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UNITED STATES TARIFF COMMISSION

SHEET-FED OFFSET PRINTING PRESSES AND
INDUSTRIAL PAPER CUTTERS:
FORMER WORKERS OF THE DAYTON, OHIO, PLANT OF
HARRIS-SEYBOLD DIVISION, HARRIS-INTERTYPE CORP.

Report to the President
on Investigation No. TEA-W-180
Under Section 301(c)(2) of the Trade Expansion Act of 1962



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UNITED STATES TARIFF COMMISSION

Catherine Bedell, *Chairman*

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George M. Moore

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Italo H. Ablondi

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Address all communications to

United States Tariff Commission

Washington, D. C. 20436

C O N T E N T S

	<u>Page</u>
Report to the President-----	1
Finding of the Commission-----	2
Views of the Commissioners-----	3
Information obtained in the investigation:	
Description of articles under investigation-----	A-1
U.S. tariff treatment-----	A-3
U.S. producers-----	A-5
U.S. consumption and trade-----	A-5
Offset printing presses-----	A-5
Industrial paper cutters-----	A-11
Harris-Intertype Corp-----	A-12
The Harris-Seybold Division-----	A-13
Milan and Gattico, Italy, plants-----	***
Employment and man-hours, Dayton, Ohio, plant-----	***
Reasons for closing the Dayton, Ohio, plant-----	***
Price and cost comparisons-----	***
Appendix A: Statistical tables-----	***
Appendix B: Information supplied by Harris-Intertype Corp. on orders lost by the company * * *	***
Appendix C: Information supplied by Harris-Intertype Corp. showing price comparisons of imported sheet-fed offset presses and industrial paper cutters competitive with models made at the Dayton, Ohio, plant-----	***

Statistical Tables

1. Sheet-fed offset printing presses: U.S. producers' shipments, import sales, exports of domestic merchandise, and apparent consumption, 1968-72----- ***
2. Web-fed offset printing presses: U.S. producers' shipments, import sales, exports of domestic merchandise, and apparent consumption, 1968-72----- ***
3. Sheet-fed offset printing presses and web-fed offset printing presses: U.S. rates of duty and import sales, 1968-72----- ***
4. Industrial paper cutters: U.S. producers' shipments, import sales, exports of domestic merchandise, and apparent consumption, 1968-72----- ***
5. Sheet-fed offset printing presses, web-fed offset printing presses and industrial paper cutters: U.S. producers' shipments, 1968-72----- ***

CONTENTS

	<u>Page</u>
6. Industrial paper cutters: U.S. rates of duty and import sales, 1968-72-----	***
7. Harris-Intertype Corp.: Average number of employees and average number of production and related workers employed on all products, offset presses and industrial paper cutters, 1968-72 and, by months, April 1971- March 1973-----	***
8. Harris-Seybold Division, Dayton, Ohio, plant: Average number of employees and average number of production and related workers employed on all products, offset presses and industrial paper cutters, 1968-72 and, by months, April 1971-March 1973-----	***
9. Harris-Seybold Division, Dayton, Ohio, plant: Man-hours worked by all employees and production and related workers employed on all products, offset presses, and industrial paper cutters, 1968-72 and, by months, April 1971-March 1973-----	***

Note.--The whole of the Commission's report to the President may not be made public since it contains information that could result in the disclosure of the operations of an individual concern. This published report is the same as the report to the President, except that the above-mentioned information has been omitted. Such omissions are indicated by asterisks.

REPORT TO THE PRESIDENT

U.S. Tariff Commission,
April 9, 1973.

To the President:

In accordance with section 301(f) (1) of the Trade Expansion Act of 1962 (TEA) (76 Stat. 885), the U.S. Tariff Commission herein reports the results of an investigation made under section 301(c) (2) of that act in response to a petition filed by a group of workers.

On February 6, 1973, the International Union of Electrical, Radio and Machine Workers (I.U.E.) filed a petition for a determination of eligibility to apply for adjustment assistance on behalf of the former workers of the Dayton plant of the Harris-Seybold Division, Harris-Intertype Corp., engaged in the manufacture and assembly of industrial paper cutters and sheet-fed offset presses. Accordingly, the Commission instituted an investigation (TEA-W-180) on February 12, 1973, to determine whether, as a result in major part of concessions granted under trade agreements, articles like or directly competitive with industrial paper cutters and sheet-fed offset printing presses (of the types provided for in items 668.10 and 668.20 of the Tariff Schedules of the United States (TSUS)) manufactured by Harris-Intertype Corp. are being imported into the United States in such increased quantities as to cause, or threaten to cause, unemployment or underemployment of a significant number or proportion of the workers of such company, or appropriate subdivision thereof.

Public notice of the investigation was given in the Federal Register of February 16, 1973 (38 F.R. 4599). No public hearing was requested, and none was held.

The information in this report was obtained principally from field interviews with officials of Harris-Intertype Corp., other domestic producers, importers, the Department of Commerce, and the I.U.E.; and the Commission's files.

Finding of the Commission

Based on its investigation, the Commission 1/ finds that articles like or directly competitive with industrial paper cutters and sheet-fed offset printing presses (of the types provided for in items 668.10 and 668.20 of the TSUS) produced by Harris-Intertype Corp., Cleveland, Ohio, are not, as a result in major part of concessions granted under trade agreements, being imported into the United States in such increased quantities as to cause, or threaten to cause, the unemployment or underemployment of a significant number or proportion of the workers of such firm, or an appropriate subdivision thereof.

1/ Commissioner Young did not participate in the decision.

Views of the Commissioners

This statement sets forth the reasons for our negative determination under section 301(c)(2) of the Trade Expansion Act of 1962 in the instant worker investigation. The investigation was undertaken in response to a petition filed by the International Union of Electrical, Radio and Machine Workers (I.U.E.) on behalf of the former workers of the Dayton, Ohio, plant of the Harris-Seybold Division, Harris-Intertype Corp. These workers were engaged in the manufacture of sheet-fed offset printing presses and industrial paper cutters. Production of these articles halted on February 2, 1973. Thereafter, production of the sheet-fed presses was shifted to the Cleveland, Ohio, plant and is continuing there. Harris-Intertype Corp. also has an Italian subsidiary (OMCSA) which produces sheet-fed offset presses. * * *

Under the Trade Expansion Act of 1962, four criteria must be met in order for an affirmative determination to be made. Those criteria are as follows:

- (1) Articles like or directly competitive with those produced by the workers concerned must be imported in increased quantities;
- (2) The increased imports must be a result in major part of concessions granted under trade agreements;
- (3) The workers concerned must be unemployed or underemployed, or threatened with unemployment or underemployment; and
- (4) The increased imports resulting from trade-agreement concessions must be the major factor causing or threatening to cause the unemployment or underemployment.

We have made a negative determination because articles like or directly competitive with sheet-fed offset presses and industrial paper cutters are not being imported in such increased quantities as to meet the first criterion of the statute.

As indicated, there are two types of imported articles of concern in this investigation--sheet-fed offset printing presses and industrial paper cutters. Data compiled for the period 1968-72 in response to Tariff Commission questionnaires show that sales in the United States of imported sheet-fed presses have generally been stable in recent years. In 1968 such sales of imported sheet-fed presses amounted to * * * units, while in 1972 sales totaled * * * units; the volume in 1972 was a little larger than in 1971 (* * * units) but smaller than in 1969 (* * * units) and 1970 (* * * units).

Harris-Intertype has an Italian subsidiary (OMCSA) which produces sheet-fed offset printing presses, but imports from this plant have * * * declined irregularly from * * * units in 1968 to * * * units in 1972. There is some information to suggest that Harris-Intertype Corp. might in the future increase imports from its Italian subsidiary; however, this is conjectural and prospective imports are not a matter which we can consider in this proceeding under the Trade Expansion Act. 1/

1/ Automotive Springs, Clutch Discs, and Rear Deck Lid Torsion Bars: Workers and Former Workers of the Eaton Corp., Plant, Detroit, Mich. . . . Report to the President on Investigation No. TEA-W-172 . . . , TC Publication 549, pp. 3-6, March 1973. See also Tungsten Electrical Contact Points: Workers of the Solon, Ohio, Plant of the Cleveland Refractory Metals Division . . . , Report to the President on Investigation No. TEA-W-179 . . . , TC Publication 563, pp. 3-6, April 1973.

A second type of offset printing press, web-fed, is not produced by Harris-Seybold and is not similar to the sheet-fed presses produced at the Dayton plant. Such presses have been imported into the United States and the trend of such imports has been comparable to the imports of sheet-fed presses. Sales of imported web-fed offset presses amounted to * * * units in 1972, compared with * * * units in 1968.

Sales in the United States of imported industrial paper cutters have declined in recent years; sales of such paper cutters amounted to only * * * units in 1972, compared with * * * units in 1971, and somewhat larger sales in each of the years 1968-70.

Inasmuch as the first criterion has not been met, i.e., articles like or directly competitive with the sheet-fed offset presses and industrial paper cutters produced by the petitioning workers are not being imported in increased quantities, we have made a negative determination in this case.

INFORMATION OBTAINED IN THE INVESTIGATION

Description of Articles Under Investigation

The articles produced in the Dayton, Ohio, plant of the Harris-Seybold Division of Harris-Intertype Corp. are sheet-fed offset presses and industrial paper cutters.

Offset presses may be either sheet-fed or roll-fed (known in the trade as "web-fed"). Generally, however, web-fed presses are more versatile and capable of printing at higher speeds than are sheet-fed presses. ^{1/} Hence, depending on the volume and type of work to be printed, the two types of presses may or may not be competitive. Most commercial work today is printed on sheet-fed presses. Magazines and newspapers are printed on web-fed presses. Offset presses may be single color or multicolor.

Sheet-fed offset presses are made in many sizes, usually designated by the maximum sheet size with the standard machine size being 19 inches by 25 inches. The largest size currently is 55 inches by 78 inches. Some presses are manufactured in standard units that can be assembled in any number up to six units to print in one to six colors. Most short-run color work is produced on one-color equipment (the work runs through the press to print each color); multicolor presses are generally used for long runs.

^{1/} The web-fed press prints on a continuous roll or web of paper as it passes through the press.

Much of the tremendous expansion of the lithographic industry over the past ten years is attributed to the use of web-fed offset printing presses. Today, web-fed offset presses produce single color and multicolor work for small and medium run newspapers, magazines, business forms, mail order catalogs, gift wrappings, books, and commercial printing.

Speed is by far the main advantage of web-fed offset. Speeds of 1,000 feet per minute are common. Most web-fed offset presses are 36 inches to 38 inches wide. Larger sizes up to 76 inches are specially built. Much of the work produced on web-fed offset presses proceeds to a folder where various combinations of folds convert the web into folded "signatures" ready to be gathered, bound, and trimmed. Other in-line operations that can be performed on web-fed presses include paste binding, perforating, numbering, rotary cutting and slitting. All of these operations make web-fed offset very flexible, and all of them are done while presses are running at high speeds, from two to four times faster than the fastest sheet-fed offset.

Industrial paper cutters of the type made at the Dayton, Ohio, plant are power driven machines used to cut paper by means of a guillotine-type blade. They are used for cutting paper in commercial printing houses, private in-plant printing departments of corporations, schools, or elsewhere in graphic arts departments of industry. They vary in size and may be controlled manually or by a programmed tape system which executes a series of measured cuts only requiring the operator to feed the machine, press a button to initiate the program, turn the paper after each cut and remove the final product.

U.S. Tariff Treatment

Under the Tariff Act of 1930, sheet-fed offset printing presses, web-fed offset printing presses and industrial paper cutters were classified under paragraph 372, at 25 percent ad valorem as printing machinery (except for textiles) and bookbinding machinery.

Under the Tariff Schedules of the United States (TSUS), the articles considered in this investigation are entered under the following item numbers: 668.10 (industrial paper cutters) and 668.20 (offset printing presses). As shown in the tables on the following page, the original rates on these articles have been reduced some 70 to 80 percent pursuant to successive **trade agreements**.

The rate of duty applicable to imports of offset printing presses now dutiable under TSUS item 668.20 was 12.5 percent ad valorem from June 6, 1951 to January 1, 1968. This rate was reduced to 11 percent ad valorem on January 1, 1968 and subsequently, by stages, to 6 percent ad valorem on January 1, 1972, pursuant to the Kennedy Round of trade negotiations. A tabulation showing the tariff history of offset printing presses since the Tariff Act of 1930 is presented on the following page.

The rate of duty applicable to imports of industrial paper cutters provided for under TSUS item 668.10 amounted to 10.5 percent ad valorem from June 30, 1958 to January 1, 1968, when the first of five stages of duty reductions resulting from concessions granted by the United States during the Kennedy Round of trade negotiations became effective. Effective January 1, 1972 this rate was 5 percent ad valorem. A tabulation showing the tariff history of industrial paper cutters since the Tariff Act of 1930 is presented on the following page.

Sheet-fed and web-fed offset printing presses: U.S. rates of duty,
1930 to the present

Effective date of rate change	Authority	Rate of duty
June 18, 1930-----	Tariff Act of 1930.	25% ad val.
June 6, 1951-----	GATT 1951, Torquay.	12.5% ad val.
Jan. 1, 1968-----	GATT 1967, Geneva.	11% ad val.
Jan. 1, 1969-----	Do.	10% ad val.
Jan. 1, 1970-----	Do.	8.5% ad val.
Jan. 1, 1971-----	Do.	<u>1/</u> 7% ad val.
Jan. 1, 1972-----	Do.	6% ad val.

1/ During the period Aug. 16, 1971 to Dec. 19, 1971, imports were subject to an additional duty surcharge of 10 percent ad valorem pursuant to Presidential Proclamations 4074 and 4098.

Note.--Prior to Aug. 31, 1963, sheet-fed and web-fed offset printing presses were classified under tariff paragraph 372; the adoption of the Tariff Schedules of the United States on Aug. 31, 1963, when they became dutiable under TSUS item 668.20, resulted in no change in the rate of duty.

Industrial paper cutters: U.S. rates of duty, 1930 to the present

Effective date of rate change	Authority	Rate of duty
June 18, 1930-----	Tariff Act of 1930.	25% ad val.
June 6, 1951-----	GATT 1951, Torquay.	12.5% ad val.
June 30, 1956-----	GATT 1956, Geneva.	11.5% ad val.
June 30, 1957-----	Do.	11% ad val.
June 30, 1958-----	Do.	10.5% ad val.
Jan. 1, 1968-----	GATT 1967, Geneva.	9% ad val.
Jan. 1, 1969-----	Do.	8% ad val.
Jan. 1, 1970-----	Do.	7% ad val.
Jan. 1, 1971-----	Do.	<u>1/</u> 6% ad val.
Jan. 1, 1972-----	Do.	5% ad val.

1/ During the period Aug. 16, 1971 to Dec. 19, 1971, imports were subject to an additional duty surcharge of 10 percent ad valorem pursuant to Presidential Proclamations 4074 and 4098.

Note.--Prior to Aug. 31, 1963, industrial paper cutters were classified under tariff paragraph 372; the adoption of the Tariff Schedules of the United States on Aug. 31, 1963, when they became dutiable under TSUS item 668.10, resulted in no change in the rate of duty.

U.S. Producers

Offset printing presses

The printing machinery industry in the United States in 1972 consisted of about 528 establishments located primarily in the Midwest and Northeast. Some 24,000 workers were employed. A few large companies account for well over half of total shipments.

Six firms produce the great bulk of the offset printing presses in the United States. Two of these firms, Harris-Intertype Corp. and Rockwell International, engaged in the production of both types of offset presses, account for most of U.S. production of these types of presses during 1968-72. Two firms manufacture only sheet-fed presses and two manufacture only web-fed presses.

Industrial paper cutters

Until recently four firms produced the great bulk of the industrial paper cutters in the United States.

* * * * *

U.S. Consumption and Trade

Offset printing presses

Annual U.S. consumption of sheet-fed offset presses, reflecting the decline in total industry sales world-wide since 1969, decreased during the period 1968-72 * * *.

Annual U.S. consumption of web-fed offset presses increased irregularly * * * during the period 1968-72. This apparently reflects a shift in the market from lower volume sheet-fed presses to the more automated web-fed presses which print on continuous rolls of paper (table 2).

U.S. producers' shipments of sheet-fed offset presses declined without interruption during 1968-72 * * *.

* * * * *

More than half the decline in the total number of sheet-fed presses produced during the period were attributable to small presses. The balance of the decline in output was attributable in approximately like amounts to medium and large presses. The average unit value of small sheet-fed presses declined by 32 percent over the period; whereas, the unit value of medium and large presses increased by about 20 percent and 36 percent, respectively.

U.S. producers' shipments of web-fed offset presses increased irregularly * * *.

* * * * *

Virtually all of the increase in the number of units was attributable to small presses which rose by * * * units over the period 1968-72.

U.S. exports of sheet-fed presses increased slightly during the period 1968-72-- * * *.

U.S. exports of web-fed presses, which are considerably higher than imports, increased substantially from * * * in 1968 to * * * in 1972 (table 2). During this period exports have accounted for about 5 to 12 percent of the total value of shipments by domestic producers.

U.S. import sales ^{1/} of sheet-fed offset presses were 2 percent greater in quantity and 26 percent greater in value in 1972 than in 1968. Annually, such imports increased from * * * in 1968 to * * * in 1969, decreased to * * * in 1970, declined further to * * * in 1971, and increased to * * * in 1972.

As a share of apparent consumption of sheet-fed offset presses, during the period 1968-72, the quantity of imports increased from 61.3 percent to 74 percent and the value increased from 42 percent to 56.7 percent (table 1).

^{1/} Import data submitted to the U.S. Tariff Commission in response to questionnaires differ from import data obtained from the U.S. Department of Commerce to the extent that the questionnaire data reflect net sales value; whereas, the Department of Commerce data show landed value.

* * * * *

During the period 1968-72 imports of web-fed offset presses ranged between * * * units and * * * units, with no apparent trend. The value of U.S. imports increased from * * * in 1968 to * * * * * in 1970, decreased to * * * in 1971, then increased to * * * in 1972.

* * * * *

As a share of apparent consumption of web-fed presses, during the period 1968-72, the quantity of imports ranged from **3.4** percent to 7.4 percent and the value from 0.8 percent to 2.4 percent.

Table 3 compares the changes in duty rates with the import sales of offset presses during the period 1968-72. The great bulk of offset printing presses imported into the United States are manufactured in Western Europe, particularly West Germany. The value of imports of sheet-fed offset printing presses, by source, are shown in the following tabulation.

U.S. imports of sheet-fed offset presses by country, 1968-72

(In thousands of dollars)

Country	1968	1969	1970	1971	1972
West Germany-----	7,279	8,985	6,551	9,280	15,599
Sweden-----	2,053	1,493	1,078	1,697	1,458
East Germany-----	131	19	131	311	913
United Kingdom-----	568	1,028	726	301	545
Switzerland-----	730	664	335	571	487
Italy-----	1,042	1,169	1,249	92	480
All other-----	521	603	520	538	193
Total-----	12,324	13,961	10,590	12,790	19,675

Source: Official statistics of the U.S. Department of Commerce.

Industrial paper cutters

Apparent U.S. consumption during the period 1968-72 increased slightly * * * .

U.S. producers' shipments of industrial paper cutters increased irregularly from * * * in 1968 to * * * in 1972 (table 5). The unit value of such production increased slightly from * * * in 1968 to * * * in 1972.

U.S. exports of paper cutters decreased irregularly * * * . Generally during the period 1968-72 exports accounted for about 3 to 4 percent of shipments by domestic producers.

U.S. import sales of industrial paper cutters decreased from * * * in 1968 to * * * in 1969, increased from * * * in 1970, decreased to * * * in 1971, then decreased

sharply * * * in 1972. Table 6 shows import sales and changes in the rates of duty for industrial paper cutters. Quantity of imports, as a share of apparent consumption decreased from 27.6 percent in 1968 to 25.3 percent in 1969, increased to 31.4 percent in 1970, decreased to 26.3 percent in 1972, then decreased sharply to 12.2 percent in 1972 (table 4). The great bulk of industrial paper cutters in recent years have been imported from Japan and West Germany.

Harris-Intertype Corp.

Harris-Intertype Corp., of which Harris-Seybold is a division, is a diversified multinational company with headquarters in Cleveland, Ohio. At the end of fiscal 1972 (June 30), it operated 22 domestic manufacturing plants in nine States and three international subsidiaries--including four manufacturing plants and three distributors located in seven foreign countries.

The average number of employees was 13,806 and the net sales were \$370.9 million for fiscal 1972. Electronics communications products comprise about 55 percent of total sales; printing equipment accounts for 45 percent. Total sales and employment for Harris-Intertype Corp. during the years 1968-72 are shown in the following tabulation.

Total sales and employment for Harris-Intertype Corp., 1968-72

Year	Total sales 1,000 dollars	Average number of employees
1968-----	277,772	13,921
1969-----	339,346	15,466
1970-----	379,597	15,676
1971-----	351,953	13,874
1972-----	370,908	13,806

Source: Compiled from data supplied by Harris-Intertype Corp.

The Harris-Seybold Division

The Seybold Machine Co. was founded in Cincinnati in the 1880's and moved to Dayton, Ohio in 1891. In 1926, when it was merged with Harris Automatic Press Co. and Potter Press Co. to become Harris-Seybold-Potter, the plant contained 170,000 square feet. The Potter name was dropped in 1947 and in 1957 Harris-Seybold was merged with the Intertype Co. forming Harris-Intertype. The Harris-Seybold name was retained, however, as the then largest division of Harris-Intertype.

The Harris-Seybold Division of Harris-Intertype consists of a manufacturing plant in Cleveland, Ohio, which is still operating, and a plant in Dayton, Ohio, which ceased production on February 2, 1973. The Cleveland plant produces principally small, medium and large sheet-fed commercial offset presses; sheet-fed carton offset presses and cutter creasers, cutting, collating, gathering and binding machines.

The Dayton plant of Harris-Seybold, where the petitioning workers were employed, manufactured and assembled industrial paper cutters and small and medium-size sheet-fed offset printing presses (up to 38" width). * * *

The single-story cinder-block building built almost 80 years ago contained 204,000 square feet when production ceased.

* * * * *

* * * * *

* * * * *

While imports of sheet-fed offset presses by Harris-Intertype have declined by about 127 percent in terms of units and almost 260 percent in terms of value during the period 1968-72, imports by the firm of industrial paper cutters from Japan have increased from * * * units * * * in 1969 to * * * units in 1972.

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A-16 through A-17

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Employment and man-hours, Dayton, Ohio, plant

The types of employee skills and machine tools involved in the production effort at the Dayton, Ohio, plant were common to the fabrication and assembly of both offset presses and industrial paper cutters. Table 7 indicates Harris-Intertype Corp.'s average number of employees and average number of production and related workers employed on all products; offset presses and industrial paper cutters. Table 8 shows the Harris-Seybold Division's allocation of the average total number of employees and the average number of production and related workers employed on all products, offset presses and industrial paper cutters. During the period 1968-72, the average total employment at the Dayton, Ohio, plant decreased * * *. The number of production and related workers producing offset presses and paper cutters decreased during this period from * * *. The average number of employees per month decreased from * * * April 1971 * * * to * * * in January 1973, prior to the termination of production on February 2, 1973 (table 8). The average number of production and related workers employed in the manufacture of offset presses declined steadily from * * * in 1968 to * * * in 1972. By month, the average number of workers decreased from * * * in April 1971 to * * * in January 1973. The number of workers engaged in the production of industrial paper cutters, by month, decreased from * * * in April 1971 to * * * in January 1973.

The man-hours worked by all employees of the Dayton, Ohio, plant decreased steadily during the period 1968-72 * * * ,

The man-hours worked by production and related workers employed on offset presses and industrial paper cutters, respectively, decreased during the period 1968-72 * * * .

The man-hours worked each month by production and related workers decreased on offset presses and paper cutters from * * * in April 1971 to * * * in January 1973 (table 9).

A-20 through A-34

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