

UNITED STATES INTERNATIONAL TRADE COMMISSION

ROUND HEAD STEEL DRUM PLUGS FROM JAPAN

Determination of No Injury or Likelihood Thereof in  
Investigation No. AA1921-164 Under the Antidumping  
Act, 1921, as Amended, Together With the  
Information Obtained in the Investigation



USITC Publication 819  
Washington, D. C.  
June 1977

UNITED STATES INTERNATIONAL TRADE COMMISSION

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UNITED STATES INTERNATIONAL TRADE COMMISSION  
Washington, D.C.

[AA1921-164]

ROUND HEAD STEEL DRUM PLUGS FROM JAPAN

Determination of No Injury or Likelihood Thereof

On March 14, 1977, the United States International Trade Commission received advice from the Department of the Treasury that round head steel drum plugs from Japan are being, or are likely to be, sold in the United States at less than fair value (LTFV) within the meaning of the Antidumping Act, 1921, as amended (19 U.S.C. 160(a)). Accordingly, on March 23, 1977, the Commission instituted investigation No. AA1921-164 under section 201(a) of said act to determine whether an industry in the United States is being or is likely to be injured, or is prevented from being established by reason of the importation of such round head steel drum plugs into the United States.

Notice of the institution of the investigation and of a public hearing to be held in connection therewith was duly given by posting copies thereof in the Office of the Secretary, United States International Trade Commission, Washington, D.C., and at the Commission's New York Office, and by publishing the notice in the Federal Register of March 30, 1977 (42 F.R. 16875). On May 3, 1977, a hearing was held in accordance with the notice, and all persons who requested the opportunity were permitted to appear by counsel or in person.

In arriving at its determination, the Commission gave due consideration to all written submissions from interested parties and information adduced at the hearing as well as information obtained by the Commission's staff from questionnaires, personal interviews, and other sources.

On the basis of the investigation, the Commission has unanimously determined that an industry in the United States is not being and is not likely to be injured, and is not prevented from being established, by reason of the importation of round head steel drum plugs from Japan that are being, or are likely to be sold at less than fair value within the meaning of the Antidumping Act, 1921, as amended.

By order of the Commission:

KENNETH R. MASON  
Secretary

Issued: June 14, 1977

Statement of Reasons for Negative Determination

On March 23, 1977, the U.S. International Trade Commission instituted investigation No. AA1921-164 under section 201(a) of the Antidumping Act, 1921, as amended. This investigation was made to determine whether an industry in the United States is being or is likely to be injured, or is prevented from being established, by reason of the importation into the United States of round head steel drum plugs from Japan which the Department of the Treasury has determined are being, or are likely to be, sold at less than fair value (LTFV) within the meaning of the act. In order to find affirmatively, the Commission must find two conditions satisfied in this investigation. First, it must find that an industry in the United States is being or is likely to be injured or is prevented from being established. 1/ Second, any injury or likelihood of injury must be by reason of the importation into the United States of the class or kind of foreign merchandise which the Treasury has determined is being, or is likely to be, sold at LTFV.

LTFV sales

The Department of the Treasury investigated U.S. imports of round head steel drum plugs from Japan during the period January 1- June 30, 1976. Fair-value comparisons were made on 100 percent of the subject merchandise sold in the United States during the period of investigation. Margins ranging from 86 percent to 119 percent

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1/ Prevention of the establishment of an industry is not an issue in the instant case and will not be discussed further.

were found on 100 percent of the sales compared. The weighted average margin on all sales was 94 percent.

The article and the domestic industry

Drum plugs are threaded closures on drums that are typically used as containers for the transportation, marketing, or storage of a diverse array of products. The plugs are made of several different types of materials, including plastic, zinc alloys, and steel, and are of two principal types: round head and hexagon head. Round head steel drum plugs, the subject of the LTFV determination by the Department of the Treasury, accounted for over one-half of total domestic production of drum plugs in 1976. Round head steel drum plugs are sold principally to two different users, original-equipment manufacturers (OEM's) and drum reconditioners.

Although there are three manufacturers of drum plugs in the United States, only two of these firms manufacture round head steel drum plugs. One of the firms producing round head steel drum plugs sells almost exclusively to OEM's, while the other sells almost exclusively to reconditioners of drums. Whether the domestic industry is defined to include all three producers of drum plugs or, more narrowly, to include only the two producers of round head steel drum plugs, the record of this investigation does not demonstrate recognizable injury by reason of LTFV imports no matter how the domestic industry is defined. 1/

No injury or likelihood of injury by reason of LTFV sales

In 1974, production of drum plugs in the United States was

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1/ Chairman Minchew and Commissioner Moore are of the opinion that the relevant U.S. industry consists of the production facilities in the United States devoted to the manufacture of drum plugs.

exceptionally high, approximately 94 million units, reflecting the peak of a 10-year cycle within the industry, when an unusually high number of drums were sold. Domestic production of round head steel drum plugs was also exceptionally high in 1974. In 1975, domestic production of drum plugs declined to approximately 60 million units, and that of round head steel drum plugs also declined. A number of reasons were cited for the decline, including the recession, the release of 3 million to 4 million drum plugs held in inventory by the U.S. Government, and the relocation of the facilities of one of the two domestic producers of such drum plugs.

In 1976, domestic consumption of drum plugs increased to approximately 70 million units; that of round head steel drum plugs also increased. In 1975 and 1976 there were only \*\*\*\*\* shipments of drum plugs from Japan. In 1975, \*\*\*\*\* units, valued at \*\*\*\*\*, were imported; in 1976, \*\*\*\*\* units, valued at \*\*\*\*\*, were imported. During the period examined by the Department of the Treasury, imports of round head steel drum plugs from Japan were valued at \$18,844.

Thus, the ratio of imports of round head steel drum plugs from Japan to U.S. consumption of drum plugs was 0.55 percent in 1976. The ratio of such imports to consumption of round head steel drum plugs was less than 1 percent in 1976. Although the ratio of imports to consumption was somewhat higher during the period examined by the Department of the Treasury, since all three of the shipments in 1976 occurred during that period, it was still only 1.08 percent of consumption of all drum plugs and less than 2 percent of consumption of round head steel drum plugs.

With the increase in domestic consumption of drum plugs in 1976, domestic production of such articles increased to approximately 72 million units. Domestic production of round head steel drum plugs in that year increased by about 15 percent over the 1975 level. Moreover, during the first 6 months of 1976, which was the period of LTFV sales examined by Treasury, round head steel drum plug production was about 15 percent higher than it was in the corresponding period of 1975. The number of production and related workers engaged in the production of round head steel drum plugs increased between 1975 and 1976 and was greater during the first 6 months of 1976 than it was in the corresponding period of 1975. Man-hours worked by these employees increased in a similar fashion.

The prices of domestically produced round head steel drum plugs remained relatively steady during 1975 and the first three quarters of 1976, but were relatively higher than in 1974, the year of greatest demand. In general, prices for such drum plugs rose in the last quarter of 1976 and again in the first quarter of 1977.

Although there are only two domestic producers of round head steel drum plugs, their net operating profits on their round head steel drum plug operations in 1976 were quite different. The producer which sells almost exclusively to OEM's, a market not served by imports, had less favorable operating results than did the petitioner, which sells almost exclusively to the reconditioner market, where most imported plugs are sold. The petitioner greatly increased its net profit between 1975 and 1976 and achieved a very favorable return on sales during the latter year. The petitioner's performance, in terms

of profit and return on sales, was comparatively better during the first 6 months of 1976 than for the entire year.

During the Commission's investigation, the petitioner alleged that it lost eight sales of round head steel drum plugs, valued at less than \$50,000. In six of these alleged instances it was determined that round head steel drum plugs imported from Japan were purchased. The record indicated that several of these purchases were made by users who were attempting to diversify their sources of supply. However, even if there had been no imports and the domestic industry had sold this additional volume, the loss would have amounted to less than one-half of 1 percent of net sales of round head steel drum plugs by the domestic industry in 1976. If the petitioner's allegations are accepted and all the alleged lost sales had been made instead by the round head steel plug producers, and they were operating at the same ratios of net operating profit to net sales as they did in 1976, the total profit before taxes of such producers would have increased by less than \$3,000 in that year. Such alleged loss of profits, even if they could be demonstrated to have occurred, is not of a magnitude which would warrant a finding of injury.

There have been no imports of round head steel drum plugs from Japan since the second quarter of 1976. There is no evidence in the record of this proceeding which demonstrates additional or unused capacity for producing this product in Japan, which would be likely to induce significant quantities of LTFV imports. The expansion of the Japanese economy would be likely to increase demand for drum plugs in that country and limit the quantity available for export. The

outlook for U.S. producers of round head steel drum plugs has further improved; e.g., prices increased in the last quarter of 1976 and again in the first quarter of 1977.

Conclusion

On the basis of the factors set forth above, we have determined that an industry in the United States is not being or is not likely to be injured by reason of the importation of round head steel drum plugs from Japan which the Department of the Treasury has determined are being, or are likely to be, sold at LTFV.

## INFORMATION OBTAINED IN THE INVESTIGATION

## Introduction

On March 14, 1977, the United States International Trade Commission received advice from the Department of the Treasury that round head steel drum plugs from Japan are being, or are likely to be, sold in the United States at less than fair value (LTFV) within the meaning of the Anti-dumping Act, 1921, as amended (19 U.S.C. 160(a)). Accordingly, on March 23, 1977, the Commission instituted investigation No. AA1921-164 under section 201(a) of said act to determine whether an industry in the United States is being or is likely to be injured, or is prevented from being established, by reason of the importation of such round head steel drum plugs into the United States. By statute, the Commission must render its determination within 3 months of receiving advice as to LTFV sales from Treasury--in this case by June 14, 1977.

A public hearing was conducted on Tuesday, May 3, 1977, in Washington, D.C. Notice of the institution of the investigation and the hearing was duly given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, D.C., and at the Commission's New York City Office, and by publishing the notice in the Federal Register of March 30, 1977 (42 F.R. 16875).

Following the receipt of a complaint from Allen-Stevens Drum Accessories Corp. on May 5, 1976, the Department of the Treasury instituted an antidumping investigation by publication of an "Antidumping Proceeding Notice" in the Federal Register of June 11, 1976 (41 F.R. 23732). The investigation was limited to round head steel drum plugs

manufactured by Enomoto Industries Co., Ltd., Takaishi City, Japan, the only producer of the subject drum plugs from Japan. On December 15, 1976, a "Withholding of Appraisement Notice" was published in the Federal Register (41 F.R. 54829). The determination of the sales at less than fair value was published in the Federal Register on March 17, 1977 (41 F.R. 14947).

### The Product

#### Description and uses

Round head steel drum plugs, the subject of this investigation, are accessories used as closures on steel drums which are typically used as containers for the transportation or storage of merchandise such as petroleum products, chemicals, or food products. There are two principal types of drum plugs, the round head and the hexagon head. The round head is the most common and is not interchangeable with the hexagon head. Hexagon head drum plugs and types of plugs other than round head steel variety were not included in Treasury's determination of LTFV sales. Round head plugs such as those made from stainless steel or zinc alloys can sometimes be used interchangeably. The question of interchangeability depends on the content of the drums.

The two principal methods of manufacturing drum plugs are (1) a process of stamping, machining, and welding of steel sheet metal, and (2) the die-casting process. Most plugs are currently produced by the stamping process; the die-casting method accounts for only about 5 percent of all round head plugs. Round head steel drum plugs are available both zinc plated and unplated, and are generally sold complete with gasket.

Almost all drum plugs are sold in two sizes--either approximately 2 inches or approximately three-fourths of an inch in diameter. They are usually marketed in pairs but are sometimes sold separately. Plugs of other sizes, such as those 1-1/2 inches in diameter, are also manufactured, but represent an insignificant portion of the drum plug industry.

All imports were of the round head variety, both zinc plated and unplated. They are interchangeable with the domestic product, although a few minor differences exist: imports have slightly fewer threads, a wider gasket seat, and a gasket having a round instead of a rectangular cross-section.

Round head steel drum plugs are sold principally to two users--83 percent are sold to companies that are original-equipment manufacturers of steel drums (OEM's) and 15 percent, to drum reconditioners. An OEM, such as the United States Steel Corp., purchases drum plugs to go with the manufactured drum, largely on the basis of specifications for drum fittings provided by a "filler" such as Mobil Oil Corp. In contrast, drum reconditioners insert new drum plugs in used drums after they have been emptied, cleaned, and reconditioned for future use. These plugs are used to replace missing plugs from drums which are returned for reconditioning.

#### U.S. tariff treatment

Round head steel drum plugs are dutiable under Tariff Schedules of the United States (TSUS) item 657.20. The column 1 rate of duty is 9.5 percent ad valorem; the column 2 rate is 45 percent ad valorem. The column 1 rate, which has been in effect since January 1, 1972, represents

the last of five staged reductions negotiated under the Kennedy round of trade negotiations pursuant to the General Agreement on Tariffs and Trade. The various rates of duty during the scheduled reductions are shown in table 1.

Table 1.--Round head steel drum plugs: U.S. rates of duty, Dec. 31, 1967 to the present

Effective date	Rate of duty
	<u>Percent ad valorem</u>
Dec. 31, 1967-----	19
Jan. 1, 1968-----	17
Jan. 1, 1969-----	15
Jan. 1, 1970-----	13
Jan. 1, 1971-----	11
Jan. 1, 1972-----	9.5

#### Nature and Extent of Sales at Less Than Fair Value

The Department of the Treasury, investigating U.S. imports of round head steel drum plugs from Japan during the period January 1-June 30, 1976, found that Japanese exports of such drum plugs were sold at LTFV. Fair-value comparisons were made on 100 percent of the subject merchandise sold in the United States during the period of investigation. Margins ranging from 85.7 percent for large plugs 1/ to 118.8 percent for small plugs 2/ were found on 100 percent of the sales compared. The weighted average margin on all sales was 94.2 percent. Treasury determined the aggregate value of

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1/ Refers to 2-inch plugs.

2/ Refers to 3/4-inch plugs.

margins of sales at LTFV during the period to be approximately \* \* \* . All imports of round head steel drum plugs from Japan were manufactured by one company, Enomoto Industries Co., Ltd., of Takaishi City, Japan; the export sales amounted to \* \* \* for large plugs and \* \* \* for small plugs, a total of \$18,844.

The Treasury Department computes margins on LTFV sales on a purchase-price basis, whereas the U.S. International Trade Commission uses home-market price as its basis. For imports analyzed by the U.S. Customs Service, the weighted average margin of sales at less than fair value was equivalent to 94.2 percent of the adjusted purchase price and to 48.5 percent of the adjusted home-market price. 1/

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1/ The Department of the Treasury calculates dumping margin percentages by the following formula:

$$\frac{\text{Home-market price (or constructed value)} - \text{purchase price (or exporters' sales price)}}{\text{Purchase price (or exporters' sales price)}}$$

The U.S. International Trade Commission calculates dumping margin percentages as follows:

$$\frac{\text{Home-market price (or constructed value)} - \text{purchase price (or exporters' sales price)}}{\text{Home-market price (or constructed value)}}$$

The proper basis for fair-value comparisons was determined by Treasury to be between purchase price and adjusted home-market price. Enomoto sells for export exclusively to an unrelated trading company which, in turn, sells exclusively to an unrelated U.S. importer. The purchase price was calculated on the basis of the packed, ex-warehouse price at the port of Kobe, less a deduction for inland freight. Home market prices were set individually for each customer; therefore, Customs calculated the weighted average home-market price.

#### The Domestic Industry

The three companies that produce drum plugs in the United States are American Flange & Manufacturing Company, Inc., Allen-Stevens Drum Accessories Corp., and Rieke Corp. While all three firms are known to manufacture the round head plug, only two firms--American Flange and Allen-Stevens--produce the round head steel type; Rieke Corp. produces \*\*\*percent of all U.S.-made round head plastic plugs. Rieke and Allen-Stevens produce all U.S.-made hexagon head plugs. Rieke, the first established of the three companies, has traditionally been the dominant producer of the hexagon head variety; most of Allen-Stevens' production is of the round head variety. The companies, their headquarters, and plant locations are listed in table 2.

Table 2.--Drum plugs: U.S. producers, their headquarters,  
and their plant locations, 1977

Company	Headquarters	Plants producing drum plugs
American Flange & Manufacturing Co., Inc-----	Linden, N.J.	Linden, N.J. <u>1/</u> Chicago, Ill.
Rieke Corp-----	Auburn, Ind.	Auburn, Ind. <u>2/</u>
Allen-Stevens Drum Accessories Corp-----	Somerset, N.J.	Somerset, N.J.

1/ American Flange is known to have plants located outside the United States.

2/ Rieke has warehousing facilities located in Linden, N.J., and plants located outside the United States.

#### Producers

American Flange, a closed stock company, dominated the drum plug industry prior to and during World War II. Now competing with Rieke Corp. as the leading U.S. producer of drum plugs, American Flange, a multinational corporation, dominates in the production of round head plugs. Its prominent position as a leading supplier to the OEM's is due largely to its wide range of tooling, which is supplied on a loan or rental basis, 1/ its worldwide servicing capacity, and its longtime reputation in the industry. In 1976, American Flange supplied \*\*\* percent of the domestic market for round head steel drum plugs and represented about \*\*\* percent of all employees engaged in producing them. American Flange accounted for \*\*\* percent of all round head steel drum plugs sold to the OEM's and only an estimated \*\*\* percent of those sold to drum

1/ Tooling is used to mechanically insert flanges into the heads and shells of drums.

reconditioners. American Flange is also known to manufacture other types of closures and fittings for drums and containers.

Rieke Corp. did not compete with American Flange as a leading producer of drum plugs until after World War II. Currently the dominant producer of hexagon head drum plugs, Rieke shares the U.S. market for this type of plug with Allen-Stevens. In 1976, Rieke supplied \* \* \* percent of all hexagon head drum plugs to the OEM's and \* \* \* percent of all such plugs to drum reconditioners. \* \* \* percent of Rieke's total production is of the plastic round head variety. Rieke also manufactures other closures, pouring spouts for containers, and dispensing equipment (which is exported).

Allen-Stevens, a relative newcomer to the drum plug industry, manufactures both round and hexagon head plugs, both of which are similar to the "Tri-sure" model (American Flange's trademark for its round head steel drum plug) and Rieke's hexagon head plug. While both types of plugs are produced in the same plant, different machines are used in manufacturing them. Only \* \* \* as many hexagon head plugs as round head plugs are produced by this company. In 1976, Allen-Stevens supplied only \* \* \* percent of all round head plugs and only\*\*\*percent of all hexagon head plugs sold to the OEM market. However, it supplied \* \* \* percent of all round head steel drum plugs and \* \* \* percent of hexagon head plugs to drum reconditioners. The prominent position in the reconditioning market enjoyed by Allen-Stevens is largely due to its prices for both types of plugs. Allen-Stevens is predominantly a plug producer, but also manufactures octagonal flanges.

The U.S. market

The two major users of drum plugs are original-equipment manufacturers of drums and drum reconditioners. <sup>1/</sup> The two principal producers of drum plugs, American Flange and Rieke, account for \* \* \* percent, respectively, of all drum plugs sold to the OEM market. Allen-Stevens accounts for the remaining\*\*\*percent of sales to OEM's and \* \* \* percent of all sales of plugs to the reconditioning market. The number of hexagon head plugs sold to the reconditioning market is slightly greater than \* \* \*the number of the round head drum plugs sold to the same market.

Data provided by the Commission's questionnaires indicate that American Flange supplied an annual average of \* \* \* percent of the total U.S. market for drum plugs in 1974-76. During the same period, Rieke and Allen-Stevens accounted for an annual average of \* \* \* percent and \*\*\*percent, respectively.

Allen-Stevens' appeal to drum reconditioners is due largely to the lower prices for plugs (about 3 to 7 percent less than the round head steel drum plug sold by American Flange). The drum reconditioner market is extremely sensitive to lower prices as it is characterized by small producers with low operating margins and keen supplier-price sensitivity. OEM's, by contrast, tend to be larger, publicly held corporations unwilling to take a chance on a small supplier. Drum plugs account for about 2 percent of the total cost of a complete new drum and approximately 3 percent of that of a reconditioned drum. Another barrier limiting the penetration

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<sup>1/</sup> It has been estimated by industry sources that approximately 10 percent of all drums requiring reconditioning need new plugs.

of the OEM market by Allen-Stevens is the problem of specifications. The drum users detail the specifications for the drum plugs they want to the OEM. The specifications tend to limit the OEM to a "qualified" brand. Industry sources claim that these specifications assume a life of their own and are hardly ever changed. American Flange, owing to its traditional dominance as a round head steel drum plug producer, is almost always specified in the OEM market, and its strong competitive position with respect to tooling technology discourages any other entry into that market.

In 1975, \* \* \* imports of round head steel drum plugs from Japan were sold to the reconditioning market; in 1976, about \*\*\* percent of all such imports were sold to that market. The largest purchaser of the Enomoto plugs, \* \* \* , a reconditioner located in \* \* \* \* \* attempted to resell the plugs without much success. Industry sources assert that large OEM's, such as \* \* \* were approached with offers of sales by the importer. According to the importer, the only OEM that was known to buy a significant number of the plugs was \* \* \* .

#### Channels of distribution

Virtually all drum plugs produced by American Flange and Rieke are sold by their own salaried sales agents to the OEM market. These salesmen call on the ultimate end users of the drums, such as Mobil Oil Corp. or Dupont, which, in turn, specify the type or brand of drum fittings to be used by the OEM's, such as the United States Steel Corp.

Allen-Stevens sells the vast majority of its plugs (both hexagon and round head) through four distributors and a sales agent; in turn, they sell approximately \*\*\*percent of their purchases to the reconditioning market. American Flange and Rieke have been known to use these four distributors upon rare occasions.

The exclusive distributor of the Japanese imported plugs produced by Enomoto is Fehr Bros., in New York City. As mentioned earlier, a drum reconditioner, \* \* \*, which is known to have purchased the imported plugs, attempted to resell them to other drum reconditioners but retained most of the purchase for its own use.

#### Consideration of Injury or Likelihood Thereof

##### U.S. production, shipments, and inventories of drum plugs

U.S. production and shipments are listed in table 3. As table 3 indicates, the production of drum plugs in 1974 was exceptionally high. According to industry sources, this figure reflects the peak year of a 10-year cycle within the industry, when an unusually high number of new drums entered the U.S. market. The decline in production from 95.9 million plugs in 1974 to 59.7 million plugs in 1975 was due, in large part, to the economic recession. Another reason was the release into the domestic market of 3 million to 4 million plugs (mostly of the round head steel variety) held in inventory by the U.S. Government since World War II. Officials from Allen-Stevens indicated that a third reason contributing to the decline in its production in 1975 arose from the relocation of its plant facilities during the first 6 months of that year.

Table 3.--Drum plugs: U.S. production and shipments, by types, 1974-1976, January-June 1975, January-June 1976, and January-March 1977

(In thousands of units)						
Item	1974	1975	1976	January-June--		January-
				1975	1976	March
						1977
Production:						
Round head steel drum						
plugs-----	* * *	* * *	* * *	* * *	* * *	* * *
All other round head						
drum plugs-----	17,977	9,947	12,331	3,786	8,342	3,887
Hexagon head drum						
plugs-----	* * *	* * *	* * *	* * *	* * *	* * *
Total-----	95,851	59,744	72,209	27,570	37,205	19,283
Shipments:						
Round head steel drum						
plugs-----	* * *	* * *	* * *	* * *	* * *	* * *
All other round head						
drum plugs-----	15,811	9,503	12,567	4,645	6,067	2,962
Hexagon head drum						
plugs-----	* * *	* * *	* * *	* * *	* * *	* * *
Total-----	93,065	58,257	69,422	25,387	35,157	17,964

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

In 1976, round head drum plugs accounted for \*\*\* percent of all domestically produced plugs, and the hexagon head plug accounted for the remaining \*\*\* percent. Production of round head steel plugs increased from \*\*\* million in 1975 to \*\*\* million in 1976, when they accounted for \*\*\* percent of the total domestic production of plugs. Round head plugs of die-cast zinc alloy, plastic, stainless steel, and other specialty types represented \*\*\* percent of all plugs produced in 1976. On the basis of data for the first 3 months of 1977, all three plug-producing companies indicated that the production of plugs in 1977 will probably increase from the 1976 level.

Although there may be some buildup of inventories at yearend, generally no more than 15 percent of production is held in inventory. Inventories increased from 8.3 million in 1975 to 10.1 million in 1976, or by 21 percent. Inventories of round head steel drum plugs rose \*\*\* percent between 1975 and 1976, from \*\*\* million to \*\*\* million. In the same period there was a \*\*\* percent decrease in inventories of all other round head drum plugs and a \*\*\* percent decrease in inventories of hexagon head plugs.

#### U.S. exports

Exports of drum plugs by U.S. producers have been estimated at less than 1 percent of total domestic shipments during 1974-76. According to official statistics compiled by the U.S. Department of Commerce, the annual number of drums containing plugs exported from the United States was also less than 1 percent of total domestic shipments of plugs during that period.

U.S. imports

Precise data on U.S. imports of drum plugs are not available from official statistics because imports of such items enter under item 657.2030 of the Tariff Schedules of the United States Annotated (TSUSA), "basket" provisions. When drums containing plugs enter the United States, they are classified under TSUS item 640.30. The appropriate import specialists at New York, Los Angeles, San Francisco, and Seattle indicated that they had neither records nor personal recollection of any shipments of drum plugs entering under TSUSA item 657.2030, although the import specialist at Houston was able to find one entry of drum plugs in November 1975. Fehr Bros., the exclusive agent for steel plugs from Enomoto in Japan, believes that it is the only importer of drum plugs and that there were only \*\*\* shipments of drum plugs, all of the round head steel variety, from Japan in 1975 and 1976. In 1975, the two shipments from Enomoto amounted to \* \* \* plugs (including 2-inch and 3/4-inch diameter sizes) valued at \* \* \*. In 1976, there were \* \* \* entries, amounting to \* \* \* plugs (2-inch and 3/4-inch sizes) valued at \* \* \*, duty paid c.i.f. value, or, alternatively, \* \* \* f.o.b. port of entry. 1/ One entry worth \* \* \* was sold for export in 1975 but was not imported into the United States until early 1976. \* \* \* other entries valued at \$18,844 were the shipments used by Treasury for fair-value comparisons.

U.S. consumption

As indicated in table 4 on the following page, apparent U.S. consumption of drum plugs decreased from 93.1 million plugs in 1974 to 58.3 million in 1975, then increased to 69.8 million in 1976.

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1/ During the period of Treasury's investigation (Jan. 1-June 30, 1976), imports from Japan amounted to \$18,844.

Table 4.--Drum plugs: U.S. producers' shipments, imports for consumption, and apparent consumption, 1974-76, January-June 1975, January-June 1976, and January-March 1977

Period	Producers' shipments <sup>1/</sup>	Imports	Apparent consumption	Ratio of imports to consumption
	<u>1,000</u> <u>units</u>	<u>1,000</u> <u>units</u>	<u>1,000</u> <u>units</u>	<u>Percent</u>
1974-----	93,065	0	93,065	0
1975-----	58,257	***	***	***
1976-----	69,422	***	***	***
January-June--				
1975-----	25,387	0	25,387	0
1976-----	35,157	***	***	***
January-March 1977-----	17,964	0	17,964	0

<sup>1/</sup> No allowance is made for exports, which accounted for less than 1 percent of annual producers' shipments.

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

U.S. consumption of round head steel drum plugs followed a similar pattern during this period, as shown in table 5.

Table 5.--Round head steel drum plugs: U.S. producers' shipments, imports for consumption, and apparent consumption, 1974-76, January-June 1975, January-June 1976, and January-March 1977

Period	Producers' shipments <sup>1/</sup>	Imports	Apparent consumption	Ratio of imports to consumption
	<u>1,000</u> <u>units</u>	<u>1,000</u> <u>units</u>	<u>1,000</u> <u>units</u>	<u>Percent</u>
1974-----	***	0	***	0
1975-----	***	***	***	***
1976-----	***	***	***	***
January-June--				
1975-----	***	0	***	0
1976-----	***		***	***
January-March 1977-----	***	0	***	0

<sup>1/</sup> Exports are known to be negligible.

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

U.S. consumption of drum plugs by markets is presented below in table 6.

Table 6.--Drum plugs: U.S. consumption, by types, and by markets, 1974-76

(In thousands of units)			
Item	1974	1975	1976
Round head steel drum plugs:			
Original-equipment manufacturers of steel drums-----	***	***	***
Drum reconditioners-----	***	***	***
All other markets-----	661	453	485
All other round head drum plugs:			
Original-equipment manufacturers of steel drums-----	11,801	5,995	7,900
Drum reconditioners-----	1,044	1,322	1,059
All other markets-----	2,966	2,186	3,608
Hexagonal head drum plugs:			
Original-equipment manufacturers of steel drums-----	***	***	***
Drum reconditioners-----	***	***	***
All other markets-----	499	417	325

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

At the Commission's public hearing, Allen-Stevens maintained that the Commission should consider the reconditioning market for round head steel drum plugs as an industry. The ratio of LTFV imports to apparent consumption of round head steel drum plugs in the reconditioning market was \*\*\* percent in 1975 and \*\*\* percent in 1976.

#### Employment

The average number of production and related workers involved in the production of all products during 1974-76 amounted to \*\*\* workers in 1974, but declined to \*\*\* workers in 1975 and 1976. During January-June 1976, such workers numbered \*\*\* , a 4-percent increase over the number in

the corresponding period of 1975. Table 7 shows the employment of production and related workers involved in the production of round head steel drum plugs and total employment of production and related workers on all products at plant sites where round head steel drum plugs are produced.

Table 7.--Average number of production and related workers engaged in the production of all products and of round head steel drum plugs only in U.S. facilities producing round head steel drum plugs, 1974-76, January-June 1975, January-June 1976, and January-March 1977

Period	: Production and related : Percentage change from		: workers producing-- : previous period for--	
	: All products :	: Round head : steel drum	: All products :	: Round head : steel drum
	: plugs <u>1/</u> :	: plugs <u>1/</u> :	: plugs <u>1/</u> :	: plugs <u>1/</u> :
			: <u>Percent</u> :	: <u>Percent</u> :
1974-----	*** :	*** :	<u>2/</u> :	<u>2/</u> :
1975-----	*** :	*** :	-11 :	-15 :
1976-----	*** :	*** :	0 :	6 :
January-June--	:	:	:	:
1975-----	*** :	*** :	<u>2/</u> :	<u>2/</u> :
1976-----	*** :	*** :	4 :	4 :
January-March 1977---	*** :	*** :	<u>2/</u> :	<u>2/</u> :
:	:	:	:	:
:	:	:	:	:

1/ Only American Flange and Allen-Stevens produce the round head steel drum plugs.

2/ Not available.

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

As the table indicates, the trend of employment associated with round head steel drum plugs closely follows the pattern set by employment in all product lines (such as flanges) of the establishments concerned. In the period January-March 1977, employment on round head steel drum plugs appears to have increased from the 1976 level, while employment on all products appears to have declined.

Officials at Rieke indicated that since demand for drum plugs was low in 1975, employees engaged in the production of drum plugs, cap seals, and flanges worked 4 instead of 5 days a week. The two companies producing round head steel plugs, American Flange and Allen-Stevens, show an increase in the first quarter of 1977 from the first half of 1976 in the number of workers engaged in the production of all products, but only \* \* \* shows a rise in the number of employees engaged in the production of round head steel drum plugs.

Man-hours worked in the production of round head steel drum plugs by production and related workers in all U.S. establishments producing round head steel drum plugs during the period 1974-76 reached a high of \*\*\* million in 1974, declined to \* \* \* man-hours in 1975, and then increased to \* \* \* in 1976. During January-June 1976 (the period examined by Treasury), man-hours amounted to \* \* \* as shown in \* \* \* table 8.

Table 8.--Man-hours worked by production and related workers in the production of all products and of round head steel drum plugs only in U.S. facilities producing round head steel drum plugs, 1974-76, January-June 1975, January-June 1976, and January-March 1977

Period	: Production and related : Percentage change from		: Round head : Round head	
	: workers producing-- : previous period for--		: steel drum : steel drum	
	: All products:	: steel drum	: All products:	: steel drum
	: plugs <u>1/</u>	: plugs <u>1/</u>	: plugs <u>1/</u>	: plugs <u>1/</u>
	: <u>1,000</u>	: <u>1,000</u>	: <u>Percent</u>	: <u>Percent</u>
	: <u>man-hours</u>	: <u>man-hours</u>		
1974-----	: ***	: ***	: <u>2/</u>	: <u>2/</u>
1975-----	: ***	: ***	: -16	: -14
1976-----	: ***	: ***	: 2	: 6
January-June--	: :	: :	: :	: :
1975-----	: ***	: ***	: <u>2/</u>	: <u>2/</u>
1976-----	: ***	: ***	: 8	: 4
January-March--	: :	: :	: :	: :
1977-----	: ***	: ***	: <u>2/</u>	: <u>2/</u>

1/ Only American Flange and Allen-Stevens produce the round head steel drum plug.

2/ Not available.

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

As the table above indicates, the trend in man-hours worked associated with production of round head steel drum plugs follows a pattern similar to that set by man-hours worked on all products in the same establishments.

Profit-and-loss experience of domestic producers

The financial data presented in this section were obtained from questionnaire responses of the two domestic producers of round head steel drum plugs, which accounted for all the domestic production of round head steel drum plugs for the period 1974-76. There will be no discussion in this section of all other round head drum plugs produced by these two respondents since the data supplied shows that round head steel drum plugs accounted for the vast majority--about \* \* \* of their overall round head drum plug operations. An attempt was made to obtain financial data from the two producers of hexagon head plugs on their hexagon head plug operations; however, the only data readily available were those of one producer for 1 year. Both respondents operate on a fiscal-year basis: the accounting year of Allen-Stevens Drum Accessories Corp. closes on September 30; that of American Flange & Manufacturing Co., Inc., ends on August 31.

Overall establishment operations.--Overall net sales of the producers of round head steel drum plugs decreased from \* \* \* million in 1974 to \* \* \* million in 1975 and then increased to approximately \* \* \* million in 1976 (tables 9 and 10). Net sales for the period January-June 1976 were reported to be \* \* \* million, compared with \* \* \* million in the corresponding period of 1975.

Net operating profit and the ratio of net operating profit to net sales decreased annually. Dollar profit dropped from \* \* \* million in 1974 to \* \* \* million in 1975 and \* \* \* million in 1976, and the ratio of net operating profit to net sales declined from \*\*\* percent in 1974 to \*\*\* percent in 1975 and then to \*\*\* percent in 1976. Net operating profit

Table 9.--Profit-and-loss experience of the 2 domestic producers of round head steel drum plugs on their overall establishment operations and their operations on round head steel drum plugs only, 1974-76, January-June 1975, and January-June 1976

(In thousands of dollars)

Item and year	Net sales	Cost of goods sold	Gross profit	General, selling, and administrative expenses	Net operating profit	Other income, net	Net profit before taxes	Ratio of net operating profit to net sales
Overall establishment operations:								
1974-----	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *
1975-----	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *
1976-----	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *
January-June--								
1975-----	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *
1976-----	* * *	* * *	* * *	* * *	* * *	* * *	* * *	* * *
Operations on round head steel drum plugs:								
1974-----	* * *	* * *	* * *	* * *	* * *	1/	* * *	* * *
1975-----	* * *	* * *	* * *	* * *	* * *	1/	* * *	* * *
1976-----	* * *	* * *	* * *	* * *	* * *	1/	* * *	* * *
January-June--								
1975-----	* * *	* * *	* * *	* * *	* * *	1/	* * *	* * *
1976-----	* * *	* * *	* * *	* * *	* * *	1/	* * *	* * *

1/ Not available.

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

Table 10.--Profit-and-loss experience of the 2 domestic producers <sup>1/</sup> of round head steel drum plugs on their overall establishment operations, 1974-76, January-June 1975, and January-June 1976

(In thousands of dollars)

Year and company	Net sales	Cost of goods sold	Gross profit	General, selling, and administrative expenses	Net operating profit or (loss)	Other income or (expense), net	Net profit or (loss) before taxes	Ratio of net operating profit or (loss) to net sales
<u>1974</u>								
Allen-Stevens Drum Accessories Corp-----	***	***	***	***	***	2/	***	***
American Flange & Manufacturing Co., Inc-----	***	***	***	***	***	***	***	***
Total-----	***	***	***	***	***	***	***	***
<u>1975</u>								
Allen-Stevens Drum Accessories Corp-----	***	***	***	***	***	***	***	***
American Flange & Manufacturing Co., Inc-----	***	***	***	***	***	***	***	***
Total-----	***	***	***	***	***	***	***	***
<u>1976</u>								
Allen-Stevens Drum Accessories Corp-----	***	***	***	***	***	***	***	***
American Flange & Manufacturing Co., Inc-----	***	***	***	***	***	***	***	***
Total-----	***	***	***	***	***	***	***	***
<u>January-June 1975</u>								
Allen-Stevens Drum Accessories Corp-----	***	***	***	***	***	2/	***	***
American Flange & Manufacturing Co., Inc-----	***	***	***	***	***	***	***	***
Total-----	***	***	***	***	***	***	***	***
<u>January-June 1976</u>								
Allen-Stevens Drum Accessories Corp-----	***	***	***	***	***	***	***	***
American Flange & Manufacturing Co., Inc-----	***	***	***	***	***	***	***	***
Total-----	***	***	***	***	***	***	***	***

<sup>1/</sup> Allen-Stevens Drum Accessories Corp. operates on fiscal year ended Sept. 30; American Flange & Manufacturing Co., Inc., operates on a fiscal year ended Aug. 31.

<sup>2/</sup> Not available.

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

reported for the first 6 months of 1976 amounted to \* \* \* or \*\*\* percent of net sales, compared with \* \* \* or \*\*\* percent of net sales, for the first 6 months of 1975.

Operations on round head steel drum plugs.--Net sales of round head steel drum plugs decreased from \*\*\* million in 1974 to \*\*\* million in 1975 and then increased to\* \* \* million in 1976, just short of the 1974 sales level (tables 9 and 11). Net sales for January-June 1976, the period during which Treasury found LTFV sales, amounted to\* \* \* million, or 'approximately\* \* \* percent greater than the\* \* \* million recorded for the corresponding period of 1975.

Net operating profit decreased annually during 1974-76, from \* \* \* in 1974 to \* \* \* in 1975 and \* \* \* in 1976. A net operating profit of \* \* \* was reported during January-June 1976, compared with \* \* \* for the corresponding period of 1975. Net operating profit as a percentage of net sales also showed annual declines, decreasing from\* \* \* percent in 1974 to \*\*\* percent in 1976. The operating profit ratio was \*\*\* percent during January-June 1976, compared with \*\*\* percent for January-June 1975.

The individual company operations, as shown in table 10, show both companies experiencing the same trend in sales. The trend in operating profit, however, differs considerably.

\* \* \* \* \*

Table 11.--Profit-and-loss experience of the 2 domestic producers <sup>1/</sup> of round head steel drum plugs on their round head steel drum plug operations only, 1974-76, January-June 1975, January-June 1976

(In thousands of dollars)								
Year and company	Net sales	Cost of goods sold	Gross profit	General, selling, and administrative expenses	Net operating profit or (loss)	Net profit or (loss) before taxes	Ratio of net operating profit or (loss) to net sales	
<u>1974</u>								
Allen-Stevens Drum Accessories Corp-----	***	***	***	***	***	***	***	
American Flange & Manufacturing Co., Inc-----	***	***	***	***	***	***	***	
Total-----	***	***	***	***	***	***	***	
<u>1975</u>								
Allen-Stevens Drum Accessories Corp-----	***	***	***	***	***	***	***	
American Flange & Manufacturing Co., Inc-----	***	***	***	***	***	***	***	
Total-----	***	***	***	***	***	***	***	
<u>1976</u>								
Allen-Stevens Drum Accessories Corp-----	***	***	***	***	***	***	***	
American Flange & Manufacturing Co., Inc-----	***	***	***	***	***	***	***	
Total-----	***	***	***	***	***	***	***	
<u>January-June 1975</u>								
Allen-Stevens Drum Accessories Corp-----	***	***	***	***	***	***	***	
American Flange & Manufacturing Co. Inc-----	***	***	***	***	***	***	***	
Total-----	***	***	***	***	***	***	***	
<u>January-June 1976</u>								
Allen-Stevens Drum Accessories Corp-----	***	***	***	***	***	***	***	
American Flange & Manufacturing Co., Inc-----	***	***	***	***	***	***	***	
Total-----	***	***	***	***	***	***	***	

<sup>1/</sup> Allen-Stevens Drum Accessories Corp. operates on fiscal year ended Sept. 30; American Flange & Manufacturing Co., Inc., operates on a fiscal year ended Aug. 31.

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

\* \* \* \* \*

Investment in productive facilities.--Table 12 shows the combined capital expenditures of the two manufacturers of round head steel drum plugs on their productive facilities. Both companies reported \* \* \* \* \* in their productive facilities in 1975.

Table 12.--Capital expenditures of the 2 U.S. producers of round head steel drum plugs on their productive facilities employed in the production of round head steel drum plugs, 1974-76

(In thousands of dollars)

Company	:	1974	:	1975	:	1976
Allen-Stevens Drum Accessories Corp--:	:	* * *	:	* * *	:	* * *
American Flange & Manufacturing Co., :	:	* * *	:	* * *	:	* * *
Inc-----:	:	* * *	:	* * *	:	* * *

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

Total investment at actual cost in the productive facilities in which round head steel drum plugs are produced increased from\* \* \* million in 1974 to \* \* \* million in 1976 (table 13). The book value of these assets (actual cost minus depreciation) also increased annually from \* \* \* million in 1974 to\* \* \* million in 1976. Net operating profit as a percentage of overall investment showed an opposite trend by declining in each year. Net operating profit as a percentage of assets at actual cost decreased from

Table 13.--Investment in productive facilities and net operating profit, for the 2 U.S. producers of round head steel drum plugs, 1974-76

Item and year	Investment in productive facilities at end of year			Net operating profit	Ratio of net operating profit to investment in productive facilities	
	Actual cost	Net book value			Actual cost	Net book value
	<u>1,000</u> <u>dollars</u>	<u>1,000</u> <u>dollars</u>	<u>1,000</u> <u>dollars</u>		<u>Percent</u>	<u>Percent</u>
Total establishment operations:						
1974-----	* * *	* * *	* * *		* * *	* * *
1975-----	* * *	* * *	* * *		* * *	* * *
1976-----	* * *	* * *	* * *		* * *	* * *
Operations on round head steel drum plugs:						
1974-----	* * *	* * *	* * *		* * *	* * *
1975-----	* * *	* * *	* * *		* * *	* * *
1976-----	* * *	* * *	* * *		* * *	* * *

Source: Compiled from data submitted to the U.S. International Trade Commission by U.S. producers of round head steel drum plugs.

\*\*\* percent in 1974 to \*\*\* percent in 1976; the ratio of net operating profit to net book value declined from \*\*\* percent to \* \* \* percent during the same period.

Investment in the facilities used only in the production of round head steel drum plugs follow precisely the same trend as the investment in overall productive facilities. The actual cost of the investment increased annually from \* \* \* in 1974 to \* \* \* million in 1976, and the book value increased from \* \* \* to \* \* \* in the same period. Net operating profit as a percentage of actual cost declined from \* \* \* percent in 1974 to \* \* \* percent in 1976, and the ratio of net operating profit to book value dropped from \* \* \* percent in 1974 to \* \* \* percent in 1976. Even though the declining ratios may seem high, it should be kept in mind that this is not a capital-intensive industry, and, therefore, the trends over the years may be more important than the actual levels of the ratios. Declining profit and increasing investment obviously caused the ratios to decline during the 3-year period. In 1975, domestic producers substantially increased their investments in drum plug production facilities.

The Japanese industry

The Japanese industry consists of four manufacturers and distributors of plugs. Besides Enomoto, they are Yamato Tekko-sho Co., Matsuo Seisaku-sho Co., and Tri-sure Japan Co. 1/ It appears that only Enomoto has exported plugs to the United States. According to American Embassy officials in Tokyo, Japan, sources at Enomoto reported that there has been \* \* \* to produce round head steel drum plugs and that its present capacity of such plugs is \* \* \* pieces a month based on an \* \* \* operation.

Consideration of the causal relationship Between  
the Alleged Injury and LTFV imports

Market penetration of LTFV sales

The Department of the Treasury reported that all the imported round head steel drum plugs from Japan which it found to have been sold at less than fair value were manufactured by one firm, Enomoto Industries Co., Ltd., of Takaishi City, Japan. In its investigation, Treasury found LTFV margins on 100 percent of the sales compared. During the period of LTFV sales (January 1-June 30, 1976), Japanese round head steel drum plugs represented 100 percent of U.S. imports of round head steel plugs in terms of both quantity and value.

The ratio of imports of round head steel drum plugs from Japan to apparent U.S. consumption of such items increased from \* \* \* in 1975 to \* \* \* in 1976, as shown in table 14. During January-June 1976, the ratio was \* \* \*. The ratio of imports from Japan to consumption of all drum plugs followed a similar trend.

---

1/ Tru-sure Japan Co. is a subsidiary of American Flange.

Table 14.--Drum plugs: U.S. imports from Japan and apparent consumption of all drum plugs and of the round head steel variety, 1974-76, January-June 1975, January-June 1976

Period	Imports from Japan 1/	Apparent Consumption of--		Ratio of imports from Japan to consumption of--	
		All drum plugs	Round head steel drum plugs	All drum plugs	Round head steel drum plugs
	1,000 units	1,000 units	1,000 units	Percent	Percent
1974-----	0	93,065	***	0	0
1975-----	***	***	***	***	***
1976-----	***	***	***	***	***
January-June--					
1975-----	0	25,387	***	0	0
1976-----	***	***	***	***	***

1/ All imports from Japan were of the round head steel variety.

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

Evidence of sales lost by domestic producers to LTFV imports from Japan

In the questionnaire sent to each domestic producer, information was requested with respect to sales lost to LTFV imports and evidence supporting claims of such lost sales.

One of the two domestic producers, Allen-Stevens, alleged lost sales to imports from Japan by naming the customer, the Japanese producer, the period in which the transaction occurred, and the quantity and value of the sales. Allen-Stevens alleged that it lost eight sales amounting to at least 345,000 round head steel drum plugs valued at a minimum of \$38,951.

The staff contacted the firms that were listed as accounts involving sales lost to LTFV imports. Of the eight customers, six are \* \* \* \* \* and two are \* \* \* Of the eight alleged lost sales to Japanese imports, \* \* \* acknowledged having bought the Japanese plugs. 1/ Most of the firms stated that the principal reason for purchasing the Japanese plugs was a lower price; all maintained that the imported article was at least of equal quality to the domestic product. 2/ Most of the firms stated that another reason for buying the plugs was the desire for a third supplier. Some drum reconditioners stated that the prices of plugs sold by both Allen-Stevens and American Flange are too high.

The drum reconditioner which purchased the largest quantity of the imported plugs \* \* \* \* \* attempted to resell the plugs but was, for the most part, unsuccessful. Thus, about 90 percent of its purchase was kept for its own use.

All purchasers of imported plugs were also using the U.S.-made product from domestic sources. Two firms stated that they had no intention of buying additional Japanese plugs.

---

1/

\* \* \* \* \*

2/

Prices

Drum plugs are generally sold at a published list price. Only in exceptional cases are there some price concessions. Prices change on the average of once a year. The last known increase was on January 1, 1977. American Flange is usually the price leader.

To investigate price trends in the market, the Commission sent detailed questionnaires to the two domestic producers and one importer of round head steel drum plugs. Questionnaire respondents were asked to supply lowest net selling prices and to specify the type (plated and unplated) and size (2 inches or three-fourths of an inch) of the plug being priced, thereby enabling the Commission to develop price series of the various types and sizes of the domestic and imported articles. Results with respect to price and type of plug are presented in table 15 to 18 and in figures 1 to 4. Table 19 and figure 5 show price indexes for miscellaneous metal products and drum plugs during January 1974-March 1977.

As shown in the tables, domestic prices rose rapidly during 1974, remained very stable throughout 1975 and January-September 1976, and rose during October-December 1976 and January-March 1977. From the third quarter of 1975 to the third quarter of 1976, most of the period in which round head steel drum plugs were imported from Japan, domestic prices did not increase.

Of the five quarters during which round head steel drum plugs are known to have been imported and sold, the average net selling prices received by the importer generally increased during the first three

quarters (October 1975 through June 1976), changed little during July-September 1976, then declined in October-December 1976. In contrast to domestic prices, which peaked in the fourth quarter of 1976, import prices registered their largest gains in the second and third quarters of that year.

In each quarter, every shipment of imported drum plugs was priced lower than the comparable domestic plugs. From the fourth quarter of 1975 through the end of 1976, price differences of between \* \* \* percent existed between U.S.-made round head steel drum plugs and imported plugs. Further, during the period of Treasury's investigation, the price differences ranged from \* \* \* percent. Generally, these differences declined in the second and third quarters of 1976 and increased slightly in the fourth quarter of 1976.

Two factors in the decision to buy the imported plugs were lower prices and the desire for an additional supplier. In the absence of the dumping margins determined by Treasury, it would be highly unlikely that there would have been a price advantage to the imported article; in fact, the imported article would have been more expensive than the domestic product.

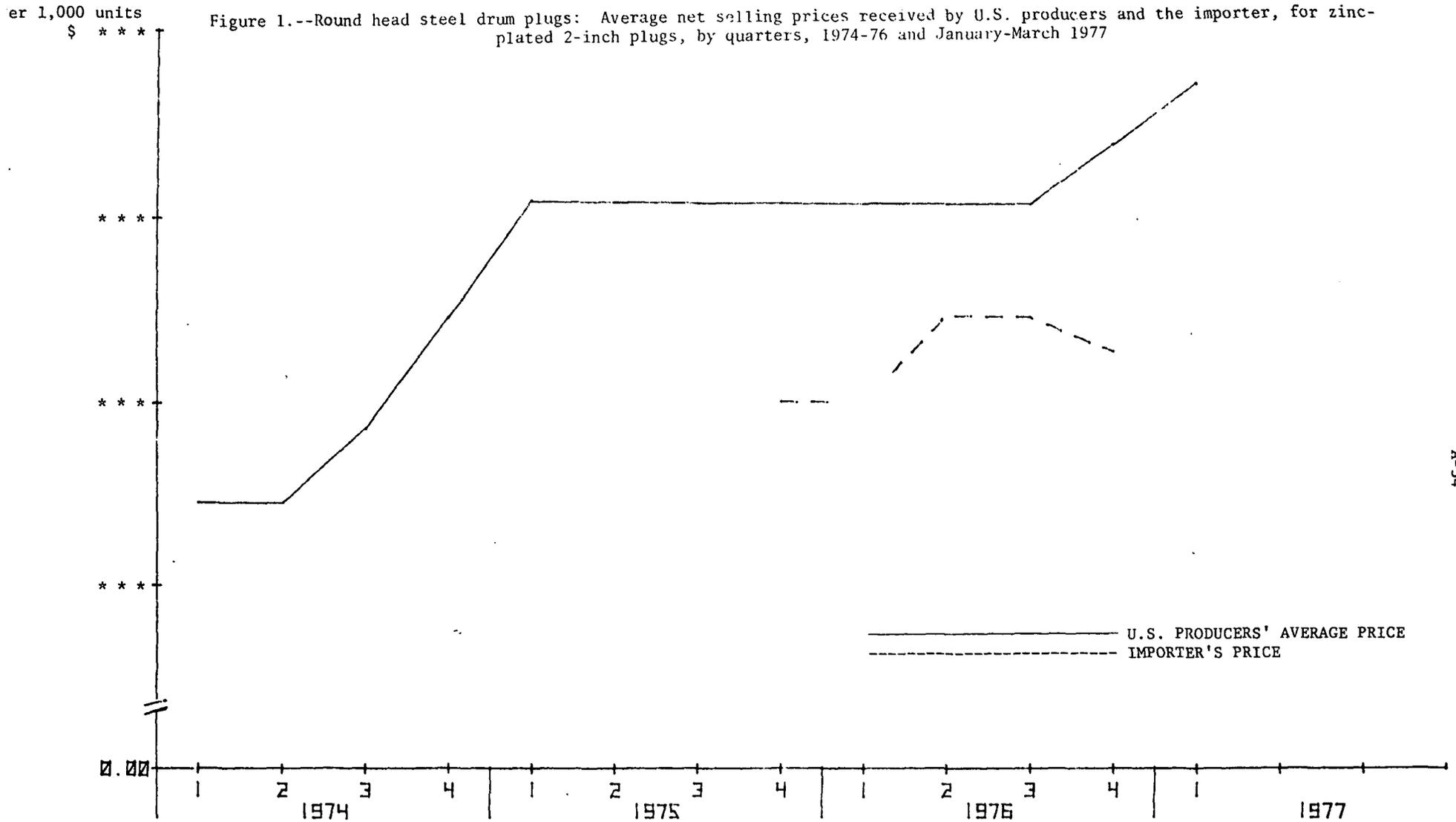
Table 15.--Ranges and arithmetic averages of lowest net selling prices received by U.S. producers and the importer for zinc-plated 2-inch plugs, 1974-76 and January-March 1977

Period	Domestic--			Import price	Ratio of import price to domestic average price
	Price range	Average price			
	Per 1,000 units	Per 1,000 units	Per 1,000 units		
1974:					
Jan.-Mar-----	* * *	* * *	<u>1/</u>		-
Apr.-June-----	* * *	* * *	<u>1/</u>		-
July-Sept-----	* * *	* * *	<u>1/</u>		-
Oct.-Dec-----	* * *	* * *	<u>1/</u>		-
1975:					
Jan.-Mar-----	* * *	* * *	<u>1/</u>		-
Apr.-June-----	* * *	* * *	<u>1/</u>		-
July-Sept-----	* * *	* * *	<u>1/</u>		-
Oct.-Dec-----	* * *	* * *	* * *		* * *
1976:					
Jan.-Mar-----	* * *	* * *	<u>1/</u>		-
Apr.-June-----	* * *	* * *	* * *		* * *
July-Sept-----	* * *	* * *	* * *		* * *
Oct.-Dec-----	* * *	* * *	* * *		* * *
1977:					
Jan.-Mar-----	* * *	* * *	<u>1/</u>		-

1/ No shipments were imported during this period.

Source: Compiled from data submitted by 2 producers and 1 importer in response to questionnaires of the U.S. International Trade Commission.

Figure 1.--Round head steel drum plugs: Average net selling prices received by U.S. producers and the importer, for zinc-plated 2-inch plugs, by quarters, 1974-76 and January-March 1977



Source: Data in table 15.

Table 16.--Ranges and arithmetic averages of lowest net selling prices received by U.S. producers and the importer for zinc-plated 3/4-inch plugs, 1974-76 and January-March 1977

Period	Domestic--		Import price	Ratio of import price to domestic average price
	Price range	Average price		
	Per 1,000 units	Per 1,000 units	Per 1,000 units	Percent
1974:				
Jan.-Mar-----	* * *	* * *	<u>1/</u>	-
Apr.-June-----	* * *	* * *	<u>1/</u>	-
July-Sept-----	* * *	* * *	<u>1/</u>	-
Oct.-Dec-----	* * *	* * *	<u>1/</u>	-
1975:				
Jan.-Mar-----	* * *	* * *	<u>1/</u>	-
Apr.-June-----	* * *	* * *	<u>1/</u>	-
July-Sept-----	* * *	* * *	<u>1/</u>	-
Oct.-Dec-----	* * *	* * *	* * *	* * *
1976:				
Jan.-Mar-----	* * *	* * *	<u>1/</u>	-
Apr.-June-----	* * *	* * *	* * *	* * *
July-Sept-----	* * *	* * *	* * *	* * *
Oct.-Dec-----	* * *	* * *	* * *	* * *
1977:				
Jan.-Mar-----	* * *	* * *	<u>1/</u>	-

1/ No shipments were imported during this period.

Source: Compiled from data submitted by 2 producers and 1 importer in response to questionnaires of the U.S. International Trade Commission.

Figure 2.--Round head steel drum plugs: Average net selling prices received by U.S. producers and the importer, for zinc-plated 3/4-inch plugs, by quarters, 1974-76 and January-March 1977

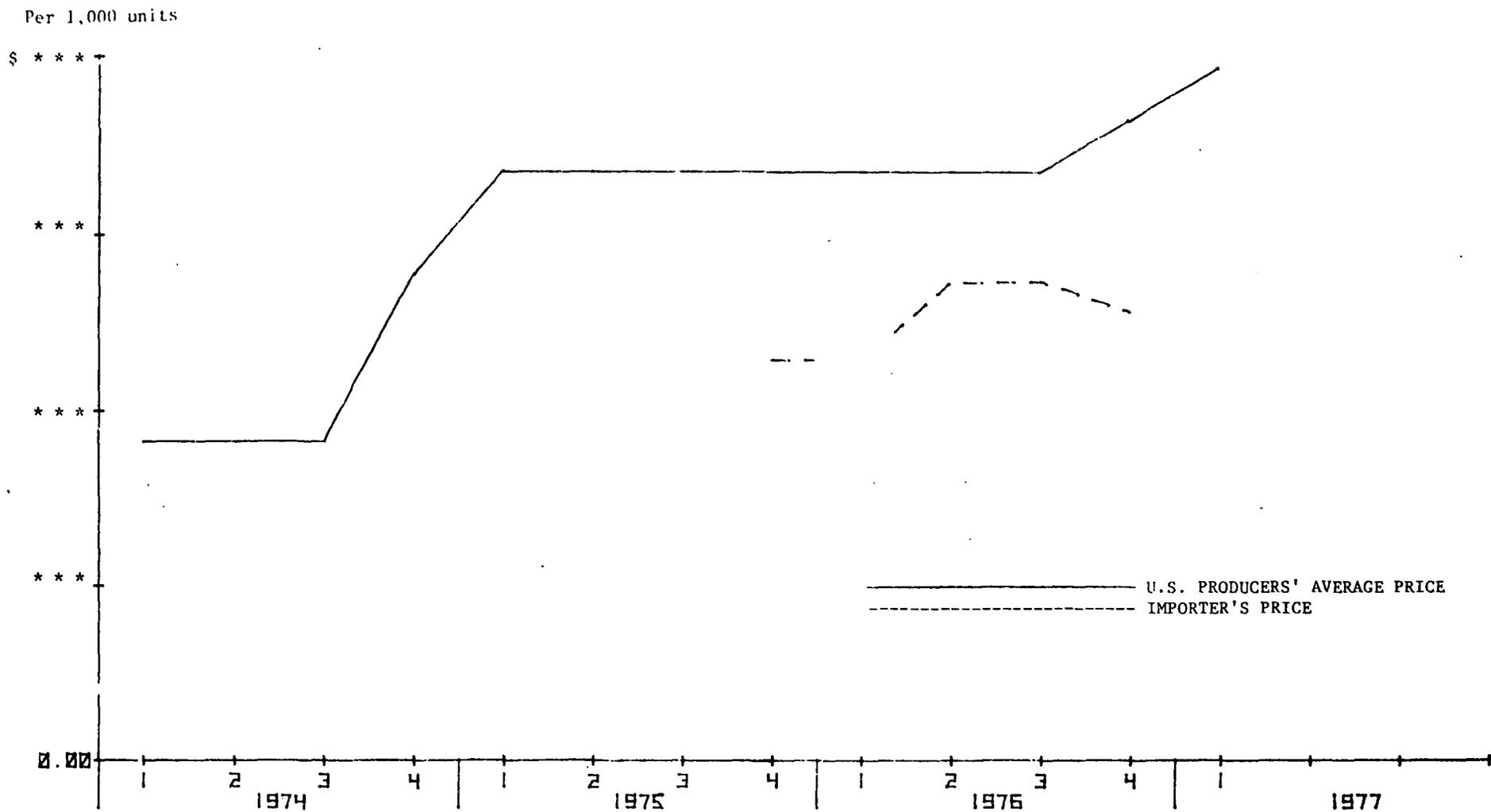


Table 17.--Ranges and arithmetic averages of lowest net selling prices received by U.S. producers and the importer for unplated 2-inch plugs, 1974-76 and January-March 1977

Period	Domestic--		Import price	Ratio of import price to domestic average price
	Price range	Average price		
	Per 1,000 units	Per 1,000 units	Per 1,000 units	Percent
1974:				
Jan.-Mar-----	* * *	* * *	<u>1/</u>	-
Apr.-June-----	* * *	* * *	<u>1/</u>	-
July-Sept-----	* * *	* * *	<u>1/</u>	-
Oct.-Dec-----	* * *	* * *	<u>1/</u>	-
1975:				
Jan.-Mar-----	* * *	* * *	<u>1/</u>	-
Apr.-June-----	* * *	* * *	<u>1/</u>	-
July-Sept-----	* * *	* * *	<u>1/</u>	-
Oct.-Dec-----	* * *	* * *	* * *	* * *
1976:				
Jan.-Mar-----	* * *	* * *	* * *	* * *
Apr.-June-----	* * *	* * *	* * *	* * *
July-Sept-----	* * *	* * *	* * *	* * *
Oct.-Dec-----	* * *	* * *	* * *	* * *
1977:				
Jan.-Mar-----	* * *	* * *	<u>1/</u>	-

1/ No shipments were imported during this period.

Source: Compiled from data submitted by 2 producers and 1 importer in response to questionnaires of the U.S. International Trade Commission.

Figure 3.--Round head steel drum plugs: Average net selling prices received by U.S. producers and the importer, for unplated 2-inch plugs, by quarters, 1974-76 and January-March 1977

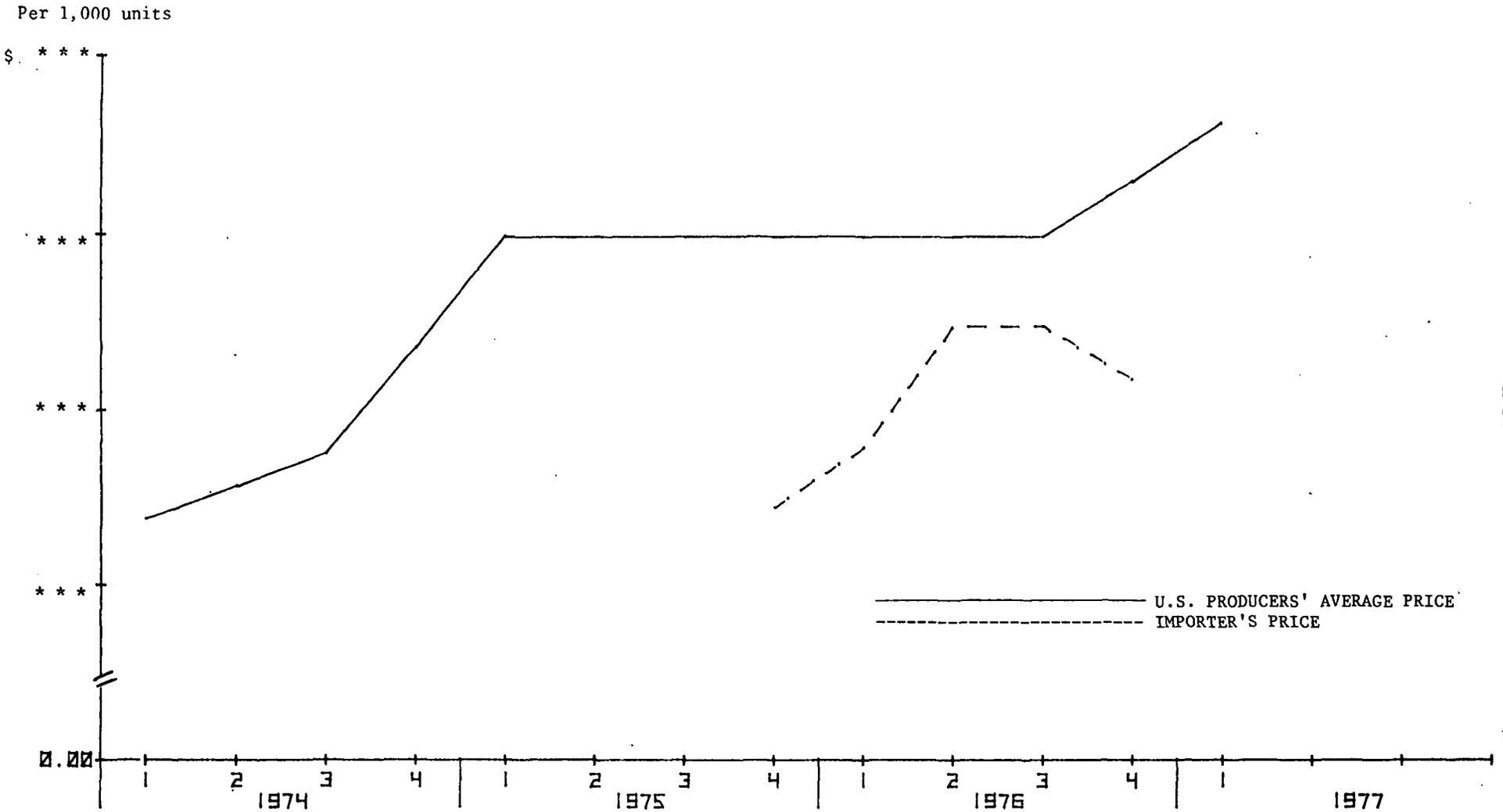


Table 18.--Ranges and arithmetic averages of lowest net selling prices received by U.S. producers and the importer for unplated 3/4-inch plugs, 1974-76 and January-March 1977

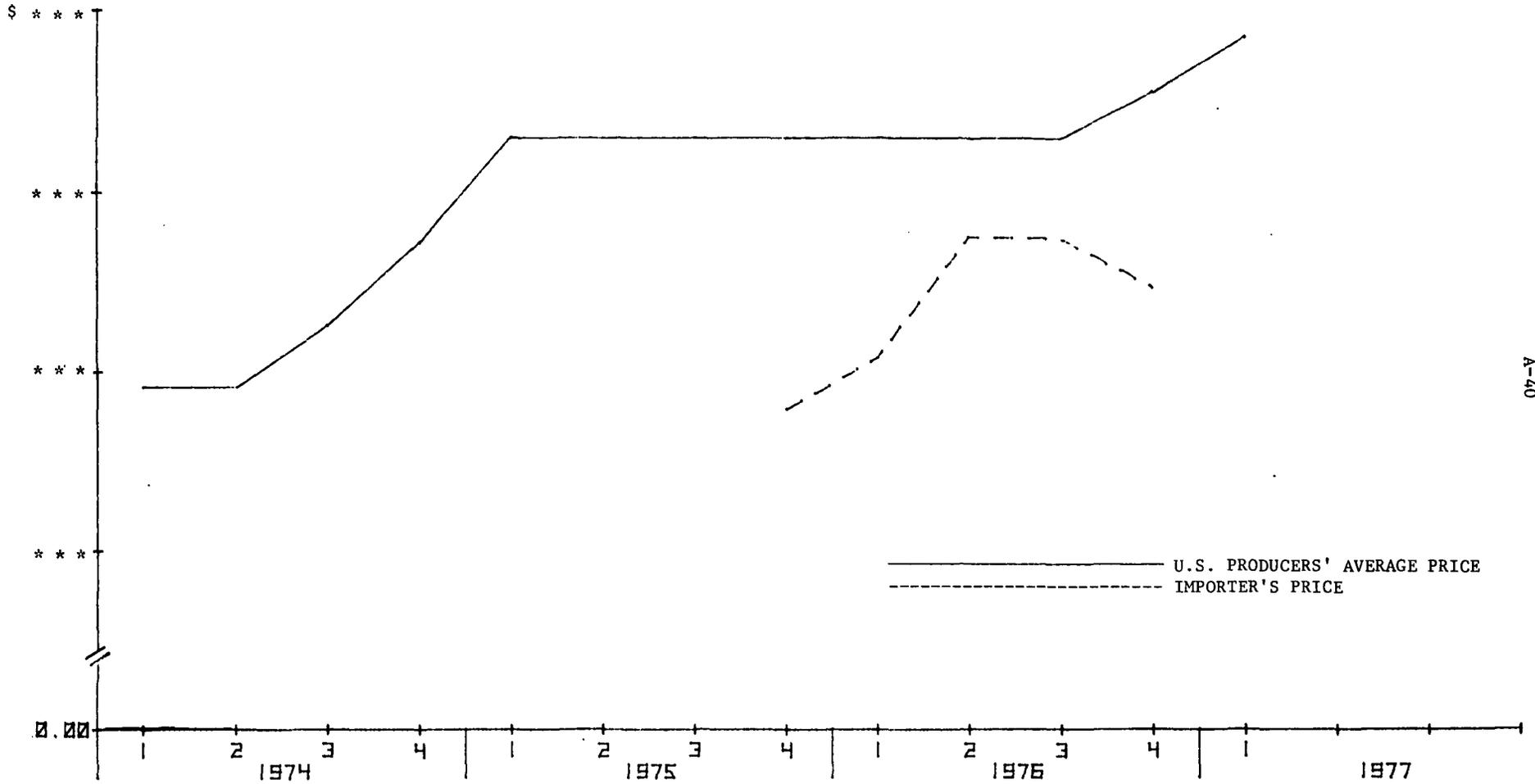
Period	Domestic drum plug		Import price	Ratio of import price to domestic average price
	Price range	Average price		
	Per 1,000 units	Per 1,000 units	Per 1,000 units	Percent
1974:				
Jan.-Mar-----	* * *	* * *	<u>1/</u>	-
Apr.-June-----	* * *	* * *	<u>1/</u>	-
July-Sept-----	* * *	* * *	<u>1/</u>	-
Oct.-Dec-----	* * *	* * *	<u>1/</u>	-
1975:				
Jan.-Mar-----	* * *	* * *	<u>1/</u>	-
Apr.-June-----	* * *	* * *	<u>1/</u>	-
July-Sept-----	* * *	* * *	<u>1/</u>	-
Oct.-Dec-----	* * *	* * *	* * *	* * *
1976:				
Jan.-Mar-----	* * *	* * *	* * *	* * *
Apr.-June-----	* * *	* * *	* * *	* * *
July-Sept-----	* * *	* * *	* * *	* * *
Oct.-Dec-----	* * *	* * *	* * *	* * *
1977:				
Jan.-Mar-----	* * *	* * *	<u>1/</u>	-

1/ No shipments were imported during this period.

Source: Compiled from data submitted by 2 producers and 1 importer in response to questionnaires of the U.S. International Trade Commission.

Figure 4.--Round head steel drum plugs: Average net selling prices received by U.S. producers and the importer, for unplated 3/4-inch plugs, by quarters, 1974-76 and January-March 1977

Per 1,000 units



Source: Data in table 18.

Table 19.--Indexes of U.S. producers' prices for miscellaneous metal products and drum plugs, by types and by quarters, 1974-76 and January-March 1977

(October-December 1975=100)

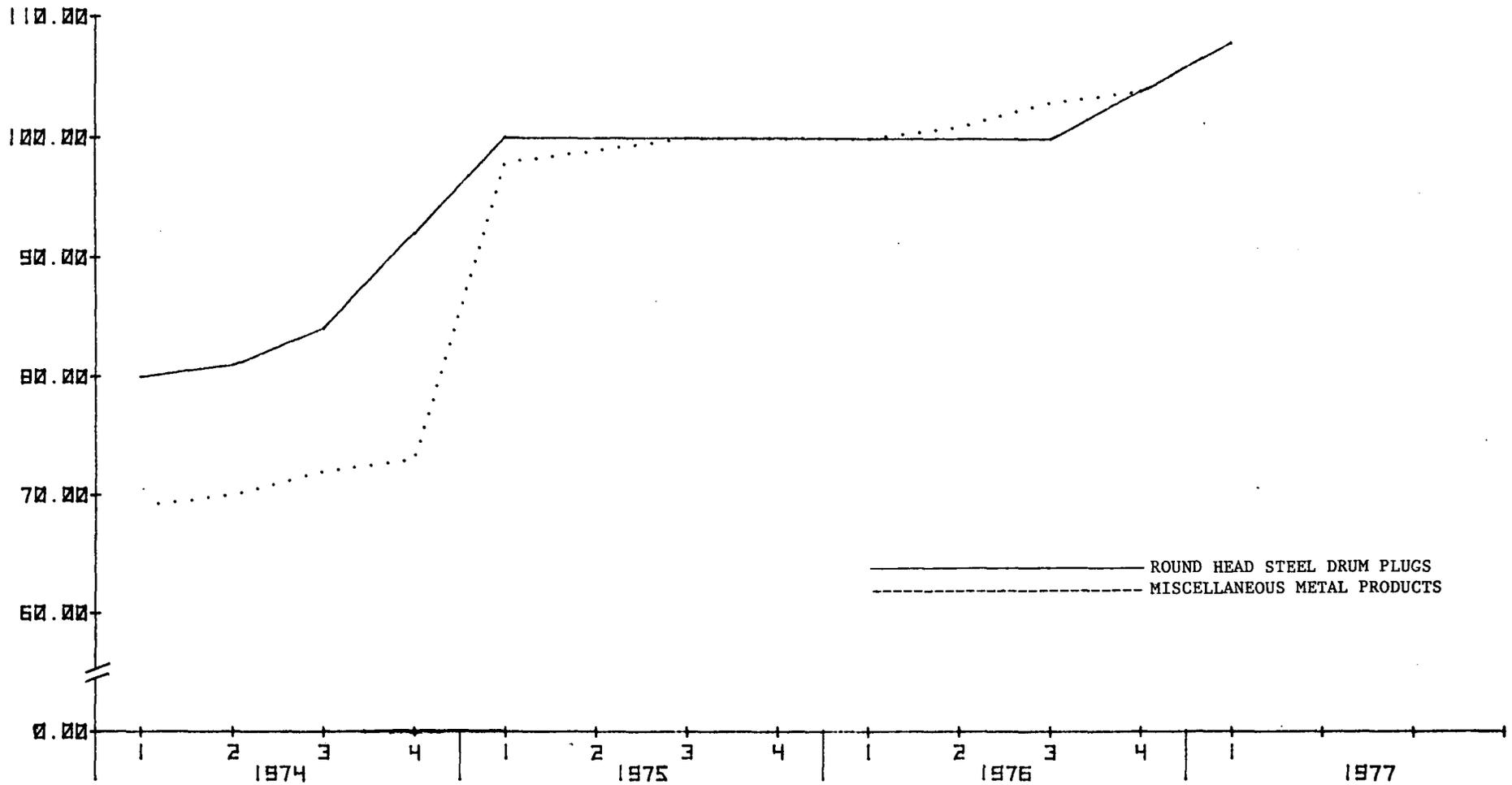
Period	Miscellaneous metal products	Drum plugs				Average
		Plated 2-inch	Plated 3/4-inch	Unplated 2-inch	Unplated 3/4-inch	
1974:						
Jan.-Mar-----	69	80	79	80	81	80
Apr.-June-----	70	80	79	82	81	81
July-Sept-----	72	85	79	85	86	83
Oct.-Dec-----	73	92	92	92	92	92
1975:						
Jan.-Mar-----	98	100	100	100	100	100
Apr.-June-----	99	100	100	100	100	100
July-Sept-----	100	100	100	100	100	100
Oct.-Dec-----	100	100	100	100	100	100
1976:						
Jan.-Mar-----	100	100	100	100	100	100
Apr.-June-----	101	100	100	100	100	100
July-Sept-----	103	100	100	100	100	100
Oct.-Dec-----	104	104	104	104	104	104
1977:						
Jan.-Mar-----	<u>1/</u>	108	108	108	108	108

1/ Not available.

Source: U.S. Bureau of Labor Statistics.

Figure 5.--Indexes of U.S. producers' prices for miscellaneous metal products and drum plugs, by quarters, 1974-76 and January-March 1977

Oct.-Dec. 1975=100



Source: Data in table 19.

APPENDIX

TREASURY MEMORANDUM AND FEDERAL REGISTER NOTICE RELATING  
TO THE DETERMINATION OF SALES AT LTFV



DEPARTMENT OF THE TREASURY

WASHINGTON, D.C. 20220

ASSISTANT SECRETARY

77 MAR 14 PM 4:58

*Handwritten scribbles and a dashed line.*

MAR 1 1977  
DOCUMENT NO. 15  
MAIL ROOM  
BAGGEE NUMBER  
1/31  
Office of the  
Assistant Secretary  
for Enforcement, Operations, and  
Tariff Affairs

Dear Mr. Chairman:

In accordance with section 201(a) of the Antidumping Act, 1921, as amended, you are hereby advised that round head steel drum plugs from Japan are being, or are likely to be, sold at less than fair value within the meaning of the Act.

The United States Customs Service will make the files relative to this determination available to the International Trade Commission as soon as possible. These files are being furnished for the Commission's use in connection with its investigation as to whether an industry is being, or is likely to be, injured, or is prevented from being established, by reason of the importation of this merchandise into the United States.

Since some of the data in this file is regarded by the U.S. Customs Service to be of a confidential nature, it is requested that the United States International Trade Commission consider all information therein contained for the official use of the Trade Commission only, and not to be disclosed to others without prior clearance with the U.S. Treasury Department.

Sincerely yours

John H. Harper  
Acting Assistant Secretary  
(Enforcement, Operations, and  
Tariff Affairs)

The Honorable  
Daniel Minchew, Chairman  
United States International  
Trade Commission  
Washington, D.C. 20436

Applicant	Regulation(s) affected	Nature of exemption thereof
Monsanto Co., St. Louis, Mo.	49 CFR 173.199(d)	To ship phosphorus solid cubes residue in non-DOT specification storage tanks. (Mode 2)
Alar, Inc., Anniston, Ala.	49 CFR 173.164, 173.201 (c) (3), 173.27, 173.29(a)(1)	To transport the air carrier non-DOT with corporate name tanks. (Mode 2)
Clinton Metal Products Division, Western Tube Works, Inc., Chilton, Wis.	49 CFR 173.201(a)(1), 173.21, 173.3	To ship carbon dioxide, liquefied in a non-DOT specification brazed steel container complying with DOT specification 3E with certain exceptions. (Modes 1, 2, and 3)

NEW EXEMPTIONS

R. J. Landry, Lafayette, La.	49 CFR 173.169, 49 CFR 173.201, 173.27, 173.29(a)	To ship flammable liquids and combustible liquids in A ME code portable tanks. (Mode 2)
De Bate Corp., Teaneck, N.J.	49 CFR 173.201(a)(1), 173.21	To ship certain hazardous materials in specification DOT 122 aluminum tanks with pressure-rated caps. (Modes 1, 2, 3, and 4)
Generalized Drum Co., Newark, N.J.	49 CFR 173.201 (c), 173.27, 173.29	To ship certain hazardous materials in DOT specification 17H, 20B, 20C, 20D, 20E, 20F, 20G, 20H, 20I, 20J, 20K, 20L, 20M, 20N, 20O, 20P, 20Q, 20R, 20S, 20T, 20U, 20V, 20W, 20X, 20Y, 20Z, 20AA, 20AB, 20AC, 20AD, 20AE, 20AF, 20AG, 20AH, 20AI, 20AJ, 20AK, 20AL, 20AM, 20AN, 20AO, 20AP, 20AQ, 20AR, 20AS, 20AT, 20AU, 20AV, 20AW, 20AX, 20AY, 20AZ, 20BA, 20BB, 20BC, 20BD, 20BE, 20BF, 20BG, 20BH, 20BI, 20BJ, 20BK, 20BL, 20BM, 20BN, 20BO, 20BP, 20BQ, 20BR, 20BS, 20BT, 20BU, 20BV, 20BW, 20BX, 20BY, 20BZ, 20CA, 20CB, 20CC, 20CD, 20CE, 20CF, 20CG, 20CH, 20CI, 20CJ, 20CK, 20CL, 20CM, 20CN, 20CO, 20CP, 20CQ, 20CR, 20CS, 20CT, 20CU, 20CV, 20CW, 20CX, 20CY, 20CZ, 20DA, 20DB, 20DC, 20DD, 20DE, 20DF, 20DG, 20DH, 20DI, 20DJ, 20DK, 20DL, 20DM, 20DN, 20DO, 20DP, 20DQ, 20DR, 20DS, 20DT, 20DU, 20DV, 20DW, 20DX, 20DY, 20DZ, 20EA, 20EB, 20EC, 20ED, 20EE, 20EF, 20EG, 20EH, 20EI, 20EJ, 20EK, 20EL, 20EM, 20EN, 20EO, 20EP, 20EQ, 20ER, 20ES, 20ET, 20EU, 20EV, 20EW, 20EX, 20EY, 20EZ, 20FA, 20FB, 20FC, 20FD, 20FE, 20FF, 20FG, 20FH, 20FI, 20FJ, 20FK, 20FL, 20FM, 20FN, 20FO, 20FP, 20FQ, 20FR, 20FS, 20FT, 20FU, 20FV, 20FW, 20FX, 20FY, 20FZ, 20GA, 20GB, 20GC, 20GD, 20GE, 20GF, 20GG, 20GH, 20GI, 20GJ, 20GK, 20GL, 20GM, 20GN, 20GO, 20GP, 20GQ, 20GR, 20GS, 20GT, 20GU, 20GV, 20GW, 20GX, 20GY, 20GZ, 20HA, 20HB, 20HC, 20HD, 20HE, 20HF, 20HG, 20HH, 20HI, 20HJ, 20HK, 20HL, 20HM, 20HN, 20HO, 20HP, 20HQ, 20HR, 20HS, 20HT, 20HU, 20HV, 20HW, 20HX, 20HY, 20HZ, 20IA, 20IB, 20IC, 20ID, 20IE, 20IF, 20IG, 20IH, 20II, 20IJ, 20IK, 20IL, 20IM, 20IN, 20IO, 20IP, 20IQ, 20IR, 20IS, 20IT, 20IU, 20IV, 20IW, 20IX, 20IY, 20IZ, 20JA, 20JB, 20JC, 20JD, 20JE, 20JF, 20JG, 20JH, 20JI, 20JJ, 20JK, 20JL, 20JM, 20JN, 20JO, 20JP, 20JQ, 20JR, 20JS, 20JT, 20JU, 20JV, 20JW, 20JX, 20JY, 20JZ, 20KA, 20KB, 20KC, 20KD, 20KE, 20KF, 20KG, 20KH, 20KI, 20KJ, 20KK, 20KL, 20KM, 20KN, 20KO, 20KP, 20KQ, 20KR, 20KS, 20KT, 20KU, 20KV, 20KW, 20KX, 20KY, 20KZ, 20LA, 20LB, 20LC, 20LD, 20LE, 20LF, 20LG, 20LH, 20LI, 20LJ, 20LK, 20LL, 20LM, 20LN, 20LO, 20LP, 20LQ, 20LR, 20LS, 20LT, 20LU, 20LV, 20LW, 20LX, 20LY, 20LZ, 20MA, 20MB, 20MC, 20MD, 20ME, 20MF, 20MG, 20MH, 20MI, 20MJ, 20MK, 20ML, 20MN, 20MO, 20MP, 20MQ, 20MR, 20MS, 20MT, 20MU, 20MV, 20MW, 20MX, 20MY, 20MZ, 20NA, 20NB, 20NC, 20ND, 20NE, 20NF, 20NG, 20NH, 20NI, 20NJ, 20NK, 20NL, 20NM, 20NO, 20NP, 20NQ, 20NR, 20NS, 20NT, 20NU, 20NV, 20NW, 20NX, 20NY, 20NZ, 20OA, 20OB, 20OC, 20OD, 20OE, 20OF, 20OG, 20OH, 20OI, 20OJ, 20OK, 20OL, 20OM, 20ON, 20OO, 20OP, 20OQ, 20OR, 20OS, 20OT, 20OU, 20OV, 20OW, 20OX, 20OY, 20OZ, 20PA, 20PB, 20PC, 20PD, 20PE, 20PF, 20PG, 20PH, 20PI, 20PJ, 20PK, 20PL, 20PM, 20PN, 20PO, 20PP, 20PQ, 20PR, 20PS, 20PT, 20PU, 20PV, 20PW, 20PX, 20PY, 20PZ, 20QA, 20QB, 20QC, 20QD, 20QE, 20QF, 20QG, 20QH, 20QI, 20QJ, 20QK, 20QL, 20QM, 20QN, 20QO, 20QP, 20QQ, 20QR, 20QS, 20QT, 20QU, 20QV, 20QW, 20QX, 20QY, 20QZ, 20RA, 20RB, 20RC, 20RD, 20RE, 20RF, 20RG, 20RH, 20RI, 20RJ, 20RK, 20RL, 20RM, 20RN, 20RO, 20RP, 20RQ, 20RR, 20RS, 20RT, 20RU, 20RV, 20RW, 20RX, 20RY, 20RZ, 20SA, 20SB, 20SC, 20SD, 20SE, 20SF, 20SG, 20SH, 20SI, 20SJ, 20SK, 20SL, 20SM, 20SN, 20SO, 20SP, 20SQ, 20SR, 20SS, 20ST, 20SU, 20SV, 20SW, 20SX, 20SY, 20SZ, 20TA, 20TB, 20TC, 20TD, 20TE, 20TF, 20TG, 20TH, 20TI, 20TJ, 20TK, 20TL, 20TM, 20TN, 20TO, 20TP, 20TQ, 20TR, 20TS, 20TT, 20TU, 20TV, 20TW, 20TX, 20TY, 20TZ, 20UA, 20UB, 20UC, 20UD, 20UE, 20UF, 20UG, 20UH, 20UI, 20UJ, 20UK, 20UL, 20UM, 20UN, 20UO, 20UP, 20UQ, 20UR, 20US, 20UT, 20UU, 20UV, 20UW, 20UX, 20UY, 20UZ, 20VA, 20VB, 20VC, 20VD, 20VE, 20VF, 20VG, 20VH, 20VI, 20VJ, 20VK, 20VL, 20VM, 20VN, 20VO, 20VP, 20VQ, 20VR, 20VS, 20VT, 20VU, 20VV, 20VW, 20VX, 20VY, 20VZ, 20WA, 20WB, 20WC, 20WD, 20WE, 20WF, 20WG, 20WH, 20WI, 20WJ, 20WK, 20WL, 20WM, 20WN, 20WO, 20WP, 20WQ, 20WR, 20WS, 20WT, 20WU, 20WV, 20WW, 20WX, 20WY, 20WZ, 20XA, 20XB, 20XC, 20XD, 20XE, 20XF, 20XG, 20XH, 20XI, 20XJ, 20XK, 20XL, 20XM, 20XN, 20XO, 20XP, 20XQ, 20XR, 20XS, 20XT, 20XU, 20XV, 20XW, 20XX, 20XY, 20XZ, 20YA, 20YB, 20YC, 20YD, 20YE, 20YF, 20YG, 20YH, 20YI, 20YJ, 20YK, 20YL, 20YM, 20YN, 20YO, 20YP, 20YQ, 20YR, 20YS, 20YT, 20YU, 20YV, 20YW, 20YX, 20YY, 20YZ, 20ZA, 20ZB, 20ZC, 20ZD, 20ZE, 20ZF, 20ZG, 20ZH, 20ZI, 20ZJ, 20ZK, 20ZL, 20ZM, 20ZN, 20ZO, 20ZP, 20ZQ, 20ZR, 20ZS, 20ZT, 20ZU, 20ZV, 20ZW, 20ZX, 20ZY, 20ZZ

EMERGENCY EXEMPTIONS—APPLICATIONS DENIED OR NOT GRANTED

M. J. Baxter Drilling Co., Victorville, Calif.	49 CFR 173.182(c)	To ship fire carbamides in pressure-type aluminum tanks. (Mode 1)
U.S.S. Agricultural, Atlanta, Ga.	49 CFR 173.164(a), 173.21	To ship hazardous materials in four DOT specification 122B6W tank cars for retail. (Mode 2)
Bechtel Corp., Inc., Oakhaven, Ill.	49 CFR 173.201(a)	To ship certain hazardous materials in two DOT specification 122B6W tank cars for retail. (Mode 2)
Truck Car Services Co., Houston, Tex.	49 CFR 173.201 (c), 173.27	To ship liquefied petroleum gas in DOT specification 122B6W tank cars for retail. (Mode 2)
Chemical Tank Lines, Inc., Mulberry, Fla.	49 CFR 173.201 (c), 173.27	To ship propane in one DOT specification 122B6W tank car for retail. (Mode 2)
American President Lines, Seattle, Wash.	49 CFR 173.201(a)	To transport water with a floating fuel tank on deck of a vessel. (Mode 2)
Alaska International Air, Fairbanks, Alaska	49 CFR 173.161, 173.20	To transport liquefied petroleum gas in two DOT-51 portable tanks.

NOTES

7550-N Request by Charter International, Inc.—To become a party to 49 CFR 173.201, authorizing the transport of certain hazardous materials in DOT specification 34 polyethylene containers. (February 10, 1977. (Application denied))

7551-N Request by Cotton States Chemical Co., Inc., La.—To ship organic peroxide compounds and mixtures thereof in DOT Specification 51 steel portable tanks. (February 28, 1977. (Docket 7551-N-10000, need))

7552-N Request by Shellings Energy Corporation, La.—To ship hydrogen aborboron hydride in the DOT Specification 34 cylinder authorized DOT Specification cylinders. (February 28, 1977. (Docket 7552-N-10000, need))

7553-N Request by Shell Chemical Company, Wis.—To authorize the transport of wood in DOT Specification 51 steel portable tanks for any commodity for which authorized. (February 28, 1977. (Docket 7553-N-10000, need))

7554-N Request by Marbetta Chemical Co., Wis.—To transport a certain DOT specification 51 steel portable tanks. (February 14, 1977. (Docket 7554-N-10000, need))

7555-N Request by United Metals, Inc.—To transport certain flammable liquids in DOT Specification 57 portable tanks. (February 14, 1977. (Docket 7555-N-10000, need))

7556-N Request by Transnuclear, Inc., White Plains, N.Y.—To ship natural uranium concentrate in freight containers bearing the IMCO placard, denied February 15, 1977.

7561-N Request by Rapid Electroplating Process, Inc.—Chicago, Ill.—To ship sodium cyanide solutions, classed as Class B poison, in unlabeled packages, denied February 4, 1977.

7562-N Request by AMVAC Chemical Corp., Los Angeles, Calif.—To ship organic phosphate compounds and mixtures thereof in DOT Specification 34 drums, denied February 28, 1977.

7564-N Request by Intsel Corp., New York, N.Y.—To renew USCG SP 28-72 authorizing the shipment of hydrogen peroxide, if not over 52 percent by weight, in a DOT Specification 34 container, denied February 8, 1977. (Docket HM-112 obviates the need)

NOTE.—Inadvertently omitted from the 49 CFR 37 publication of Grants and denials during January 1977 is the following:

7473-N—Request by Monsanto Co., St. Louis, Mo.—For reconsideration of denial of application to ship certain oxidizing materials in a non-DOT specification removable head, blow-molded, plastic drum, denied January 29, 1977.

J. R. GORTER,  
Chief, Exemptions Branch, Office of Hazardous Materials Operations.

[FR Doc. 77-7677 Filed 3-16-77; 8:45 am]

DEPARTMENT OF THE TREASURY

Office of the Secretary  
**ROUND HEAD STEEL DRUM PLUGS FROM JAPAN**  
 Determination of Sales at Less Than Fair Value

Information was received on May 5, 1976, from counsel acting on behalf of Allen-Stevens Drum Accessories Corporation, Somerset, New Jersey, alleging that round head steel drum plugs from Japan are being, or are likely to be, sold in the United States at less than fair value, thereby causing injury to, or likelihood of injury to, or the prevention of the establishment of an industry in the United States, within the meaning of the Antidumping Act, 1921, as amended (19 U.S.C. 160 et seq.) (referred to in this notice as "the Act"). On the basis of this information and subsequent preliminary investigation by the Customs Service, an "Antidumping Proceeding Notice" was published in the Federal Register of June 11, 1976 (41 FR 23732).

A "Withholding of Appraisal Notice" was published in the Federal Register of December 15, 1976 (41 FR 54829).

### DETERMINATION OF SALES AT LESS THAN FAIR VALUE

I hereby determine that, for the reasons stated below, round head steel drum plugs from Japan are being, or are likely to be, sold at less than fair value within the meaning of section 201(a) of the Act (19 U.S.C. 150(a)).

### STATEMENT OF REASONS ON WHICH THIS DETERMINATION IS BASED

The reasons and bases for the above determination are as follows:

a. *Scope of the investigation.* It appears that all imports of the subject merchandise from Japan were manufactured by Enomoto Industries Company, Ltd., Tokaishi City, Japan. Therefore, the investigation was limited to this manufacturer.

b. *Basis of comparison.* For the purpose of considering whether the merchandise in question is being, or is likely to be, sold at less than fair value within the meaning of the Act, the proper basis of comparison is between purchase price and the home market price of such or similar merchandise. Purchase price, as defined in section 203 of the Act (19 U.S.C. 152), was used since all export sales were made to a non-related Japanese trading company for resale to the United States. Home market price, as defined in § 153.2, Customs Regulations (19 CFR 153.2), was used since such or similar merchandise was sold in the home market in sufficient quantities to provide a basis for fair value purposes.

In accordance with § 153.31(b), Customs Regulations (19 CFR 153.31(b)), pricing information was obtained concerning imports and home market sales of the subject merchandise from Japan during the 6-month period January 1 through June 30, 1976.

c. *Purchase price.* For the purpose of this determination of sales at less than fair value, since all of the merchandise was purchased or agreed to be purchased prior to the time of exportation, by the person by whom or for whose account it was purchased, within the meaning of section 203 of the Act, the purchase price has been calculated on the basis of the warehouse, Japanese port, packed price to the trading company, with a deduction for inland freight.

d. *Home market price.* For the purpose of this determination of sales at less than fair value, the home market price has been calculated on the basis of the delivered, packed price. Adjustments have been made for freight and interest. Adjustments for interest costs relate to the delayed payment terms granted to buyers in the home market.

Adjustments were claimed by counsel for the manufacturer for differences in the terms of sale in accordance with § 153.2, Customs Regulations (19 CFR 153.2), and sales expenses, inventory carrying charges, and administrative expenses and technical service expenses.

These expenses do not bear a direct relationship to the sales under consideration and no adjustment has been allowed for these expenses.

Adjustments to the home market price in purchase price situations, are allowed only for circumstances of sales which bear a direct relationship to the sales under consideration. Accordingly, the sales expenses, inventory warehousing expenses, and administrative expenses are not allowable adjustments, since these expenses must be borne regardless of whether particular sales are made. The technical service expenses claimed to flanges rather than drum plugs, so they are not related to the sales under consideration.

e. *Result of fair value comparison.* Using the above criteria, purchase price was found to be lower than the home market price of such or similar merchandise. Comparisons were made on 100 percent of the subject merchandise sold to the United States during the period of investigation by the manufacturer investigated. Margins were found, ranging from 35.7 to 110.3 percent, on 100 percent of the sales compared. The weighted average margin on all sales was 34.2 percent.

The United States International Trade Commission is being advised of this determination.

This determination is being published pursuant to section 201(d) of the Act (19 U.S.C. 150(d)).

JOHN H. HANCOCK,  
Acting Assistant Secretary  
of the Treasury.

MARCH 11, 1977.

[FR Doc. 77-7992 Filed 3-16-77; 3:45 am]

### Office of the Secretary

[Public Debt Series No. 7-77]

TREASURY NOTES OF MARCH 31, 1979

Series N-1979

#### 1. INVITATION FOR TENDERS

1.1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, invites tenders for \$2,500,000,000, or moreabouts, of securities of the United States, designated Treasury Notes of March 31, 1979, Series N-1979 (CUSIP No. 912927 GP 1). The securities will be sold at auction with bidding on the basis of yield. Payment will be required at the price equivalent of the bid yield of each accepted tender. The interest rate on the securities and the price equivalent of each accepted bid will be determined as set forth below. Additional amounts of these securities may be issued in exchange for maturing Treasury securities, to Government accounts and Federal Reserve Banks for their own account and, for cash, to Federal Reserve Banks as agents of foreign and international monetary authorities.

#### 2. DESCRIPTION OF SECURITIES

2.1. The securities will be a March 31, 1977, note will bear interest from that date, payable on a semi-annual basis on September 15, 1977, and on March 15 thereafter on March 31 and October 31 until the principal becomes due. They will mature March 1979, and will not be subject to cancellation prior to maturity.

2.2. The income derived from the securities is subject to all taxes imposed under the Internal Revenue Code (1954). The securities are subject to a withholding, gift or other excise tax whether Federal or State, but are exempt from all taxation now or hereafter imposed on the principal or interest thereof in any State, or any of the possessions of the United States, or by any local taxing authority.

2.3. The securities will be acceptable for the deposits of public monies, and will not be acceptable to payment taxes.

2.4. Except to utilities with jurisdiction over such securities referred as to principal and interest, which are in denominations of \$10,000, \$100,000 and \$1,000,000, publicly securities will be available to the holders in multiples of those same interchanges of securities of different denominations and of coupon, registered and book-entry securities, and the transfer of registered securities will be permitted.

2.5. The securities will be subject to the general regulations of the Department of the Treasury concerning United States securities, now or hereafter prescribed.

#### 3. SALES PROCEDURES

3.1. Tenders will be received at Federal Reserve Banks and Branches at the Bureau of the Public Debt, Washington, D.C. 20226, up to 1:00 p.m., Eastern Standard time, Tuesday, March 1977. Noncompetitive tenders, as set below, will be considered timely if received no later than Monday, March 1977.

3.2. Each tender must state the amount of securities bid for, which may be \$5,000 or a multiple thereof. Competitive tenders must also show the yield stated, expressed in terms of an annual yield with two decimals, e.g., 7.1. Common fractions may not be used. Noncompetitive tenders must show the "bonnet competitive" of the tender form. Noncompetitive tenders must show the "bonnet competitive" of the tender form. Noncompetitive tenders must show the "bonnet competitive" of the tender form. Noncompetitive tenders must show the "bonnet competitive" of the tender form.

3.3. Commercial banks, which for purposes are defined as banks accepting demand deposits and primary dealers which for this purpose are defined as dealers who make primary markets in Government securities and report directly to the Federal Reserve Bank of New York.

Library Cataloging Data

U.S. International Trade Commission.

Round head steel drum plugs from Japan.  
Determination of no injury or likelihood  
thereof in investigation no. AA1921-164  
under the Antidumping act, 1921 as amended,  
together with the information obtained in  
the investigation. Washington, 1977.

27 cm. (USITC Publication 819)

- I. Drums (containers) I. Title
- II. Title: Drum plugs from Japan.
- III. Title: Steel drum plugs.

UNITED STATES  
INTERNATIONAL TRADE COMMISSION  
WASHINGTON, D.C. 20436

OFFICIAL BUSINESS

ADDRESS CORRECTION REQUESTED

PENALTY FOR PRIVATE  
USE TO AVOID PAYMENT  
OF POSTAGE, \$300



**ADDRESS CHANGE**

Remove from List  
Change as Shown  
Please detach address  
label and mail to address  
shown above.