.

PERIODIC REPORTS ON COMMODITIES

Synthetic Organic Chemicals

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

Government uses of these data reportedly include trade adjustment assistance by the Department of Labor, planning and investigations by the Food and Drug Administration, possible concessions in trade negotiations by the STR, and monitoring 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 use these data extensively.

Annual reports.—The 59th annual report on U.S. production and sales of synthetic organic chemicals, covering calendar year 1975, was released by the Commission on March 7, 1977.⁴ Fourteen groups of chemicals were involved:

- Tar and tar crudes
- Crude 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 cyclic and acyclic organic chemicals.

Approximately 750 manufacturers report data on some 8,000 chemical products to the Commission; 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.

Monthly reports.—The monthly production reports (Series C/P) add timeliness to the Commission's statistics. A report, containing production data for the selected synthetic organic chemicals, plastics, and resins (trend-setting indicator materials), is issued for each month at a date approximately 5 weeks after the month covered by the report.

⁴ Synthetic Organic Chemicals, United States Production and Sales, 1975, USITC Publication 804, 1977.

Quantitative Determinations

As required by statute, Executive order, or Presidential proclamation, the Commission submitted annual and quarterly reports during fiscal 1977 on several products.

Annual reports were submitted on U.S. consumption of watch movements⁵ and brooms.⁶

On June 27, 1977, the President announced that an orderly marketing agreement had been negotiated limiting the export of color television receivers and certain subassemblies thereof from Japan to the United States for a period of 3 years beginning July 1, 1977.⁷ His action followed receipt of the Commission's report concerning color television receivers (Investigation No. TA-201-19). The President directed the Commission to issue quarterly reports showing monthly data obtained from producers on production, shipments, inventories, employment, man-hours, and prices, and other economic factors indicative of conditions in the U.S. industry. The President also directed the Commission to make annual surveys to obtain quarterly data on profit and capacity and annual data on capital expenditures and research and development expenditures from U.S. producers and quarterly data on prices, orders, and inventories from importers. During fiscal 1977 the Commission issued one quarterly report, which covered the fourth quarter of 1976 and the first two quarters of 1977. The reports of the first annual surveys must be issued by March 31, 1978. The quarterly and annual reports are to continue for the duration of the orderly marketing agreement.

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.⁸ In fiscal year 1977, the

⁵ Public Law 89-805 (80 Stat. 1521, 1522); Public Law 89-241 (79 Stat. 948, 949).

⁶ Executive Order 11377 implements headnote 3 to schedule, 7, pt. 8, subpt. A, of the TSUS.

⁷ Presidential Proclamation 4511, June 24, 1977.

⁸ Presidential Proclamation 4445 implements headnote 2(g)(i) of pt. 2, subpt. A, of the Appendix to the TSUS.

Commission issued four quarterly reports covering U.S. producers' production, shipments, employment man-hours, and prices. Two annual reports were also issued during the year. One covered U.S. producers' profit, unshipped orders, inventories, capacity, capital expenditures, and research and development expenditures; the other covered U.S. importers' prices, unshipped orders, and inventories. The quarterly and annual reports are to continue for the duration of the quantitative restrictions.

Following receipt of the Commission's report on mushrooms (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 production, sales, imports, exports, and inventories of U.S. producers; and apparent domestic consumption of canned mushrooms. Such reports are to be made until the Commission is notified by the Special Representative for Trade Negotiations that they are no longer required. The Commission issued two quarterly reports in fiscal 1977—the first report covered the last two quarters of 1976 and the first quarter of 1977, and the second report covered the second quarter of 1977.

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 the Republic of China 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, 1981.⁹ 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 one quarterly report in fiscal 1977—the report covered 1975, 1976, and January-June 1977—and must publish by May 31, 1978, the results of its first annual surveys of domestic producers and importers. The quarterly and annual reports are to continue for the duration of the orderly marketing agreements.

Other Periodic Reports

The following two series of data were initiated some years ago because of congressional and general interest. Series A will be published annually, in the spring; Series B will be published each fall.

Automotive Trade Statistics, 1964-75, Series B: New Passenger Automobiles: Statistical data relating to U.S. production, factory sales, retail sales, imports, exports, apparent consumption, suggested retail prices, tariff and nontariff barriers to trade imposed by the major producing countries, and U.S. bilateral trade balances with those countries, USITC Publication 793, November 1976.

Automotive Trade Statistics, 1964-76, Series A: Motor Vehicles: Statistical data relating to U.S. factory sales, imports, exports, apparent consumption and U.S. trade balances with Canada and all other countries, USITC Publication 818, May 1977.

SUMMARIES OF TRADE AND TARIFF INFORMATION

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

This series provides comprehensive coverage of product uses, manufacturing processes, and commercial practices, and includes analysis of the numerous factors affecting U.S. and world trade in each commodity area.

⁹Presidential Proclamation 4510, June 22, 1977, implements heading 3(k) to pt. 2, subpt. A, of the Appendix to the TSUS.

In fiscal year 1977 the Commission initiated a new series of summaries, which will consist of approximately 1,000 individual reports published in looseleaf form; the Commission will issue update sheets as appropriate for individual summaries. The overall program will run several years, ultimately covering all items of the TSUS. The first summaries in this new series will be published in fiscal year 1978.

ASSISTANCE TO THE CONGRESS

During fiscal year 1977, an Office of Congressional Liaison was established as a result of the Commission's reorganization. Liaison functions with the Congress, State and local governments, international organizations, and nonexecutive Government agencies were centralized and a congressional liaison program initiated so that both the Commission and the legislative branch are kept informed of trade activities of mutual interest.

Responding to congressional inquiries remained a major activity of the new office: the Commission replied to an average of 100 written requests and 150 oral requests each month. In addition, technical assistance on more than 90 proposed bills was provided, staff specialists participated at a number of congressional hearings, and Commission representatives personally accompanied Members of Congress to their home districts for discussions of international trade matters of concern to constituents.

Specific requests from the Senate Finance Committee resulted in the institution of two investigations under section 332 of the Tariff Act of 1930; reports on the investigations, *The Fuel Efficiency Incentive Tax Proposal: Its Impact Upon the Future of the U.S. Passenger Automobile Industry* (No. 332-86) and *The Gas Guzzler Tax Proposal: A Comparison of its Impact With That of the Fuel Efficiency Incentive Tax Proposal Upon the Future of the U.S. Passenger Automobile Industry* (No. 332-88), were completed and sent to the committee in July and September, respectively. An investigation under section 201 of the Trade Act of 1974 on sugar (No. TA-201-16), which had been requested by the Finance Committee in fiscal 1976, was completed and the report thereon sent to the President in March 1977. The report on a

section 332 investigation concerning watches and parts therefor (No. 332-80), requested by the Committee on Ways and Means in fiscal 1976, was completed and sent to the committee in May 1977. In addition, congressional support was received for two section 332 investigations which the Commission initiated on its own motion: Conditions of Competition in the Western U.S. Steel Market Between Certain Domestic and Foreign Steel Products (No. 332-87) and Conditions of Competition in U.S. Markets Between Domestic and Foreign Live Cattle and Cattle Meat Fit for Human Consumption (No. 332-85).

During the year, 36 Members of Congress appeared as witnesses or were represented at hearings before the Commission, and written testimony was received from an even greater number.

GOVERNMENT IN THE SUNSHINE

In its report *Shadow Over the Sunshine Act*, a study of Federal agencies' compliance with the Government in the Sunshine Act¹⁰ issued October 12, 1977, Common Cause commented upon the Commission's implementation of the provisions of the act: "[An] agency that appears to have gone beyond the literal requirements of the Sunshine Act in several ways in order to affirmatively implement the spirit of open government is the U.S. International Trade Commission."

The United States International Trade Commission anticipated the March 12, 1977, effective date of the open meetings provisions of the Government in the Sunshine Act by opening its meetings to public observation on December 13, 1976, and was the first Federal agency to issue regulations to implement those provisions. Government "in the sunshine" has affected the Commission's operations in three ways: (1) Public awareness of the Commission's work has been increased; (2) legislative oversight of the Commission's operations has been facilitated; and (3) documentation of the Commission's deliberations and actions has been greatly improved.

Several requirements of the Commission's Rules of Practice and Procedure go beyond the minimum requirements of the act. For instance, whereas the Government in the Sunshine Act only

¹⁰ 5 U.S.C. 552b.

requires that a complete recording or transcript of closed meetings be maintained by an agency, the Commission's rules require a complete recording or transcript of all Commission meetings, whether open or closed to the public. By providing for a complete, verbatim transcript or recording of all Commission meetings, the deliberations and actions of the Commission are accessible to all interested persons, whether they happen to be in Washington, D.C., or not.

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

Although the act provides several bases for closing Commission meetings to public observation, the Commission discusses the great majority of subjects in open session. Portions of meetings have been closed to protect individuals from clearly unwarranted invasions of personal privacy or to protect the confidentiality of business information.

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

22 COMMISSION FACTFINDING HEARINGS HELD IN 17 CITIES

During fiscal year 1977 the Commission held 22 public hearings in 17 cities, in virtually every area of the Nation. From ordinary citizen to Government official, witnesses presented testimony with a direct relationship to more than a score of Commission investigations. These factfinding hearings were a conscious effort by the Commission to bring the Government decisionmaking process to the interested public. The hearings were held in Tampa, Fla.; New Orleans, La.; San Francisco, Calif. (two); Atlanta, Ga.; Boise, Idaho; Houston, Tex.; Chicago, Ill. (two); New York, N.Y. (four); Pittsburgh, Pa.; Birmingham, Ala.; Coral Gables, Fla.; Charlotte, N.C.; Los Angeles, Calif.; St. Louis, Mo.; Rapid City, S. Dak.; Fort Worth, Tex.; and Kansas City, Mo.

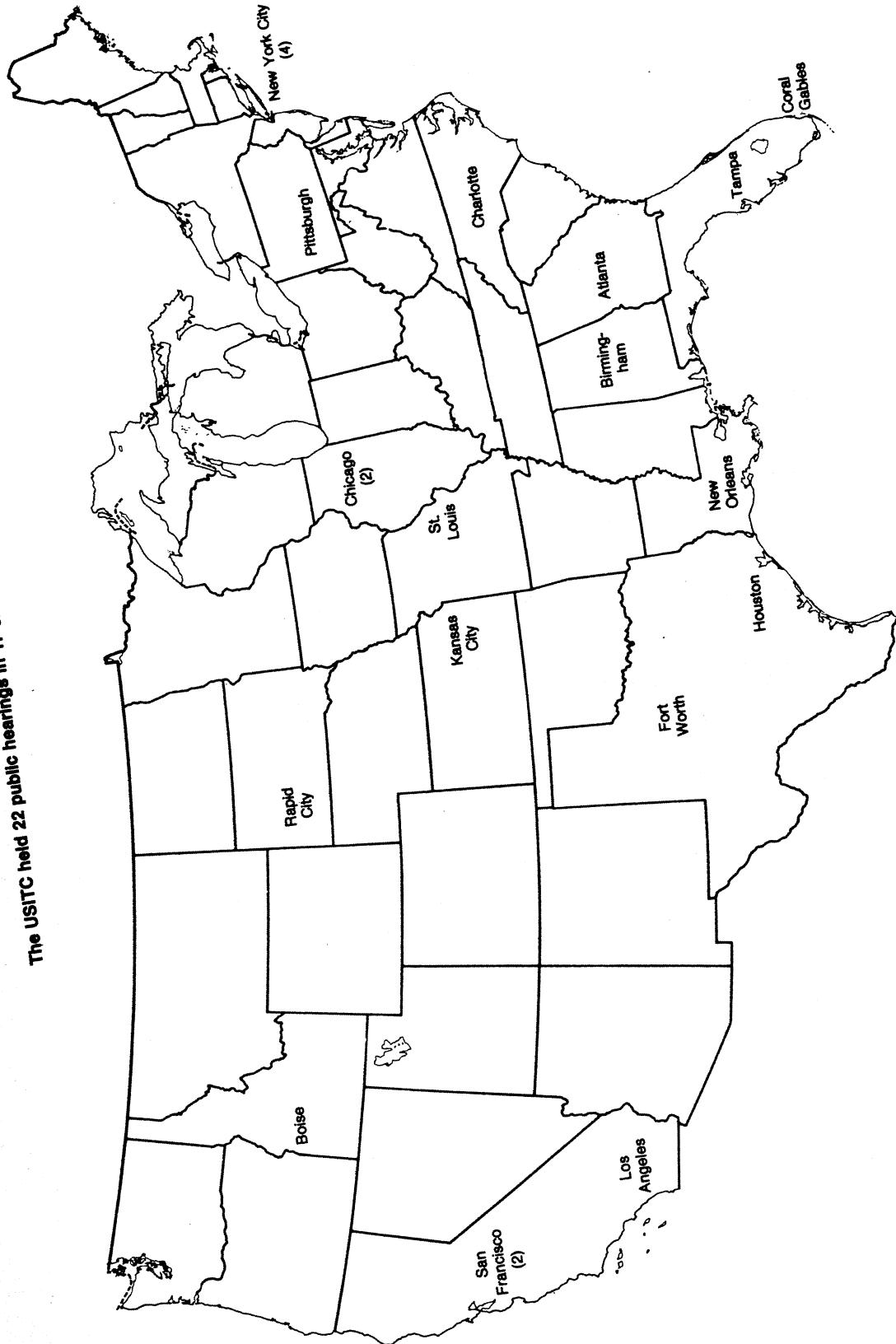
NEW YORK CITY FIELD OFFICE

While maintaining its headquarters in Washington, D.C., from its earliest days the Commission recognized the advisability of operating a field office in the Nation's leading center for international commerce—the port of New York and New Jersey—which accounts for about 17 percent of U.S. trade. Established in 1922, the New York facility remains the only Commission office functioning outside the Nation's Capital.

For some 50 years after Congress authorized its establishment, the New York office had limited staff with few functional duties. On January 1, 1977, the Commission reconstituted and upgraded the unit to a professional-level office. Now staffed with a director and trade specialists, it represents the Commission in eight States, from New Jersey to Maine, a region with an important role in international commerce.

Located in the Customs Building within the World Trade Center complex in lower Manhattan, the Commission's regional office performs several functions. With a staff of seven, including international trade specialists/economists, customs records analysts, and a librarian, the office develops and maintains liaison with numerous

The USITC held 22 public hearings in 17 cities during fiscal year 1977.



agencies and organizations at the New York-New Jersey port. Included on this long list are 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 regional 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.

TWO CENTURIES OF TARIFFS RECOUNTED

In September 1977, the Commission published *Two Centuries of Tariffs: The Background and Emergence of the U.S. International Trade Commission*. Written by John M. Dobson, associate professor of history at Iowa State University, Ames, Iowa, the 144-page book is a history of U.S. tariff

policies and the Commission, as well as a history of the growth of the United States from a small trading country to a world economic power.

With 18 illustrations, the study examines the history of U.S. tariff and international trade policies from three perspectives. Part I presents a brief review of the major events in the development of the U.S. tariff system from Revolutionary times to the present. Part II takes a more detailed look at several of the major historical tariff issues and the controversies these issues engendered. Finally, part III describes the development and operations of the Commission as a participant in the definition and administration of tariff and trade policy since 1916.

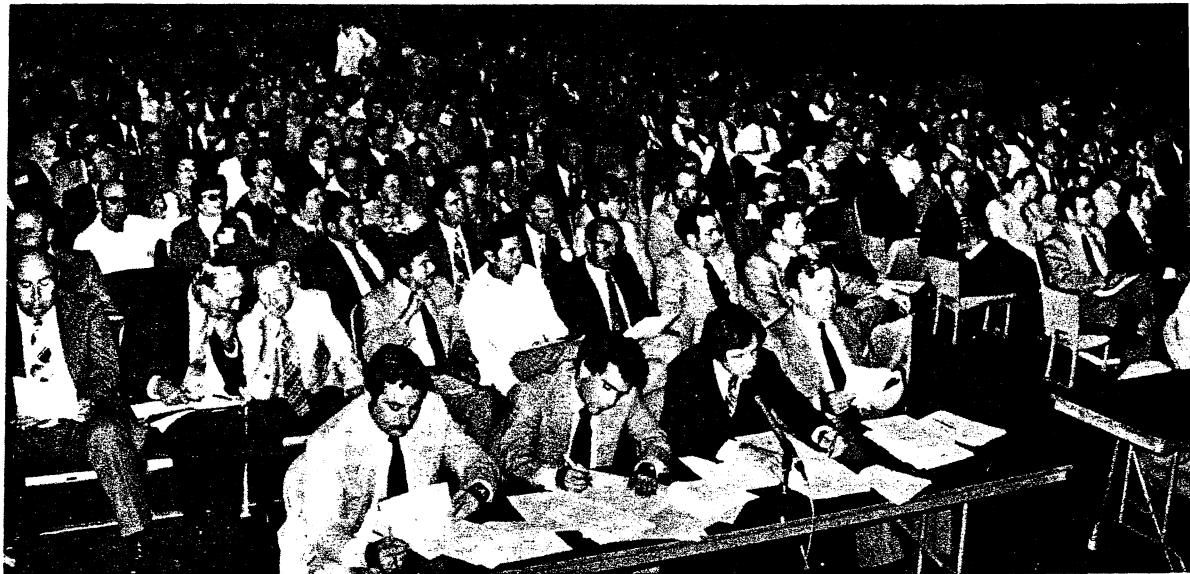
Author Dobson notes in the book's introduction:

Since the founding of the United States, foreign trade has been a vital factor in the Nation's welfare, and never more than now, as international interdependence encourages international trade on a far vaster and more complex scale. As the scope and complexity of U.S. economic relations have expanded over the years, so has the need for specialized and technical information and analysis that can inform those who make U.S. foreign economic policy in the executive and legislative branches of Government. For over 60 years, the United States Tariff Commission (the United States International Trade Commission since 1975) has helped to fill this need as an independent agency dedicated to the conduct of factual and objective economic research in the areas of international trade and economics.

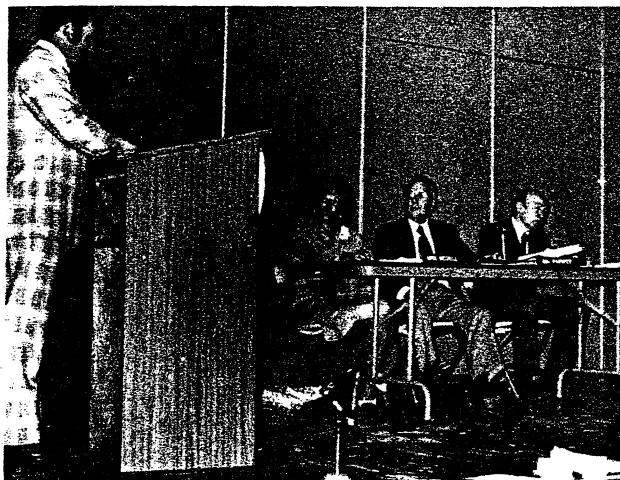
Copies are for sale at \$2.40 each and may be obtained from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402 (Stock Number 049-000-00043-0).



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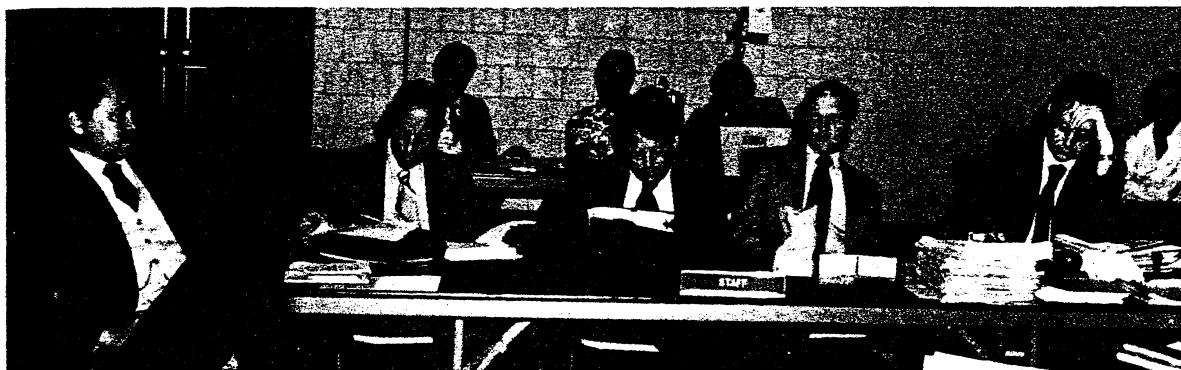


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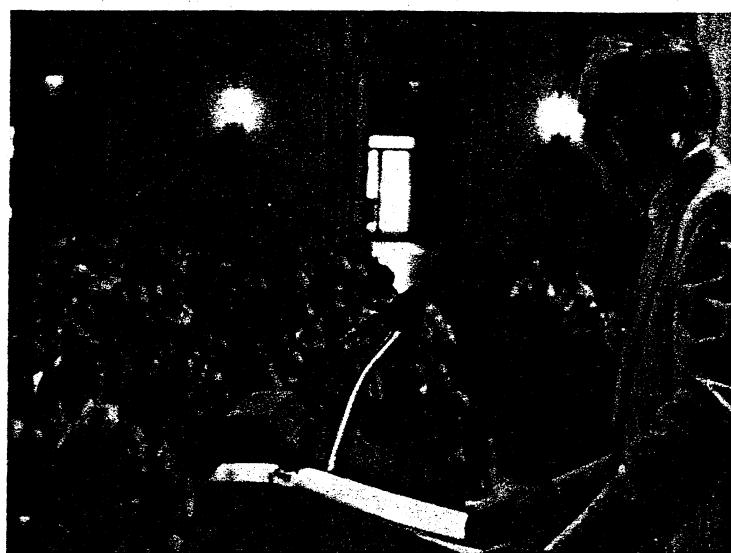
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Cattle and Beef Hearings Attract Record Crowds

More than 2,200 people participated in the Commission's public hearings in its investigations on imports of and conditions of competition in U.S. markets between domestic and foreign live cattle and frozen beef. The Commission held five hearings in South Dakota, Texas, New York, Missouri, and Washington, D.C. Dozens of cattlemen, farmers, State officials, trade association executives, and attorneys representing varying viewpoints testified before the Commission. Cattlemen packed the civic center in Rapid City, S. Dak. (1), and the National Capital's Departmental Auditorium (2) in June and September 1977. In Rapid City, Lt. Gov. Harvey Wollman welcomed Commissioners Catherine Bedell, Joseph O. Parker, and Italo H. Ablondi (3). Typical of procedures at the quasi-judicial hearings was the swearing of witnesses (4) such as "boss lady" Joyce Robinson, from a ranch at Chouteau, Mont., who said she has to "think like a man, work like a horse, and act like a lady." Commission staff (5) assist Commissioners at all hearings and include investigators, analysts, economists, and secretarial personnel. In Washington, D.C., Gov. Thomas L. Judge of Montana (6) testified with 11 Members of Congress from five States including Representative Berkley Bedell, D.-Iowa (7), and Senator George McGovern, D.-S. Dak. (8). Photos 1 to 7 courtesy of Betty Stevens, associate editor, *The National Provisioner*, Chicago; photo 8 by Hal Sundstrom, U.S. International Trade Commission.



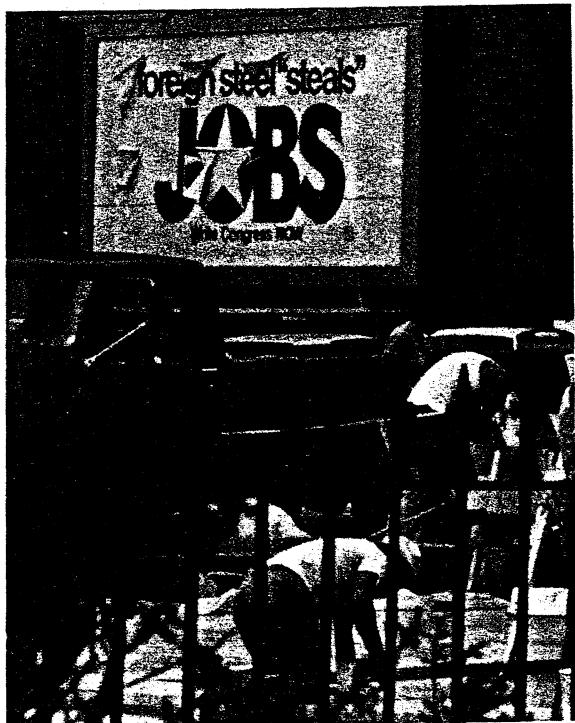
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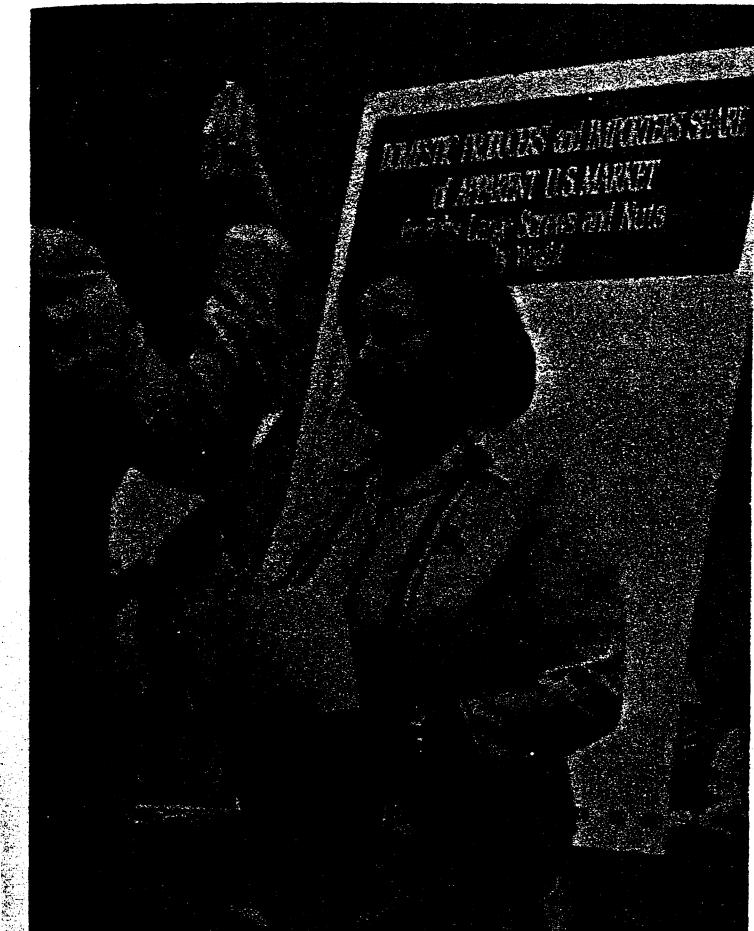
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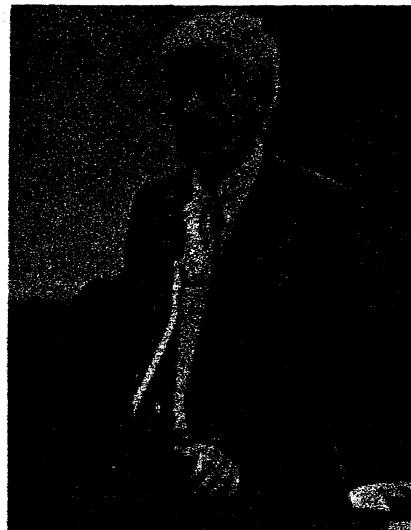
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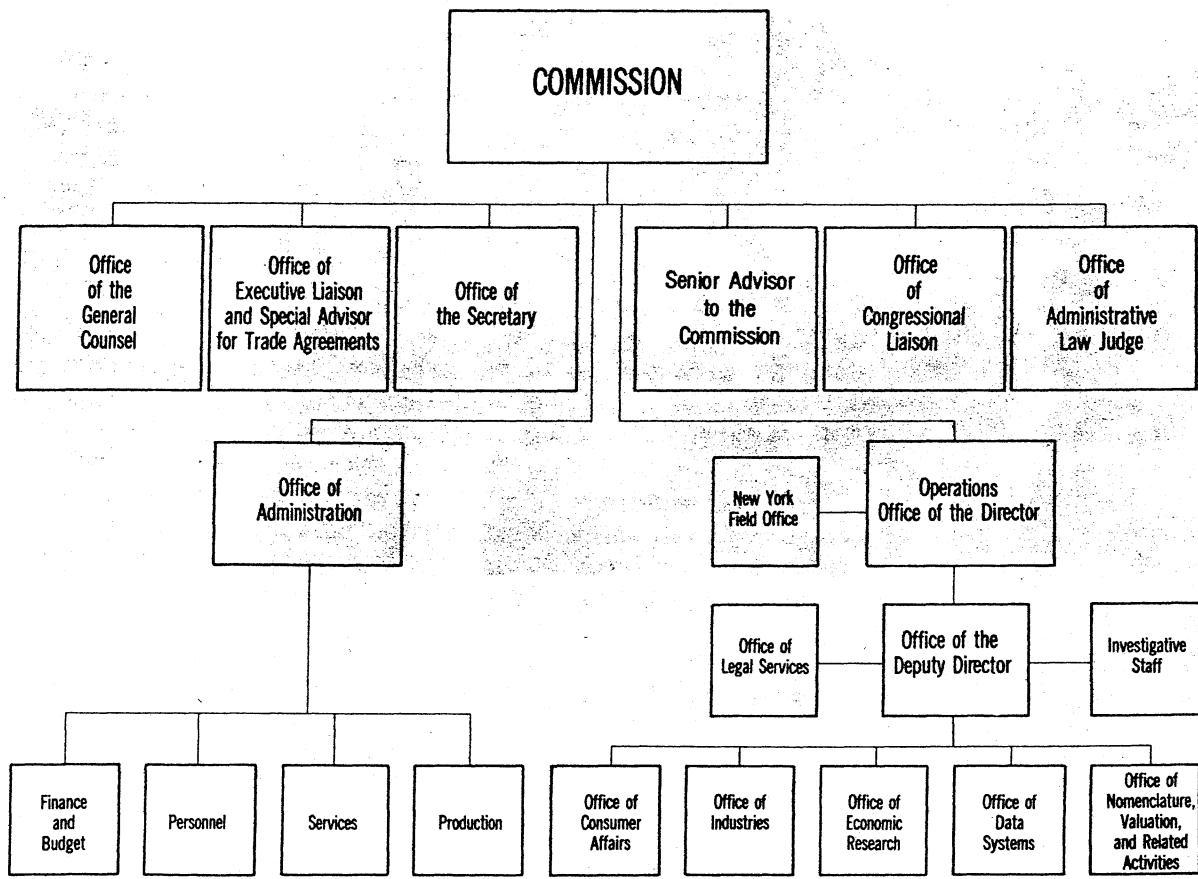


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USITC Washington, D.C., Hearings

Commission hearings conducted in the Nation's Capital frequently attract Members of Congress and other distinguished visitors. Presenting personal testimony at the Commission's specialty steel hearings were Senator H. John Heinz, R.-Pa. (1), and Representative Doug Walgren, D.-Pa. (2). The United Kingdom's C. E. Parkinson, Member of Parliament, center (3), was an attentive observer during Commission proceedings. Billboard (4) strategically positioned opposite the Commission building displays industry rationale calling for reduced steel imports. Representatives Mary Rose Oakar, D.-Ohio (5), and John B. Anderson, R.-Ill. (6), testified during the Commission's factfinding investigation on fastener imports. Photos by Hal Sundstrom, U.S. International Trade Commission.

UNITED STATES INTERNATIONAL TRADE COMMISSION



administration and finances

ORGANIZATION OF THE COMMISSION

On September 30, 1977, the U.S. International Trade Commission was composed of 5 Commissioners and 348 staff members.¹ The chart on page 28 depicts the Commission's organization at the end of fiscal 1977.

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 Adviser 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 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 day-to-day activities involving investigative duties. The Director of Administration is responsible for support, including personnel, finance, services, and production.

Membership of the Commission

As provided in the Tariff Act of 1930, as amended, the six Commissioners of the U.S. International Trade Commission are Presidential appointees who are confirmed by the Senate. Their terms are 9 years in length, unless a Commissioner is appointed to fill an unexpired term, and they are not eligible for reappointment. Not more than three Commissioners may belong to the same political party. The Trade Act of 1974 provides that the Commissioner whose term is next to expire shall serve as Chairman, and the Commissioner whose term is second to expire shall serve as Vice Chairman.² During most of fiscal 1977 Daniel Minchew served as Chairman, and Joseph O. Parker served as Vice Chairman.

The following Commissioners served during fiscal year 1977:

Commissioner Will E. Leonard, Democrat of Louisiana. Mr. Leonard's term expired December 16, 1976.³

Commissioner Daniel Minchew, Democrat of Georgia. Mr. Minchew's term expires June 16, 1978.

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

Commissioner Bill Alberger, Democrat of Oregon, took office on October 20, 1977. Mr. Alberger's term expires December 16, 1985.

¹ Temporary employees not included.

² Public Law 95-106 amends this provision of the Trade Act of 1974 by providing for Presidential designation of the Chairman and Vice Chairman for 2-year terms beginning June 17, 1978.

³ Pursuant to sec. 1801(a)(2) of Public Law 94-455, Commissioner Leonard remained a member of the Commission until the effective date of his resignation, June 10, 1977.

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

General Counsel	.....	Russell N. Shewmaker.
Director, Office of Executive Liaison and Special Adviser for Trade Agreements	.....	William T. Hart.
Secretary	.....	Kenneth R. Mason.
Director, Office of Policy/Planning	.....	(Vacancy).
Director, Office of Congressional Liaison	.....	Bruce N. Hatton.
Administrative Law Judge	.....	Myron R. Renick.
Director of Administration	.....	Peter W. Connolly, Acting.
Chief, Finance and Budget	.....	Edward C. Wallington, Jr.
Director, Personnel	.....	Charles R. Ramsdale.
Chief, Services	.....	Elizabeth K. Kogok.
Chief, Production	.....	Kenneth Will.
Executive Director	.....	Irving I. Raines. ¹
Director of Operations	.....	(Vacancy).
Deputy Director of Operations (Investigations)	.....	Robert A. Cornell.
Director, New York Field Office	.....	Walter S. Trezvant.
Director, Office of Legal Services	.....	Harold T. Brandt.
Director, Office of Consumer Affairs	.....	(Vacancy).
Director, Office of Industries	.....	Norris A. Lynch.
Chiefs of Divisions:		
Agriculture, Fisheries, and Forest Products	.....	Edward P. Furlow.
Minerals and Metals	.....	William E. Wright.
Chemicals and Energy	.....	Aimison Jonnard.
Textiles and Apparel	.....	Reuben Schwartz.
Machinery and Equipment	.....	Charles W. Daiker.
General Manufactures	.....	Selma L. Coble.
Director, Office of Economic Research	.....	George N. Ecklund.
Director, Office of Data Systems	.....	Martin Hershkowitz.
Director, Office of Nomenclature, Valuation, and Related Activities	.....	Eugene A. Rosengarden.
Public Information Officer	.....	Harold W. Sundstrom.

¹ Although the duties of Executive Director were transferred to the Director of Operations and the Director of Administration in the reorganization of the Commission on Jan. 4, 1977, Irving I. Raines continued to occupy the position of Executive Director while on personal staff of Commissioner Moore until Dec. 31, 1977.

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.

Facilities for research by the public are located in the Office of the Secretary, in the Commission Library, and in the New York Office of the U.S. International Trade Commission.

EMPLOYMENT AND APPROPRIATIONS

The Commission carried out an internal reorganization during fiscal year 1977 in order to permit more effective accomplishment of the Commission's increased responsibilities. This reorganization provided for fewer personnel resources in spite of the heavy workload following implementation of the Trade Act of 1974. In fiscal year 1977, average employment, in terms of work-

years, was 385, 3 percent below that of fiscal year 1976. The following tabulation shows the number of permanent full-time officers and employees of the U.S. International Trade Commission, by organizational units, at the end of fiscal year 1977:

Position description or activity	Sept. 30, 1977
Commissioners	5
Offices of the Commissioners	17
Office of the Secretary	9
Office of Executive Liaison and Special Adviser for Trade Agreements	6
Office of the General Counsel	16
Office of Congressional Liaison	2
Office of Administrative Law Judge	4
Office of the Director of Administration	2
Finance and Budget Division	10
Personnel Division	10
Services Division	9
Production Division	16
Office of the Director of Operations	5
New York Field Office	7
Investigative Staff	24
Office of Legal Services	13
Office of Industries	117
Office of Economic Research	30
Office of Data Systems	33
Office of Nomenclature, Valuation, and Related Activities	13
Total	348

The U.S. International Trade Commission submits its budget to the President for transmittal to the Congress. During fiscal year 1977, appropriated funds made available to the Commission amounted to \$11,840,000. Reimbursements received totaled \$10,000, making available a grand

total of \$11,850,000. Obligations for fiscal years 1977 and 1976 were as follows:

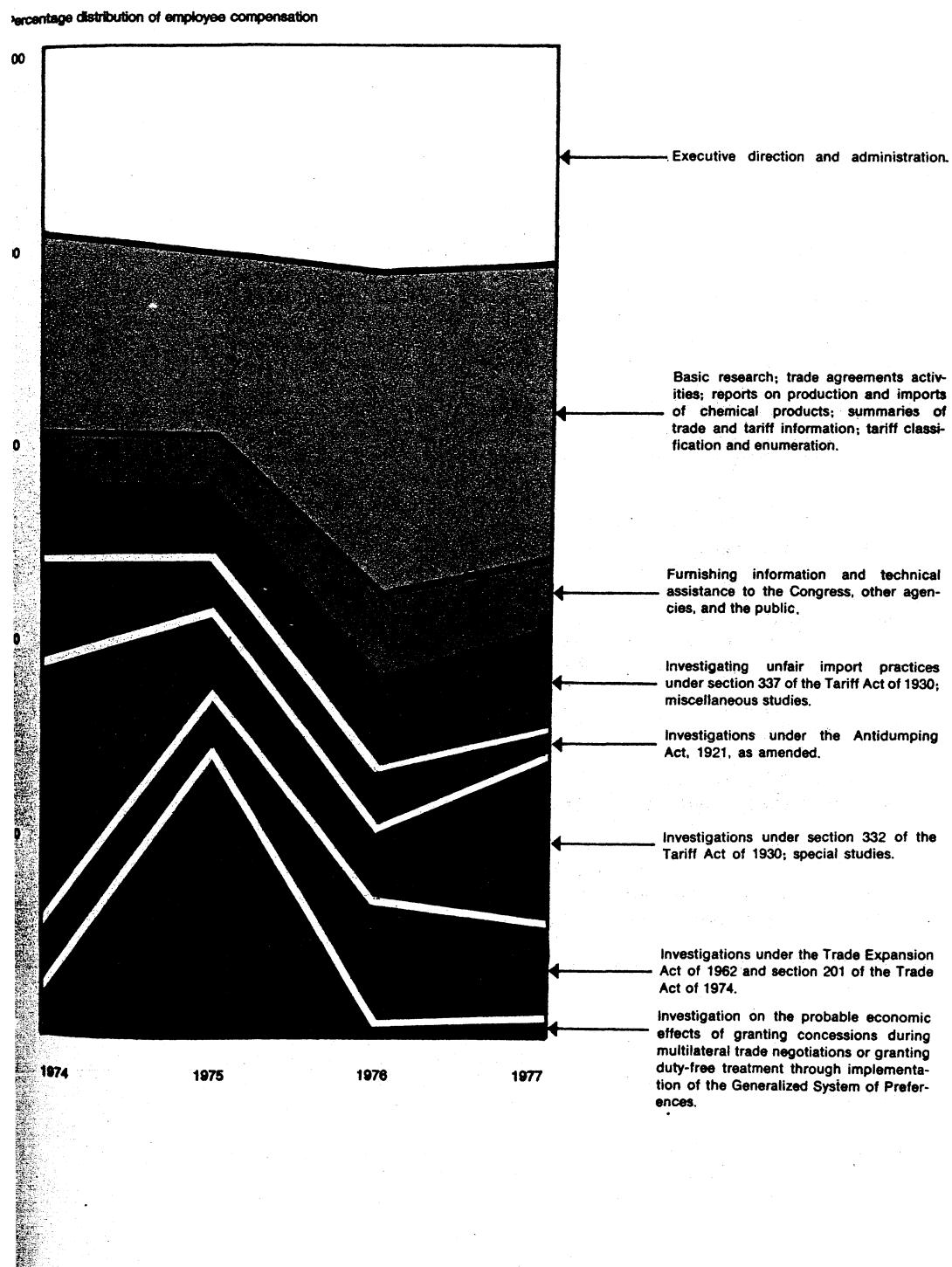
Item	Fiscal year 1977	Fiscal year 1976
Salaries and personnel benefits	\$8,449,104	\$7,760,233
Travel and transportation	234,043	188,547
Rentals and communications service	1,045,745	893,823
Other services	753,799	504,255
Printing and reproduction	88,479	81,380
Equipment, supplies, and materials	400,579	433,881
Total	10,971,749	9,862,119

Fiscal year 1977 saw the completion of repairs of damage to the historic U.S. International Trade Commission Building caused by subway construction.⁴ While a majority of employees have returned to the building from temporary facilities, 58 employees remain located in the Bicentennial Building, at 600 E Street NW. Units located within the Bicentennial Building are the Office of the Administrative Law Judge, the Office of Economic Research, the Director of the Office of Data Systems, and the Automatic Data Processing and Data Development Divisions. These and possibly some additional agency offices will be housed at other locations for the next several years.

⁴ 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.

appendix a

SUMMARY OF PRINCIPAL ACTIVITIES OF THE UNITED STATES INTERNATIONAL TRADE COMMISSION, FISCAL YEARS 1974-77



appendix b

REPORTS SUBMITTED ON PROPOSED LEGISLATION

1. **Report on H.R. 422** (Mr. Hughes)—To amend the Tariff Schedules of the United States with respect to aircraft engines. February 18, 1977, and April 8, 1977.
2. **Report on H.R. 492** (Mr. Lent)—To suspend until the close of January 3, 1979, the rate of duty on menadione dimethylprimidionol bisulphite (MPB). April 18, 1977.
3. **Report on H.R. 706** (Mr. White)—To extend from 8 months to 24 months the period in which domesticated animals may pasture in foreign countries and be accorded duty-free status upon reentry into the United States. March 31, 1977.
4. **Report on H.R. 1404** (Mr. Conte)—To provide for duty-free entry of carillon bells for Smith College. February 18, 1977, and April 6, 1977.
5. **Report on H.R. 1550** (Mr. Wilson—Tex.)—To amend the Tariff Schedules of the United States to reduce the customs duty on ceramic insulators used in spark plugs. July 26, 1977.
6. **Report on H.R. 1769** (Mr. Koch)—To amend the Tariff Schedules of the United States to require proof of automobile property and personal liability insurance on automobiles imported for personal use of nonresidents and foreign government personnel. May 11, 1977.
7. **Report on H.R. 1904** (Mr. Stark)—To suspend until July 1, 1980, the duty on intravenous fat emulsions. March 12, 1977, and July 25, 1977.
8. **Report on H.R. 2048** (Mr. Emery)—To amend the Tariff Schedules of the United States to reduce the duty on fish netting or fish nets of fabric other than cotton or vegetable fiber. April 6, 1977.
9. **Report on H.R. 2267** (Mr. Annunzio)—To amend the Tariff Schedules of the United States to increase the duty for a 5-year period on certain hand tools. April 12, 1977.
10. **Report on H.R. 2646** (Mr. Roncalio)—To provide for the duty-free entry of binder twine and baler twine made of manmade fibers. April 12, 1977.
11. **Report on H.R. 2692** (Mr. Drinan)—To suspend for 2 years the duty on wood excelsior imported from Canada. April 8, 1977, and July 25, 1977.
12. **Report on H.R. 2733** (Mrs. Spellman)—To restrict the activities of certain Federal employees and officers, to provide private remedies to implement these restrictions, and to facilitate the enforcement of existing conflict of interest statutes. June 14, 1977.
13. **Report on H.R. 2849** (Mr. Ottinger)—To suspend for a 3-year period the rate of duty on mattress blanks of rubber latex. February 18, 1977, and July 25, 1977.
14. **Report on H.R. 2850** (Mr. Ottinger)—To suspend for a 3-year period the rate of duty on certain latex sheets. April 14, 1977, and July 25, 1977.
15. **Report on H.R. 2982** (Mr. Drinan)—To suspend until the close of June 30, 1980, the duty on synthetic tantalum/columbium concentrates. April 12, 1977, and July 25, 1977.
16. **Report on H.R. 3093** (Mr. Burke—Mass.)—To extend until July 1, 1979, the duty-free treatment on copying lathes used for making rough or finished shoe lasts. March 31, 1977, and July 25, 1977.
17. **Report on H.R. 3259** (Mr. Kemp)—To suspend for a temporary period the import duty on certain horses. February 18, 1977, and April 29, 1977.
18. **Report on H.R. 3364** (Mr. St. Germain)—To amend the Tariff Schedules of the United States in order to provide for the duty-free importation of loose glass prisms used in chandeliers and wall brackets. February 18, 1977.
19. **Report on H.R. 3373** (Mr. Sikes)—To extend for an additional temporary period the existing suspension of duties on certain classifications of yarns of silk. February 18, 1977, and July 25, 1977.
20. **Report on H.R. 3387** (Mr. Waggonner)—To continue until the close of June 30, 1980, the existing suspension of duties on synthetic rutile. April 7, 1977, and July 25, 1977.
21. **Report on H.R. 3388** (Mr. Waggonner)—To amend item 603.70 of the Tariff Schedules of the United States as they relate to synthetic rutile as a titanium source material. April 7, 1977.
22. **Report on H.R. 3674** (Mr. Mathis)—To amend the Tariff Schedules of the United States with respect to the rates of duty for palm oil. May 20, 1977.
23. **Report on H.R. 3790** (Mr. Schulze)—To suspend until the close of June 30, 1980, the

- duty on concentrate of poppy straw used in producing codeine or morphine. April 8, 1977, and July 25, 1977.
24. **Report on H.R. 3928** (Mr. Mikva)—To require Federal employees compensated at the rates in effect for GS-13 and above to disclose each position held by such employees during the 3 years preceding and following their employment with the Federal Government. June 17, 1977.
 25. **Report on H.R. 3946** (Mr. Quie)—To suspend for a temporary period the rate of duty on wool not finer than 46s. April 7, 1977, and July 25, 1977.
 26. **Report on H.R. 4018** (Mr. Evans—Del.)—To suspend until the close of June 30, 1979, the duty on certain doxorubicin hydrochloride antibiotics. April 8, 1977, and July 25, 1977.
 27. **Report on H.R. 4654** (Mr. Bob Wilson)—To reduce until the close of June 30, 1980, the duty on unmounted underwater lenses. April 8, 1977, and July 25, 1977.
 28. **Report on H.R. 4788** (Mr. Yatron)—To permit until June 30, 1980, the duty-free entry of tricot and Raschel warp knitting machines. April 14, 1977.
 29. **Report on H.R. 5037** (Mr. Kemp)—For the relief of Jack R. Misner. April 8, 1977, and July 25, 1977.
 30. **Report on H.R. 5044** (Mr. Bauman)—To suspend until January 3, 1980, a portion of the duties on strontium nitrate. April 29, 1977.
 31. **Report on H.R. 5052** (Mr. Frenzel)—To provide for the temporary suspension of duty on color couplers and coupler intermediates used in the manufacture of photographic sensitized material. April 29, 1977, and July 26, 1977.
 32. **Report on H.R. 5146** (Mr. McEwen)—To amend the Tariff Schedules of the United States to provide for the duty-free entry of competition bobsleds and luges. April 29, 1977, and July 26, 1977.
 33. **Report on H.R. 5176** (Mr. Corman)—To lower the duty on levulose until the close of June 30, 1980. April 18, 1977, and July 25, 1977.
 34. **Report on H.R. 5203** (Mr. Mikva)—To amend the Tariff Schedules of the United States in order to suspend until the close of December 31, 1978, the duty on certain field glasses, opera glasses, binoculars and other telescopes. April 21, 1977.
 35. **Report on H.R. 5231** (Mr. Breckinridge)—To provide for the duty-free entry of chlorendic acid. May 5, 1977.
 36. **Report on H.R. 5263** (Mr. Rostenkowski)—To suspend until the close of June 30, 1979, the duty on certain bicycle parts. May 2, 1977, and July 25, 1977.
 37. **Report on H.R. 5265** (Mr. Rostenkowski)—To provide for the temporary suspension of duty on the importation of fluorspar. April 29, 1977.
 38. **Report on H.R. 5285** (Mr. Lederer)—To amend the Tariff Schedules of the United States with respect to the tariff treatment accorded to films, strips, sheets, and plates of certain plastics or rubber. May 5, 1977, and July 26, 1977.
 39. **Report on H.R. 5286** (Mr. Lederer)—To amend the Tariff Schedules of the United States with respect to the tariff treatment accorded to acetone. May 2, 1977.
 40. **Report on H.R. 5289** (Mr. Gibbons)—For the relief of Joe Cortina. April 18, 1977, and July 25, 1977.
 41. **Report on H.R. 5322** (Mr. Frenzel)—To provide duty-free treatment for istrile. April 18, 1977, and July 26, 1977.
 42. **Report on H.R. 5551** (Mr. Flowers)—To suspend for a 3-year period the duty on 2-methyl,4-chlorophenol. April 29, 1977.
 43. **Report on H.R. 5594** (Mr. Meeds)—To suspend until the close of June 30, 1980, certain duties on calcined petroleum coke not commercially suitable for use as a fuel. April 29, 1977.
 44. **Report on H.R. 5643** (Mr. Mikva)—To implement the United Nations Convention on the Means of Prohibiting and Preventing the Illicit Import, Export, and Transfer of Ownership of Cultural Property. May 23, 1977.
 45. **Report on H.R. 5858** (Mr. Quie)—To amend the Tariff Schedules of the United States to permit the free entry of Canadian petroleum (including reconstituted crude petroleum) and crude shale oil, provided that an equivalent amount of the same kind and quality of domestic or duty-paid foreign crude petroleum (including reconstituted crude petroleum) and shale oil has been exported to Canada. May 9, 1977.
 46. **Report on H.R. 6283** (Mr. Vanik)—To amend the Trade Act of 1974 in order to authorize the President to designate certain countries in the Western Hemisphere as beneficiary developing countries under title V of such act if the President determines that such designations are in the national economic interest. May 11, 1977.
 47. **Report on H.R. 6355** (Mr. Steiger)—To amend the Trade Act of 1974 in order to authorize the President to designate any of certain countries as eligible for the tariff preferences extended to developing countries under title V of such Act if the President determines that such designation is in the national economic interest. May 11, 1977.
 48. **Report on H.R. 6517** (Mr. Vander Jagt)—To amend the Tariff Schedules of the United States to exclude alcoholic beverages from those articles eligible for duty-free treatment as gift articles imported by nonresidents. July 15, 1977.
 49. **Report on H.R. 8149** (Mr. Jones—Okla.)—To provide customs procedural reform. July 20, 1977.
 50. **Report on H.R. 8755** (Mr. Cotter)—To make specific provisions for ball or roller bearing pillow block, flange, take-up cartridge, and hanger units in the Tariff Schedules of the United States. September 19, 1977.
 51. **Report on S. 438** (Mr. Stevens)—To amend the Tariff Schedules of the United States to provide for the duty-free entry of competition bobsleds and luges. April 29, 1977.

52. **Report on S. 843** (Mr. Anderson)—To amend the Tariff Schedules of the United States to permit the free entry of Canadian petroleum (including reconstituted crude petroleum) and crude shale oil, provided that an equivalent amount of the same kind and quality of domestic crude petroleum and shale oil has been exported to Canada. May 16, 1977.
53. **Report on S. 1302** (Mr. Huddelston)—To amend the Tariff Schedules of the United States to provide a temporary suspension of the duty of chloroendic acid. May 20, 1977.
54. **Report on S. 1415** (Mr. Dole)—To amend the Trade Act of 1974 to authorize certain credits or credit guarantees for the sale of agricultural products to nonmarket economy countries. September 9, 1977.
55. **Report on S. 1519** (Mr. Matsunaga)—To amend the Tariff Schedules of the United States in order to suspend until the close of December 31, 1978, the duty on certain field glasses, opera glasses, binoculars and other telescopes. July 25, 1977.
56. **Report on S. 2023** (Mr. Humphrey)—To authorize non-market economy countries to participate in certain programs of the Commodity Credit Corporation. September 16, 1977.

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

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

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

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

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

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

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

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

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

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

OTHER AREAS OF INVOLVEMENT BY STATUTE

Bestowal of Bounties or Grants on Imports

The Commission determines, with respect to any duty-free article on which the Secretary of the

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

Uniform Statistical Data

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

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

Trade With Communist Countries

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

