

**UNITED STATES INTERNATIONAL TRADE COMMISSION**

**STAINLESS STEEL TABLE FLATWARE**

**Report to the President  
on Investigation No. TA-201-8  
Under Section 201 of the Trade Act of 1974**



**USITC Publication 759  
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**UNITED STATES INTERNATIONAL TRADE COMMISSION**

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REPORT TO THE PRESIDENT

U.S. International Trade Commission,

March 1, 1976.

To the President:

In accordance with section 201(d)(1) of the Trade Act of 1974 (88 Stat. 1978), the United States International Trade Commission herein reports the results of an investigation made under section 201(b)(1) of that act, relating to certain stainless steel table flatware.

The investigation to which this report relates was undertaken to determine whether--

knives, forks, and spoons, all the foregoing not over 10.2 inches in overall length, with stainless steel handles or with such handles plated, inlaid, overlaid, or otherwise decorated or embellished with other base metals, plastics, or other materials (except precious metals), of the types provided for in items 650.08, 650.09, 650.10, 650.12, 650.21, 650.38, 650.39, 650.40, 650.42, 650.49, 650.54, 650.55, and 650.56, and, if included in sets, 651.75 of the Tariff Schedules of the United States,

are being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or threat thereof, to the domestic industry producing an article like or directly competitive with the imported article.

The investigation was instituted on September 16, 1975, upon receipt of a petition filed on August 28, 1975, by the Stainless Steel Flatware Manufacturers Association.

Notice of the investigation and hearing were duly given by publishing the original notice in the Federal Register of September 22, 1975 (40 F.R. 43560).



A public hearing in connection with the investigation was conducted on December 9 and 10, 1975, in the Commission's hearing room in Washington, D.C. All interested parties were afforded an opportunity to be present, to produce evidence, and to be heard. A transcript of the hearing and copies of briefs submitted by interested parties in connection with the investigation are attached. 1/

The information contained in this report was obtained from fieldwork, from questionnaires sent to domestic manufacturers, importers, and distributors, and from the Commission's files, other Government agencies, and evidence presented at the hearing and in briefs filed by interested parties.

There were no significant imports of stainless steel table flatware from countries whose imports are presently subject to the rates of duty set forth in column 2 of the TSUS. The import relief recommended herein, therefore, is not addressed to imports from such countries. Certain recommended relief measures would involve the imposition of rates of duty on imports from countries whose imports are currently subject to rates of duties in column 1 which are higher than the rates set forth in column 2. Should such recommended, or any other, rates of duty higher than the column 2 rates be proclaimed by the President, it would be necessary for him to conform column 2 by proclaiming rates therefor that are the same as those proclaimed for column 1.

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1/ Attached to the original report sent to the President and available for inspection at the U.S. International Trade Commission except for material submitted in confidence.

Determinations, Findings, and Recommendations  
of the Commission

On the basis of its investigation, the Commission determines (Commissioner Minchew dissenting) that knives, forks, and spoons, all the foregoing not over 10.2 inches in overall length, with stainless steel handles or with such handles plated, inlaid, overlaid, or otherwise decorated or embellished with other base metals, plastics, or other materials (except precious metals), of the types provided for in items 650.08, 650.09, 650.10, 650.12, 650.38, 650.39, 650.40, 650.42, 650.54, and 650.55, and, if included in sets, 651.75 of the Tariff Schedules of the United States, are being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or threat thereof, 1/ to the domestic industry producing an article like or directly competitive with the imported article.

The Commission determines (Commissioner Leonard dissenting) that knives, forks, and spoons, all the foregoing not over 10.2 inches in overall length, with stainless steel handles or with such handles plated, inlaid, overlaid, or otherwise decorated or embellished with other base metals, plastics, or other materials (except precious metals), of the types provided for in items 650.21, 650.49, and 650.56 of the Tariff Schedules of the United States, are not being imported into the United

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1/ Commissioner Leonard determines that there is serious injury to the domestic industry; therefore, he makes no determination with respect to the threat of serious injury.

States in such increased quantities as to be a substantial cause of serious injury, or threat thereof, to the domestic industry producing an article like or directly competitive with the imported article.

Findings and Recommendations of Commissioners Moore, Bedell, and Parker

We find and recommend that, to prevent or remedy the injury described in section 201(b) of the Trade Act, it is necessary to impose a tariff-rate quota system for the ensuing 5-year period applying to the knives, forks, and spoons the subject of our affirmative determination, with the existing rates of duty applying to imports of knives, forks, and spoons within the tariff quotas, and rates of duty herein specified applying to such imports outside the tariff quotas, and with the tariff quotas established and allocated to countries subject to rates of duty provided for in rate of duty column numbered 1 of the TSUS as hereinafter specified.

The proposed tariff-rate quota rates of duty are as follows:

	: <u>Within Quota</u>	: <u>Outside Quota</u>
Knives and forks	:	:
Under 25¢ each:	:	:
items 650.08, 650.38	: 1¢ each + 12.5%	: 1¢ each + 55%
items 650.10, 650.40	: 1¢ each + 17.5%	: 1¢ each + 55%
25¢ and over each:	:	:
items 650.09, 650.39	: 0.5¢ each + 6%	: 0.5¢ each + 35%
items 650.12, 650.42	: 0.5¢ each + 8.5%	: 0.5¢ each + 35%
Spoons	:	:
Under 25¢ each: item 650.54	: 17%	: 55%
25¢ and over each: item	: 8.5%	: 35%
650.55	:	:

The within-quota imports entered in any calendar quarter should be established and allocated as follows:

<u>Country</u>	<u>Aggregate Quota by</u> <u>Calendar Quarter</u> (single units)
Japan	34,980,000
Republic of China	6,678,000
Republic of Korea	5,088,000
Hong Kong	1,590,000
European Economic Community	1,590,000
United Kingdom	636,000
Other	954,000
Total	51,516,000

Findings and recommendations of Commissioners Leonard and Minchew

Commissioners Leonard and Minchew determine, pursuant to section 201(d)(1) of the Trade Act, that adjustment assistance as provided for in Title II, Chapters 2, 3, and 4 of that act can effectively remedy the serious injury to the domestic industry and recommend the provision of such assistance.

Findings and recommendations of Commissioner Ablondi

Commissioner Ablondi finds and recommends that it is necessary to continue the existing tariff rate quota system for the ensuing 5-year period applying to the knives, forks, and spoons the subject of this affirmative determination, with the existing rates of duty applying to imports of knives, forks, and spoons within the quotas and with rates of duty herein specified applying to such imports outside the quotas, and with the quotas established subject to the existing rates of duty provided for in rate-of-duty column 1 of the TSUS.

Imports entered within the specified quotas should be entered on a first-come basis without regard to the country of origin, with no more than 25 percent of any 1 year's quota to enter in any calendar quarter.

All imports outside the specified quotas quantities should be assessed with rates of duty as follows (exactly as is done now ):

Knives and forks (items 650.08, 650.09,  
650.10, 650.12, 650.38, 650.39,  
650.40, and 650.42)----- 2 cents each + 45% ad val.  
Spoons (items 650.54 and 650.55)----- 40% ad val.

Affirmative Views of Commissioners George Moore, Catherine Bedell  
and Joseph Parker

On August 28, 1975, the United States International Trade Commission received a petition filed by the Stainless Steel Flatware Manufacturers Association, Washington, D.C., requesting an investigation under section 201 of the Trade Act of 1974 with respect to imports of stainless steel table flatware. On September 16, 1975, the Commission instituted an investigation to determine whether knives, forks, and spoons, all the foregoing not over 10.2 inches in overall length, with stainless steel handles or with such handles plated, inlaid, overlaid, or otherwise decorated or embellished with other base metals, plastics, or other materials (except precious metals), of the types provided for in items 650.08, 650.09, 650.10, 650.12, 650.21, 650.38, 650.39, 650.40, 650.42, 650.49, 650.54, 650.55, and 650.56, and, if included in sets, item 651.75 of the Tariff Schedules of the United States (TSUS) (hereinafter stainless steel table flatware), are being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or the threat thereof, to the domestic industry producing an article like or directly competitive with the imported article. 1/

The Trade Act of 1974 (Trade Act) requires that each of the following conditions be met before an affirmative determination can be made:

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1/ It is our opinion that the notice issued by the Commission sufficiently described the articles which are the subject of this investigation and that, for the purposes of this investigation, where petitioner seeks increased import restrictions on certain flatware, including that also described in pt. 2D of the appendix to the TSUS, a direct reference to the appendix provisions of the tariff schedules was not necessary.

- (1) There are increased imports (either actual or relative to domestic production) of an article into the United States;
- (2) A domestic industry producing an article like or directly competitive with the imported article is seriously injured, or threatened with serious injury; and
- (3) Such increased imports of an article are a substantial cause of serious injury, or the threat thereof, to the domestic industry producing an article like or directly competitive with the imported article.

#### Determination

On the basis of the evidence developed by the Commission in this investigation, we have determined that stainless steel table flatware of the types provided for in items 650.08, 650.09, 650.10, 650.12, 650.38, 650.39, 650.40, 650.42, 650.54, and 650.55, and, if included in sets, 651.75 of the Tariff Schedules of the United States, are being imported into the United States in such increased quantities as to be a substantial cause of serious injury to the domestic industry producing like or directly competitive products. 1/

Further, we find, pursuant to section 201(d)(1) of the Trade Act of 1974, that import restrictions as set forth later in these views are necessary to remedy such injury.

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1/ We have concluded that certain other nonquota flatware included in items 650.21, 650.49, and 650.56 of the Tariff Schedules of the United States are not being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or the threat thereof, to the domestic industry producing an article like or directly competitive with the imported article. We have made a negative determination with respect to these articles because imports of such articles did not increase during 1968-75.

### The domestic industry

In our opinion the domestic industry which is being seriously injured consists of the facilities in the United States devoted to the production of stainless steel table flatware.

### Increased imports

Imports have increased within the meaning of the statute when the increase is either actual or relative to domestic production. The period of time examined is important to a determination of whether there are increased imports. While the Trade Act does not direct the Commission to examine any specific time period in making this determination, the Senate Finance Committee indicated that under the act the Commission was intended to have discretion in choosing such period. 1/

For the purpose of determining whether there are increased imports in this investigation, we have selected the period 1968-75, inclusive. The year 1968 was a year in which imports were unencumbered by any type of import restriction and, therefore, is more representative than the years 1970 or 1971, when it was anticipated by the trade in general that a restriction of some kind would be imposed. 2/ It was this anticipation of the imposition of a tariff-rate quota and the desire by importers and foreign producers to avoid any extra duty costs that precipitated the sharp increase in flatware imports in 1970 and during the first 9 months of 1971.

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1/ Trade Reform Act of 1974: Report of the Committee on Finance  
... , S. Rept. No. 93-1298 (93d Cong., 2d sess.), 1974, p. 120.

2/ The United States proposed to Japan on Aug. 28, 1970, that a global tariff quota on stainless steel table flatware be established. A tariff-rate quota on flatware finally became effective on Oct. 1, 1971.



The following table shows the ratio of the quantity of imports of stainless steel flatware to the quantity of U.S. production. January-September 1975 is the most recent period for which data on U.S. production of stainless steel table flatware are available.

Stainless steel table flatware: Ratio of the quantity of imports for consumption to the quantity of U.S. production, total and by categories, 1968-74, January-September 1974, and January-September 1975

(In percent)									
Category	1968	1969	1970	1971	1972	1973	1974	January-September-- 1974	1975
Stainless steel table flatware, total <sup>1/</sup>	63.8	107.0	150.0	147.9	131.5	149.0	166.9	186.2	229.4
Quota-type flatware	48.6	90.7	128.8	121.4	102.9	115.8	134.9	151.4	172.9
Nonquota-type flatware	7.4	7.5	9.4	10.1	13.1	19.4	23.4	25.5	44.5

<sup>1/</sup> Includes quantities of imported flatware covered in the investigation, but not included in quota and nonquota-type flatware categories. There is no evidence of the production of such flatware in the United States.

Source: Compiled from responses to questionnaires of the U.S. International Trade Commission and the official statistics of the U.S. Department of Commerce.

Beyond a doubt, as shown in the table, the ratio of imports to production greatly increased over the period 1968-74 for all categories. Also, the ratios in all categories were higher in January-September 1975 than in the corresponding period of 1974.

Imports also increased in absolute terms. In 1968, 18.4 million dozen pieces of the subject imports entered the United States. The level of such imports increased to 40.1 million dozen pieces in 1970, as importers sought to increase their inventories in anticipation of the imposition of a tariff-rate quota and resulting increased duties. Imports declined in 1971 and 1972, but have steadily increased since that time. In 1974, the level of imports reached 35.0 million dozen pieces, up from 29.8 million dozen pieces in 1972, and considerably higher than the 1968 level. The trend is one of increasing imports, as the years 1970 and 1971 are essentially an aberration.

Having found that imports increased in both actual and relative terms in the period 1968-74, we have determined that imports have increased within the meaning of the Trade Act.

Serious injury or threat of serious injury

Section 201(b)(2)(A) of the Trade Act provides guidelines with respect to the factors to be considered in determining whether the domestic industry is being seriously injured. The Commission is to consider, among other economic factors, the significant idling of productive facilities in the industry, the inability of a significant number of firms to operate at a reasonable level of profit, and significant unemployment or underemployment within the industry.

With respect to significant idling of facilities, during the years 1970-74 four firms stopped producing stainless steel table flatware in the United States. These firms are the Hobson & Botts Co. (1970),

George W. Fleming Co.--a subsidiary of Voos Associates, Inc., (1970), Northampton Cutlery Co. (about 1971), and Washington Forge, Inc., (1973).

In addition to the actual exit of firms from the industry, testimony presented at the Commission's hearing indicated that there is considerable underutilization of production capacity in the domestic industry; for example, the largest company, Oneida, Ltd., stated that in 1975 it was operating at about 60 percent of capacity. Further testimony at the hearing, which was not challenged, indicated that the average utilization of capacity for a majority of domestic producers was 40 percent. Data gathered in the investigation indicate that underutilization of capacity for the entire industry when measured against actual production was about 65 percent in 1974 and 1975. It is evident, therefore, that the U.S. flatware industry has experienced a significant idling of productive facilities.

Information on profit-and-loss experience was obtained during the course of the investigation from U.S. producers accounting for virtually all sales of domestically produced stainless steel table flatware. Of these firms, from five to seven experienced losses on their stainless steel table flatware operations in each of the years 1969-74. All firms except Oneida, the largest U.S. producer, suffered a decline in their net operating profits during 1969-74. Aggregate profit for the industry (Oneida excluded) amounted to \* \* \* in 1969 and a loss of \* \* \* was sustained in 1974. Data available for the interim 9-month accounting period for 1975 indicate that these firms experienced a loss of \* \* \* in that period.

Even with Oneida, included, the profit picture for the industry as a whole has not been bright. For example, data gathered in the investigation indicate that the ratio of net operating profit to net sales on stainless steel flatware operations for all producers declined from 9.3 percent in 1972 to 7.5 percent in 1973, 6.4 percent in 1974, and 0.6 percent in the first 9 months of 1975.

From the evidence, it is clear that a significant number of firms in the flatware industry are unable to operate at a reasonable level of profit.

The average number of production and related workers employed in the production of stainless steel table flatware declined 17 percent during the period 1968-74, or from 2,841 in 1968 to 2,362 in 1974. Similarly, the number of man-hours worked by production and related workers in such domestic establishments declined more than 22 percent during the period 1968-74.

Section 201(b)(2)(B) of the Trade Act states that with respect to threat of serious injury, the Commission is to consider a decline in sales, a higher and growing inventory, and a downward trend in production, profits, wages, or employment within the industry concerned. We find all these economic factors present in the U.S. flatware industry. For example, inventories on September 30, 1975, amounted to 4.7 million dozen pieces, the equivalent of about 24 percent of total U.S. shipments in 1974.

Even more importantly, the tariff-rate quota imposed by Presidential Proclamation 4076, which currently provides a measure of protection

to the flatware industry in the United States, is due to expire on September 30, 1976. If the President does not extend the provisions of Proclamation 4076, imports are likely to rise sharply as the additional duties which have been in effect on ex-quota imports are eliminated. This would subject the U.S. industry to the threats of even greater injury by the opening of the U.S. market to unrestricted imports of flatware at market prices below current levels.

On the basis of the evaluation of the factors set forth above, we have concluded that there is serious injury, or threat thereof, to the domestic industry.

#### Substantial cause

The Trade Act contains both a definition of the term "substantial cause" and certain guidelines to be considered by the Commission in determining whether increased imports are a substantial cause of the requisite serious injury. Section 201(b)(4) of the Trade Act defines the term "substantial cause" to mean "a cause which is important and not less than any other cause." The guidelines to be considered by the Commission with regard to substantial cause are contained in section 201(b)(2)(C), which states that in making its determination the Commission is to consider, among other factors, an increase in imports (either actual or relative to domestic production) and a decline in the proportion of the domestic market supplied by domestic producers.

As previously noted, imports are increasing relative to domestic production. Data also show that there was a definite upward shift in the share of the U.S. market supplied by imports at the expense of domestic

production during 1969-74; the import share grew from about 48 percent in 1969 to 61 percent in 1974. In January-September 1975 the import share of the U.S. market for stainless steel knives, forks, and spoons was about 68 percent, compared with 62 percent in the corresponding 1974 period.

During the hearing there were some who suggested that the economic recession (specifically in 1975), the substitution of plastic table flatware for stainless steel table flatware, and the failure of the flatware industry to adjust to import competition were more important causes of whatever injury the domestic industry has sustained. We are not persuaded by any of the above arguments. In the first 9 months of 1975, the quantity of domestic shipments was significantly lower than in the corresponding period of 1974. This decline would have been much less severe, however, if imports during the period had not continued to increase and gain an ever-widening share of the U.S. market, as noted above.

Similarly, we are not persuaded that disposable plastic flatware has replaced stainless steel table flatware in the U.S. marketplace. Admittedly, sales of disposable plastic flatware in the United States have grown during the past 10 years. However, this increase was due primarily to a dramatic rise in the number of carryout and drive-in restaurants in the United States, rather than a change in preference by users of stainless steel table flatware.

Nor are we persuaded by the argument that the domestic industry has somehow failed to adjust to import competition. In fact, in our view, increased import penetration over a very short period of time,

especially by Korean and Taiwanese imports, has frustrated the domestic industry's response to import competition. Nevertheless, domestic firms have undertaken measures to increase their production capabilities.

Insilco Corp. has installed new finishing equipment, Oneida, has built a large, efficient \$5 million knife-making facility, and Utica Cutlery Co. has purchased new finishing and knife-making equipment. Although it is difficult to say precisely how these measures will help the industry in its competition with imports, no one can say with conviction that the industry has failed to respond to import competition.

Additional Views of Commissioners George Moore,  
Catherine Bedell and Joseph Parker  
With Respect to Recommendations of Relief

The tariff-rate quota system that we have recommended is based on imports in 1968-1969--a period generally representative and so used by the President in formulating the tariff-rate quota system currently in effect under the provisions of part 2D of the appendix to the TSUS which he proclaimed in 1971 following action initiated by the United States under article XVIII of the GATT. In view of our determination that increased imports of stainless steel flatware are a substantial cause of serious injury, or the threat thereof, to the domestic stainless steel flatware industry, we have designed our recommended system to be more restrictive than the system now in effect. The recommended system, therefore, should, as contemplated by the statute, assist domestic producers to adjust to import competition.

The increased restrictiveness of our recommended tariff-rate quota system is achieved in two ways:

- (1) the aggregate quantities of within-quota imports--as well as the country allocations thereof--are the same as applies under the present tariff-rate quota system, except that the proposed quotas embrace all imports at their existing rates of duty regardless of their unit values; and
- (2) the rates of duty on imports outside the quotas--which also apply regardless of their unit values--have been made for the most part higher than the over-quota rates in the current system.

It will be noted that the higher rates of duty for imports outside the quotas (i.e., 1¢ each + 55% (knives and forks) and 55% (spoons)) would



apply to pieces of stainless steel flatware valued under 25 cents each, whereas the lower rates (i.e., 0.5¢ each + 35% (knives and forks) and 35 percent (spoons)) would apply to pieces valued 25 cents and over each. Thus, the remedy is designed primarily to assist domestic producers to adjust to imports in the lower value brackets where the imports are the largest and have their greatest injurious impact.

We are aware that section 203(h)(2) of the Trade Act provides that--

To the extent feasible, any import relief provided pursuant to this section for a period of more than 3 years shall be phased down during the period of such relief, with the first reduction of relief taking effect no later than the close of the day which is 3 years after the day on which such relief first took effect.

In view of the chronic nature of the distress caused to domestic producers by imports, we believe that it is not feasible--after three years--to phase down the recommended import relief, i.e., to increase the aggregate quantities of within-quota imports, or to reduce the rates of duty on imports outside the quota. We have, therefore, recommended such relief to be operative for a period of five years.

## Views of Chairman Will E. Leonard

On September 16, 1975, the United States International Trade Commission instituted an investigation under section 201(b)(1) of the Trade Act of 1974 (Trade Act) to determine whether certain stainless steel table flatware (hereinafter stainless steel knives, forks, and spoons) as described on page 1 of this report are being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or the threat thereof, to the domestic industry producing an article like or directly competitive with the imported article. This investigation results from the filing of a petition on August 28, 1975, by the Stainless Steel Flatware Manufacturers Association, Washington, D.C.

This investigation concerns a commodity that has long been the subject of investigation by the Commission. In fact, under the current Proclamation No. 4076, which establishes a tariff rate quota for certain stainless steel knives, forks, and spoons, the Commission is required to report annually to the President on apparent U.S. consumption of these articles. Imports of stainless steel knives, forks, and spoons in this investigation amounted to about \$53 million in 1974. At the same time U.S. shipments, roughly the equivalent of sales, in 1974 amounted to \$74 million.

Section 201(b)(1) of the Trade Act requires that each of the following conditions be met before an affirmative determination can be made and thus an industry be eligible for import relief:

- (1) Imports of the articles concerned must be entering in increased quantities;

- (2) The domestic industry producing articles like or directly competitive with the imported articles must be experiencing serious injury, or the threat thereof; and
- (3) The increased imports referred to in (1) above must be a substantial cause of the injury, or the threat thereof, referred to in (2) above. 1/

#### Determination

On the basis of the evidence developed by the Commission in this investigation, I determine that the imported stainless steel knives, forks, and spoons which are the subject of this investigation are being imported into the United States in such increased quantities as to be a substantial cause of serious injury to the domestic industry producing like or directly competitive products.

Further, I determine, pursuant to section 201(d)(1) of the Trade Act, that adjustment assistance as set forth later in these views can effectively remedy this injury, and therefore recommend the provision of such assistance.

#### The domestic industry

It is first appropriate to determine the scope of the domestic industry which may be suffering or threatened with serious injury before considering whether increased imports are a substantial cause of serious injury or the threat thereof to such industry. The Trade Act does not expressly define the term "domestic industry" but provides

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1/ For a comparison of the new Trade Act criteria with the predecessor criteria of sec. 301(b)(1) of the Trade Expansion Act of 1962, see the "Statement of Reasons of Chairman Will E. Leonard" in Birch Plywood Door Skins: Report to the President on Investigation No. TA-201-1 . . . , USITC Publication 743, October 1975, pp. 9-12.

guidelines and permits the Commission to use its best judgment in light of those guidelines and the relevant economic factors in a given case. 1/

The information available in this investigation leads to the conclusion that the domestic industry to be considered herein consists of the facilities of U.S. manufacturers devoted to the production of any type of knife, fork, or spoon like those imports which are the subject of this investigation. In general, stainless steel knives, forks, and spoons are produced in the United States in facilities which are much the same. While marketing channels may differ, the end use of such articles are similar, i.e., as eating utensils.

Economic factors in the present investigation lead to the conclusion that facilities devoted to the production of plastic eating utensils, such as disposable plastic knives, forks, and spoons, are not part of the domestic industry described above, but are part of a separate industry. The material, equipment, and processes used in the production of such plastic utensils are entirely different from those used in the production of stainless steel knives, forks, and spoons. While such plastic utensils are directly competitive with the imports which are the subject of this investigation, there are

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1/ For a further discussion of the meaning of the phrase "domestic industry" as used in sec. 201(b)(1) of the Trade Act, see "Views of Chairman Will E. Leonard" in Bolts, Nuts, and Screws of Iron or Steel: Report to the President on Investigation No. TA-201-2 . . . , USITC Publication 747, November 1975, pp. 4-7.

no allegations or evidence of injury to such an industry which warrant consideration herein. 1/

#### Increased imports

The first criterion is that imports must be entering in increased quantities. Imports have increased within the meaning of the statute where the increase is either actual or relative to domestic production or consumption. In determining whether imports have increased, it is necessary to find the trend in import levels over a period of years which presents a realistic picture of activity in importation and of increasing or decreasing trends. 2/ The first criterion is satisfied in this investigation.

From the information available as a result of this investigation, imports which are the subject of this investigation have increased irregularly relative to production of the domestic industry since 1968. In 1968 the ratio of imports to domestic production, expressed as a percent, was 63.8. By 1970, this ratio had increased to 150.0. The ratio declined somewhat in 1971 and 1972, resumed its upward trend in 1973, and in 1974 reached a new high of 166.9. The ratio in the period January-September 1975 reached 229.4, compared with 186.2 for the corresponding period in 1974.

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1/ The reasoning which is applicable to the production of eating utensils made of plastic is also applicable to eating utensils made of materials other than plastic (except for stainless steel, of course), and the conclusions are therefore identical with respect to such utensils.

2/ For a more detailed discussion of the concept "increased imports" as used in sec. 201(b)(1) of the Trade Act, see Birch Plywood Doorskins . . . , at pp. 13-19.

In absolute terms, the trend is also one of increasing imports. In 1968, 18.4 million dozen of the subject imports entered the United States. The level of such imports increased to 40.1 million dozen in 1970, as importers sought to increase their inventories in anticipation of the imposition of a tariff-rate quota and resulting increased duties. The level of imports declined in 1971 and 1972, but has steadily increased since that time. In 1974, imports reached 35.0 million dozen pieces, up from the 1972 level of 29.8 million dozen pieces and considerably higher than the 1968 level. The trend is one of increasing imports, as the years 1970 and 1971 are essentially an aberration in the realistic picture of activity in the importation of these articles.

#### Serious injury

The second criterion, "serious injury, or the threat thereof," is expressed in the disjunctive. The criterion is satisfied if a finding of either "serious injury" or the "threat of serious injury" is made. Because I have found "serious injury" to exist, I shall limit my discussion to this aspect of the criterion.

The Trade Act does not define the term "serious injury." Instead, it sets forth certain guidelines in the form of economic factors which the Commission should take into account. Section 201(b)(2)(A) of the Trade Act states that the Commission should take into account all

economic factors which it considers relevant, including (but not limited to)--

. . . the significant idling of productive facilities in the industry, the inability of a significant number of firms to operate at a reasonable level of profit, and significant unemployment or underemployment within the industry; 1/

With respect to significant idling of productive facilities, during the years 1970-74 a total of four domestic firms stopped producing stainless steel knives, forks, and spoons in the United States. These firms are the Hobson & Botts Co. (1970), George W. Fleming Co.--a subsidiary of Voos Associates, Inc. (1970), Northampton Cutlery Co. (circa 1971), and Washington Forge, Inc. (1973).

In addition to the actual exit of firms from the industry, testimony presented at the Commission's hearing indicated that there is considerable underutilization of capacity at present in those firms which are still in the industry. For example, the largest company, Oneida, Ltd., stated that in 1975 it was operating at about 60 percent of capacity. Further testimony at the hearing, which was not challenged, indicated that the average utilization of capacity for a majority of domestic producers was 40 percent. Data gathered in the investigation indicate that underutilization of capacity for the entire industry measured against actual production was about 65 percent in 1974 and 1975. It is apparent, therefore, that the domestic

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1/ For a more detailed discussion of the concept "serious injury" as used in sec. 201(b)(1) of the Trade Act, see Bolts, Nuts and Screws of Iron or Steel . . ., supra, pp. 9-12.

stainless steel knife, fork, and spoon industry has experienced a significant idling of productive facilities.

Information on profit-and-loss experience was obtained during the course of the investigation from U.S. producers accounting for virtually all the sales of domestically produced stainless steel knives, forks, and spoons. Of the 12 firms for which profit-and-loss data were collected, from five to seven experienced losses on their operations producing stainless steel knives, forks, and spoons in each of the years 1969-74. All the firms except Oneida, Ltd., suffered a decline in their net operating profits, moving from a profit of \* \* \* in 1969 to a loss of \* \* \* in 1974. Data available for the interim 9-month accounting period for 1975 indicate that these same firms experienced an even greater loss of \* \* \* in that period. Even with Oneida, Ltd., included, the profit picture for the industry as a whole has not been bright. Data gathered in the investigation indicate, for example, that the ratio of net operating profit to net sales on the stainless steel knives, forks, and spoon operations for all producers declined from 9.3 percent in 1972 to 7.5 percent in 1973, 6.4 percent in 1974, and 0.6 percent for the first 9 months of 1975. From the evidence, therefore, it is clear that the majority of firms in the stainless steel knife, fork, and spoon industry are unable to operate at a reasonable level of profit.

With respect to employment and underemployment in the domestic industry, the average number of production and related workers employed in the production of stainless steel knives, forks, and spoons declined



17 percent during the period 1968-74, or from 2,841 in 1968 to 2,362 in 1974. Similarly, the number of manhours worked by production and related workers in such production declined more than 22 percent during the period 1968-74.

On the basis of the evaluation of all the economic factors set forth above, I have concluded that the domestic industry is seriously injured.

Substantial cause

The Trade Act contains both a definition of the term "substantial cause" and certain guidelines to be considered by the Commission in determining whether increased imports are a substantial cause of the requisite serious injury. Section 201(b)(4) of the Trade Act defines the term "substantial cause" to mean "a cause which is important and not less than any other cause." The guidelines to be considered by the Commission with regard to substantial cause are contained in section 201(b)(2)(C), which states that in making its determination the Commission shall take into account all economic factors which it considers relevant, including (but not limited to)--

. . . with respect to substantial cause, an increase in imports (either actual or relative to domestic production) and a decline in the proportion of the domestic market supplied by domestic producers. 1/

With respect to the domestic industry producing stainless steel knives, forks, and spoons, I find that increased imports are a cause which is important and not less than any other cause of the serious injury being suffered. The industry has faced large increases in imports over a prolonged period, imports which have taken an ever larger and more significant share of the domestic market.

Imports, as noted above, are increasing relative to domestic production. Moreover, the data show that there has been a definite increase in the share of the U.S. market supplied by imports at the expense of domestic production during 1969-74; the import share grew from

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1/ For a more detailed discussion of the concept "substantial cause" as used in sec. 201(b)(1) of the Trade Act, see Wrapper Tobacco Report to the President on Investigation No. TA-201-3 . . ., USITC Publication 746, November 1975, pp. 4-7.

about 48 percent in 1969 to 61 percent in 1974. In January-September 1975 the import share of the U.S. market for stainless steel knives, forks, and spoons was about 68 percent, compared with 62 percent in the corresponding period of 1974.

Although one might point to recessionary effects as having a great deal to do with the domestic industry's current serious injury, I am convinced that these effects only added to the serious injury already being suffered because of increased imports and certainly were not a more important cause of injury than such increased imports. As indicated above, import penetration has increased over a period of time and similarly, serious injury to the industry also has been occurring over a much longer period of time than the 1974-75 recession.

Similarly, I do not find that disposable plastic flatware has replaced stainless steel knives, forks, and spoons in the U.S. marketplace in such amounts as to be a more important cause of serious injury than the increased imports. Admittedly, sales of disposable plastic flatware in the United States have grown during the past 10 years. However, the increase has been due largely to a dramatic rise in the number of carry-out and drive-in restaurants in the United States, rather than a change in preference by established users of stainless steel knives, forks and spoons.

Increased import penetration over a very short period of time has frustrated the domestic industry's response to import competition. For example, funds are not available to carry out necessary expansion and modernization, since import competition keeps profits

low or causes losses for many firms in the industry; banks are also unwilling to lend funds in view of this profit position.

Nevertheless, domestic firms have undertaken measures to increase their production capabilities: Insilco Corp. has installed new finishing equipment; Oneida, Ltd., has built a large, efficient \$5 million knife-making facility; and Utica Cutlery Co. has purchased new finishing and knife-making equipment. Although it is difficult to say precisely how these measures will help the industry in its competition with imports, evidence gathered in the investigation does point to the industry's becoming more competitive in the sale of lower priced flatware. Sales by U.S. producers of knives, forks, and spoons in the price range of \$1.00 to \$1.99 per dozen pieces has increased from 20.4 percent of all flatware sold in 1974 to 24.2 percent during the period January-September 1975. The percentage of knives, forks, and spoons selling at \$1.00 or less per dozen pieces has also increased between those periods.

#### Conclusion as to eligibility for relief

Having examined the evidence presented to the Commission in the course of this investigation, I determine that the domestic industry being considered is eligible for import relief, since knives, forks, and spoons the subject of this investigation are being imported into the United States in such increased quantities as to be a substantial cause of serious injury to that industry.

Recommendation of adjustment assistance

Section 201(d)(1) of the Trade Act provides, in part, that if the Commission finds with respect to any article, as a result of its investigation, the serious injury or threat thereof described in section 201(b)(1), it shall—

(A) find the amount of the increase in, or imposition of, any duty or import restriction on such article which is necessary to prevent or remedy such injury, or

(B) if it determines that adjustment assistance under chapters 2, 3, and 4 can effectively remedy such injury, recommend the provision of such assistance . . . .

In determining what relief is appropriate to remedy the serious injury or threat thereof found by the Commission in this investigation, it is important to keep in mind the basic purpose of such relief. The report of the Senate Committee on Finance on the bill which became the Trade Act of 1974 provides:

The "escape clause" [the provision under which the Commission is acting in this investigation] is aimed at providing temporary relief for an industry suffering from serious injury or the threat thereof, so that the industry will have sufficient time to adjust to the freer international competition.

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The escape clause is not intended to protect industries which fail to help themselves become more competitive through reasonable research and investment efforts, steps to improve productivity and other measures that competitive industries must continually undertake. 1/

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1/ Trade Reform Act of 1974, S. Rept. No. 93-1298 (93d Cong., 2d sess.) 1974, pp. 119 and 122 (hereafter Finance Report).

The Senate added that provision of section 201(d)(1) providing for the possible recommendation of adjustment assistance if the Commission determines that such assistance can effectively remedy the injury being suffered. The Report cited above says, with respect to this addition:

However, the Committee amended the House bill to permit the Commission to recommend adjustment assistance, in lieu of import relief in circumstances in which the Commission determines that such assistance would be a more effective remedy to the serious injury than import relief. 1/

From the information developed in this investigation, I determine that adjustment assistance under chapters 2, 3, and 4 of title II of the Trade Act can effectively remedy the serious injury being suffered, and recommend the provision of such assistance.

Within the domestic industry producing stainless steel knives, forks, and spoons, some efforts to adjust to increasing import competition have been taken. In several instances, and most particularly in the case of Oneida, such efforts have met with some success. The efforts of Oneida are instructive, demonstrating that significant, well-planned capital expenditure together with new efforts in research and development can permit some adjustment. The loans, technical expertise and other services available from the recommended adjustment assistance can also permit the firms in the domestic industry that are smaller than Oneida to adjust. Such firms, with their poor profit picture and resultant inability to undertake expansion efforts,

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1/ The Finance Report, supra, p. 123.

replace old equipment, or undertake necessary research and development, should be able to take good advantage of this assistance.

The provision of import relief in this instance is not as effective a remedy as might be supposed. Such relief would provide unneeded protection to a significant part of the domestic industry. Further, that part of the industry most severely impacted by imports may not receive a share of the benefit of such relief proportionate to its importance in the industry, since the less impacted part of the industry would probably be able to take advantage of the relief more quickly and completely. Adjustment assistance in this instance would pinpoint aid where it is needed and help insure that firms in the domestic industry would have to take steps to adjust to the import competition.

## VIEWS OF VICE CHAIRMAN DANIEL MINCHEW

Following receipt of a petition on August 28, 1975, filed by the Stainless Steel Flatware Manufacturers Association, Washington, D.C., the United States International Trade Commission (Commission) on September 16, 1975, instituted an investigation under section 201(b) of the Trade Act of 1974 (Trade Act) to determine whether knives, forks, and spoons, all the foregoing not over 10.2 inches in overall length, with stainless steel handles or with such handles plated, inlaid, overlaid, or otherwise decorated or embellished with other base metals, plastics, or other materials (except precious metals), of the types provided for in items 650.08, 650.09, 650.10, 650.12, 650.21, 650.38, 650.39, 650.40, 650.42, 640.49, 650.54, 650.55, and 650.56, and, if included in sets, item 651.75 of the Tariff Schedules of the United States, are being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or the threat thereof, to the domestic industry producing an article like or directly competitive with the imported articles.

Before making an affirmative determination under section 201 (b)(1), the Commission must find that all three of the following criteria are met:

- (1) That an article is being imported into the United States in increased quantities (the increased imports may be actual or relative to domestic production);
- (2) That a domestic industry producing an article like or directly competitive with the imported article is being seriously injured or threatened with serious injury; and



- (3) That such increased imports of an article are a substantial cause of the serious injury, or the threat thereof, to the domestic industry producing an article like or directly competitive with the imported article.

#### The domestic industry

In considering whether the criterion of serious injury, or the threat thereof, has been satisfied, it is necessary to define "the domestic industry" which may be suffering the requisite injury. Although the Trade Act sets forth certain guidelines to be used by the Commission in defining "the domestic industry," it does not specifically define the term. The Trade Act in effect permits the Commission (and hence each individual Commissioner) the discretion to evaluate the relevant facts gathered during the course of the investigation and to define the domestic industry on the basis of these facts. The present case is not as difficult as many, for this Commissioner at least, as I consider the domestic industry to be those producers in the United States which produce stainless steel flatware.

#### Determination

After considering the evidence obtained by the Commission in this investigation, I have determined that knives, forks, and spoons, all the foregoing not over 10.2 inches in overall length, with stainless steel handles or with such handles plated, inlaid, overlaid, or otherwise decorated or embellished with other base metals, plastics, or

other materials (except precious metals), of the types provided for in items 650.08, 650.09, 650.10, 650.12, 650.21, 650.38, 650.39, 650.40, 650.42, 650.40, 650.54, 650.55, and 650.56, and, if included in sets. item 651.75 of the Tariff Schedules of the United States, are not being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or the threat thereof, to the domestic industry producing an article like or directly competitive with the imported articles. Specifically, I find that the third criterion under section 201(b)(1), as set forth above, has not been met, i.e., that such increased imports of an article are a substantial cause of the serious injury, or the threat thereof, to the domestic industry producing an article like or directly competitive with the imported article.

Since the criteria of section 201(b)(1) are cumulative, the failure to satisfy any one of the criteria necessitates the making of a negative determination, no matter what the facts show with respect to the other criteria. Because the instant negative determination is based on a finding that the "substantial cause" criterion is not met, the following discussion is limited to that criterion alone.

#### Substantial cause

Section 201(b)(4) of the Trade Act defines "substantial cause" as a "cause which is important and not less than any other cause." In addressing the question of substantial cause the House Ways and Means Committee stated:

The Committee intends that a dual test be met--imports must constitute an important cause and be no less important than any other single cause. For example,

if imports were just one of many factors of equal weight, imports would meet the test of being "not less than any other cause" but it would be unlikely that any of the causes would be deemed an "important" cause. If there were any other cause more important than imports, then the second test of being "not less than any other cause" would not be met. On the other hand, if imports were one of two factors of equal weight and there were no other factors, both tests would be met. 1/

The Senate Finance Committee report addressed the question by stating--

The Committee recognizes that "weighing" causes in a dynamic economy is not always possible. It is not intended that a mathematical test be applied by the Commission. The Commissioners will have to assure themselves that imports represent a substantial cause or threat of injury, and not just one of a multitude of equal causes or threats of injury. It is not intended that the escape clause criteria go from one extreme of excessive rigidity to complete laxity. An industry must be seriously injured or threatened by an absolute increase in imports, and the imports must be deemed to be a substantial cause of the injury before an affirmative determination should be made. 2/

In determining "substantial cause" it is necessary, therefore, to consider two tests. First, a cause must be important, and second, a cause must be not less than any other cause.

In attempting to determine whether the test of "substantial cause" is met with regard to imports, it is necessary to consider the factors which may have led to the decline of the domestic industry. They are (a) increased imports, (b) competition from other domestic firms, and (c) the failure of domestic firms to improve productivity.

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1/ Trade Reform Act of 1973: Report of the Committee on Ways and Means . . . , H. Rept. No. 93-571 (93d Cong., 1st sess.), pp. 46-47.

2/ Trade Reform Act of 1974: Report of the Committee on Finance . . . , S. Rept. No. 93-1298 (93d Cong., 2d sess.), pp. 121-122.

From the information obtained by the Commission in its investigation, I have concluded that all three of the causes listed above are "important" causes of any "serious injury" or "threat of serious injury" to the domestic industry. Therefore, the first part of the "substantial cause" test, i.e., that the cause must be an "important cause," is met.

However, I have not been able to say that increasing imports are "not less than any other cause." Oneida, Ltd. (Oneida), the largest domestic manufacturer of stainless steel flatware, has engineered and built automatic presses to replace the older and less efficient drop hammers; it has consolidated its knife-making facilities into one sizable factory; and it has added to its engineering staff. The outlay has been in excess of \$5 million. The remainder of the industry has not made the extensive capital improvements, in value terms, that Oneida has.

Yet the experience of Oneida has justified its capital outlays. It has dominated the U.S. market and increased net sales in every year except one (1961) since 1959. It has been consistently profitable. From this evidence, I have concluded that if Oneida is able to continue increasing its share of the market, the primary reason for injury to the remainder of the domestic industry must come from some source other than imports. Other segments of the domestic industry must modernize and streamline their facilities in order to qualify for import relief. 1/

### Conclusion

As indicated earlier, I have determined that the requirements of section 201(b)(1) of the Trade Act have not been met. Specifically, I

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1/ The Senate Finance Committee report states at p. 122: "The escape clause is not intended to protect industries which fail to help themselves become more competitive through reasonable research and investment efforts, steps to improve productivity and other measures that competitive industries must continually undertake."

find that criterion (3) above--"substantial cause"--has not been satisfied, i.e., that any increased imports of stainless steel flatware are not a substantial cause of serious injury, or the threat thereof, to the domestic industry producing articles like or directly competitive with imported stainless steel flatware.

Additional Views of Vice Chairman Daniel Minchew with regard to recommendations of remedy

I have concluded that, with a Commission determination in the affirmative, I am required to join with my fellow Commissioners in recommending a remedy to relieve the serious injury which the Commission has found affecting the domestic industry.

Some controversy exists at the Commission as to which Commissioners should participate in the development of a Commission recommendation of remedy if the Commission splits on determination but finds in the affirmative. I addressed this question first in the Asparagus Investigation 1/, again in the Stainless Steel and Alloy Tool Steel Investigation 2/, and in the Slide Fasteners and Parts Investigation 3/.

Section 201(d)(i) of the Trade Act provides some assistance in determining the question when it states--

The Commission shall report to the President its findings under subsection (b), and the basis therefor and shall include in each report any dissenting or separate views. If the Commission finds with respect to any article, as a result of its investigation, the serious injury or threat thereof described in subsection (b), it shall . . . (Emphasis added)

The Commission is described in section 172(a) of the Trade Act which states--

The United States International Trade Commission (referred to in this title as the "Commission") shall be composed

1/ Asparagus: Report to the President on Investigation No. TA-201-4. . . , USITC Publication 755, January 1976.

2/ Stainless Steel and Alloy Tool Steel: Report to the President on Investigation TA-201-5 . . . , USITC Publication 756, January 1976.

3/ Slide Fasteners and Parts: Report to the President on Investigation No. TA-201-6. . . , USITC Publication 757, February 1976.

of six commissioners who shall be appointed by the President by and with the consent of the Senate. (Emphasis added)

As I read the statute, the "Commission" is required to first make a determination (or finding) as to whether imports are entering the United States in such increased quantities as to be a substantial cause of serious injury or threat thereof to the domestic industry producing an article like or directly competitive with such imported articles 1/, and, after making such a determination (or finding), is then required to vote on a recommendation of remedy to be reported to the President.

In addressing the question of the effect of a divided vote, section 330(d) of the Tariff Act of 1930, as amended, adds additional support to the concept of full Commission participation in both votes, finding and remedy--

Whenever, in any case calling for findings of the Commission in connection with any authority conferred upon the President by the law to make changes in import restrictions, a majority of the commissioners voting are unable to agree upon findings or recommendations, the findings (and recommendations, if any) unanimously agreed upon by one-half of the number of commissioners voting may be considered by the President as the findings and recommendations of the Commission: Provided, that if the commissioners voting are divided into two equal groups, each of which is unanimously agreed upon findings (and recommendations, if any), the findings (and recommendations, if any) of either group may be considered by the President as the findings (and recommendations, if any) of the Commission. In any case of a divided vote to be referred to in this paragraph the Commission shall transmit to the President the findings (and recommendations, if any) of each group within the Commission with respect to the matter in question. (Emphasis added)

In this section, the Congress has expressly provided that all findings and recommendations are to be reported and transmitted to the President,

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1/ See section 201(b) of the Trade Act.

The Congress, during the long deliberations which led up to the present Act, did consider placing the remedy recommendation in the hands of those Commissioners voting in the affirmative. The Senate amendment to H.R. 17550 at section 301(b)(5) stated--

If a majority of the Commissioners present and voting make an affirmative injury determination under paragraph (1), the Commissioners voting for such affirmative injury determination shall make an additional determination under this paragraph which shall consist of determining (i) whether either the criteria in subparagraph (A) or the criteria in subparagraph (B) are met, and if so, (ii) whether the criteria in subparagraph (C) are met. (Emphasis added)

The Finance Committee Report, regarding this section of the proposed bill, stated--

Commission voting requirements. In accordance with subsection (b)(4) the remedy determination of a majority of the Commissioners voting for the affirmative injury determination shall be treated as the remedy determination of the Commission. 1/

Applying normal rules of statutory interpretation, one must assume that, in choosing the language in the present Act instead of adopting the above provision, the Congress intended to have the entire Commission participate in the recommendation of remedy, not just those Commissioners "voting for such affirmative injury determination."

The major contention of those who accept the view espoused in the 1970 draft, and who argue against participation in a remedy recommendation after voting in the negative, must take one or two forms: first, that there is only one vote, and that, by voting

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<sup>1/</sup> U.S. Senate, Report of the Committee on Finance to Accompany H.R. 17550, Social Security Amendments of 1970, S. Rept. No. 91-1431 (91st Cong., 2d sess.) 1970 at p. 22.



in the negative a Commissioner has completed his vote; and, second, that there are two votes, but that by voting in the negative, a Commissioner may not then make any remedy recommendation.

I contend that the authority which has been presented thus far prevents either interpretation. Furthermore, it has been Commission practice to vote twice--once under section 201(b) and once under section 201(d). 1/

The major "policy argument" of those who argue against a Commissioner's participating in a remedy if he has voted in the negative on determination is that a Commissioner in the minority might thwart the will of the majority by voting a weak remedy. The logic of this approach does not impress me. In the present case, for instance, I am a minority of one, finding in the negative, and in the view of those who feel that only the commissioners voting in the affirmative should have a say in the remedy, I should be barred from participating in the recommendation. Yet, should I have motives in weakening the remedy of the Commission, I could merely change my vote to affirmative and participate. So, in my view, the policy of restricting votes on remedy to those who vote in the affirmative would provide scant protection from a Commissioner intent on disrupting or weakening the recommendation.

Not only would this policy not protect, but it would create dangers where none existed before. Take a case in which a Commissioner chooses to divide the industry in question. This authority was clearly given in the Trade Act and the Commissioners have often

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1/ All of the Commissioners currently serving on the Commission have so voted whether it be "No recommendation of remedy", or a remedy of some type.

chosen to exercise this authority. In Stainless Steel and Alloy Tool Steel 1/, I was unable to find that the statutory criteria were met for two of the four industries. However, since the Commission found in the affirmative, I considered it my obligation to participate in the recommendation of remedy. Had all the Commissioners participated in that vote (only 5 participated), and only three had voted on remedy, there would have been a difficult legal issue on the effect of such a recommendation.

In summary, as I see the present controversy, section 201(d) clearly provides that the "Commission," not those Commissioners voting in the affirmative, is to fashion the remedy. Section 172 of the Trade Act defines the "Commission" as consisting of six Commissioners. The Commission is required to hold separate votes for determination and recommendation. The Senate Finance Report clearly states that all Commissioners are to participate in the important business of the Commission. Is a vote on a remedy recommendation something less than "important business of the Commission?" I do not think so. Furthermore, I feel it significant that the draft bill which considered placing the recommendation of remedy in the hands of those voting in the affirmative was one amendment to the Trade Expansion Act of 1962 which failed to gain acceptance. Certainly the Congress was aware of the issue or the amendment would not have been proposed. I consider those arguments against the participation in remedy by a Commissioner voting in the negative to be "policy arguments" which should, of course, be considered. But,

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1/ Stainless Steel and Alloy Tool Steel: Report to the President on Investigation No. TA-201-5 . . . , USITC Publication 756, January 1976.

such arguments are not necessarily strong in logic, and are lacking in a basis of law.

In reality, however, this entire controversy is rendered academic by the fact that all six Commissioners have for some time been voting on recommendation, even when they had voted individually in the negative and the Commission itself had made an affirmative determination. I am told that an unwritten rule exists which states that, if a Commissioner votes in the negative under section 201(b), he will then vote "No Recommendation" under section 201(d), if the Commission has determined in the affirmative. But the policy of actually voting, regardless of determination, has been clearly established, and is, by this time, a precedent of long standing in this Commission. Therefore, I feel that little justification is needed for putting some meaning into my deliberations and my vote by simply dropping the "No" before "Recommendation" and taking a more active part in the process.

Having taken considerable time stating the reasons for my participation in the present vote, I will try to state my recommendation in more concise terms. I have concluded that adjustment assistance under chapters 2, 3, and 4 can effectively remedy the injury that the Commission has found, and basically agree with the reasons given, in this regard, by Chairman Will E. Leonard.

## Views of Commissioner Italo H. Ablondi

I concur in major part with the affirmative views expressed by Commissioners Moore, Bedell, and Parker. I would further comment that this investigation is unusual in one respect. Even certain major import interests have stated that failure to take any affirmative action would result in serious detriment to the domestic industry and in more flatware being imported into this country in even greater amounts than heretofore. Such unrestrained competition from foreign sources could result in more serious consequences befalling the domestic industry.

Determination

On the basis of the evidence developed by the Commission in this investigation, I have determined that stainless steel table flatware of the types provided for in items 650.08, 650.09, 650.10, 650.12, 650.38, 650.39, 650.40, 650.42, 650.54, and 650.55 and, if included in sets, 651.75 of the Tariff Schedules of the United States, are being imported into the United States in such increased quantities as to be a substantial cause of serious injury to the domestic industry producing like or directly competitive products. 1/

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1/ I have concluded that certain other nonquota flatware included in items 650.21, 650.49, and 650.56 of the Tariff Schedules of the United States are not being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or the threat thereof, to the domestic industry producing an article like or directly competitive with the imported article. I have made a negative determination with respect to these articles because imports of such articles did not increase during 1968-75.

Remedy

Upon making an affirmative determination of serious injury or the threat thereof with respect to an article, section 201(d)(1) of the Trade Act requires the Commission to--

- (A) find the amount of the increase in, or imposition of, any duty or import restriction on such article which is necessary to prevent or remedy such injury, or
- (B) if it determines that adjustment assistance under chapters 2, 3, and 4 can effectively remedy such injury, recommend the provision of such assistance.

Since this directive is stated disjunctively, it follows that the Commission must recommend either import relief or adjustment assistance, but not both.

After reviewing all the evidence during the course of this investigation, I am persuaded that import relief in the form of the continuation of the current tariff rate quota in the same amount without allocation among the supplying countries would be appropriate.

The within-quota imports under the proposed tariff rate quota should be established and allocated on a first-come basis, with no more than 25 percent of the annual quota to be entered during any calendar quarter.

The overquota imports should be established and allocated as follows:

All imports outside the specified quota quantities should be assessed with rates of duty as follows exactly as is done now:

Knives and forks (items 650.08, 650.09,  
650.10, 650.12, 650.38, 650.39,  
650.40, and 650.42)----- 2 cents each +  
45% ad val.  
Spoons (items 650.54 and 650.55)--- 40% ad val.

The rationale for nonallocation among supplying countries hinges on the fact that the home market price of stainless steel table flatware in many exporting countries is considerably less than the U.S. price. Even after all costs of importing are paid, significant differentials which vary between countries remain. My recommendation does not work to the disadvantage of the domestic industry and enables the ultimate U.S. consumers to benefit from the imported supplies to the maximum extent possible. At the same time, no more than 25 percent of any 1 year's quota should be permitted to enter under the quota during any calendar quarter. This will largely eliminate the effect of the rush to enter the product as soon as the quota opens at the beginning of the year. Hence, the impact of large quantities of the imported products being placed on the domestic market at one time is reduced, and requiring imports to enter in such a manner will not adversely affect the pricing of domestically produced stainless steel flatware.

The failure of the Commission to make a finding or recommendation as to relief in the instant case warrants comment. It is my view that a Commissioner making a negative determination under section 201(b) should not vote on remedy. To do so, in my opinion, is not only at variance with the legislative intent of the law and inconsistent with Commission practice, but could, if given legal effect, thwart the efforts

of the Commission to devise a scheme of relief which would prevent or remedy the injury found to exist. It would also place an unintended additional burden upon the domestic industry to obtain the relief it is entitled to under the statute.

The present and previous "escape clause" provisions and administrative practice concerning import relief investigations clearly indicate that Commission findings and recommendations should be consistent. Section 201(d)(1) of the Trade Act directs the Commission to find or recommend a remedy only where it has made an affirmative determination under section 201(b). Moreover, the Senate Finance Committee's report on the bill which became the Trade Act states that--

. . . the Commission ought to reach a clear, definitive majority view on the nature of the remedy that is most suitable to the injury found. 1/

To give legal effect to a finding or recommendation of remedy by a Commissioner who has made a negative determination under 201(b) of the Trade Act could thwart the attempts of Commissioners making an affirmative determination to transmit to the President a "clear, definitive majority view on the nature of the remedy that is most suitable to the injury found." For example, in this investigation, the Commission has made an affirmative determination of injury under section 201(b) by a vote of five to one. However, since only three

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1/ Trade Reform Act of 1974, S. Rept. 93-1298 (93d Cong., 2d sess.), 1974, p. 123.

of the five Commissioners finding in the affirmative were able to agree on a remedy and since the Commissioner who voted in the negative also voted on remedy, there can be no definitive majority view on the remedy most suitable to the injury found.

Furthermore, giving legal effect to such votes could frustrate any attempt of Congress to direct the President, under section 203(c) of the Trade Act, to proclaim relief recommended by the Commission. That section provides:

If the President reports under subsection (b) that he is taking action which differs from the action recommended by the Commission under section 201(b)(1)(A), or that he will not provide import relief, the action recommended by the Commission shall take effect (as provided in paragraph (2)) upon the adoption by both Houses of Congress (within the 90-day period following the date on which the document referred to in subsection (b) is transmitted to the Congress), by an affirmative vote of a majority of the Members of each House present and voting, of a concurrent resolution disapproving the action taken by the President or his determination not to provide import relief under section 202(a)(1)(A).

If a recommendation of the Commission is precluded by the vote of a Commissioner who voted negatively on the issue of injury, there is no "recommendation" to implement, and the will of Congress is thereby thwarted. Such a result is clearly contrary to the intent of the statute.

Therefore, in view of each of the foregoing reasons, I urge the Commission to give effect to the clear meaning of the law and permit only Commissioners finding in the affirmative to participate in the recommendation of a remedy.





INFORMATION OBTAINED IN THE INVESTIGATION

Introduction

Following receipt of a petition on August 28, 1975, filed by the Stainless Steel Flatware Manufacturers Association, Washington, D.C., the U.S. International Trade Commission on September 16, 1975, instituted an investigation under section 201(b) of the Trade Act of 1974 to determine whether knives, forks, and spoons, all the foregoing not over 10.2 inches in overall length, with stainless steel handles or with such handles plated, inlaid, overlaid, or otherwise decorated or embellished with other base metals, plastics, or other materials (except precious metals), of the types provided for in items 650.08, 650.09, 650.10, 650.12, 650.21, 650.38, 650.39, 650.40, 650.42, 650.49, 650.54, 650.55, and 650.56, and, if included in sets, item 651.75 of the Tariff Schedules of the United States (TSUS), are being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or the threat thereof, to the domestic industry producing an article like or directly competitive with the imported articles. A public hearing in connection with the investigation was held on December 9 and 10, 1975, in the Commission's hearing room in Washington, D.C.

Notice of the investigation and hearing was published in the Federal Register on September 22, 1975 (40 F.R. 43560).

The petitioner--the Stainless Steel Flatware Manufacturers Association, a national trade association comprising the bulk of U.S. flatware producers--alleges that the increase in imports of stainless steel

table flatware is a substantial cause of serious injury being suffered by the domestic producers of articles like or directly competitive with the imported articles. The petitioner urges that an absolute quota be recommended by the Commission to the President in the same number of pieces per quarter as provided for in Presidential Proclamation 4076, which became effective October 1, 1971. 1/

The Commission has conducted a number of investigations concerning flatware during the past 16 years. The industry investigation, published in December 1969, stated:

On the basis of the foregoing facts, the Commission concludes that the injurious effects of imports on the domestic stainless-steel table flatware industry have been sufficient to warrant serious consideration of some form of relief. 2/

The information contained in this report was obtained from field-work, from questionnaires sent to domestic manufacturers, importers, and distributors, and from the Commission files, other Government agencies, and evidence presented at the hearing and in briefs filed by interested parties.

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1/ A copy of this proclamation is included in app. B.

2/ Stainless-Steel Table Flatware: Report on investigation No. 332-63 . . . , TC Publication 305, p. 11. Commissioners Thunberg and Newsom did not subscribe to the inclusion of this paragraph in the report.

### Description and Uses

The articles covered by this investigation are table knives, forks, and spoons, wholly of metal and in chief value of stainless steel, hereinafter referred to collectively as stainless steel table flatware. Table flatware generally refers to knives, forks, and spoons commonly used for eating purposes in the home as well as at tables or lunch counters in restaurants, hotels, and eating places of other establishments.

### Description

All table flatware wholly of metal and in chief value of stainless steel that is either produced in or imported into the United States is in fact almost wholly of stainless steel, except that some hollow-handle knives contain a little solder or brazing material of other metal in the handles. A small portion of the stainless steel table flatware produced in the United States is made of scrap stainless steel; the bulk of this flatware is ungraded, light-weight, and low priced.

The quality and price of stainless steel table flatware vary widely. The quality is determined by the design or pattern, by the weight and type of stainless steel used, by the amount of grading, by the amount of finishing, and by the type of knife included in a set. Grading refers to the variation of the thickness from the end of the handle to the tip of the bowl of a spoon or the tines (prongs) of a fork, in order to obtain a proper balance of the piece and to leave strength where needed in the handle. Finishing means removing rough edges and burrs

from the sides of the pieces and between the tines of forks, and buffing and polishing the surfaces. The four types of knives produced, ranked from lowest to highest in terms of cost of production in the United States, are two-piece with blade not forged, one-piece with forged blade, hollow handle with blade not forged, and hollow handle with forged blade.

Currently, in the trade, stainless steel table flatware falls into seven classes (AW, A, A1, A2, B, B+, and C) depending on the stainless alloy from which it is produced and its thickness, weight, grading, and finishing. Flatware in the C class (the highest quality class) varies in thickness from 2.7 millimeters to 3.5 millimeters, weighs up to 90 grams, is graded, and has a high mirror finish. AW or "economy" flatware, on the other hand, is made of steel of lesser quality, weighs less, is thinner, and has only a semi-mirror finish.

#### Substitutes for stainless steel flatware

Stainless steel table flatware wholly of metal and in chief value of stainless steel, whether produced domestically or imported, is generally considered by the trade to be substantially alike in its inherent or intrinsic characteristics. However, by virtue of differences in the quality, all such flatware may not be substantially equivalent for commercial purposes. For example, an economy restaurant would probably use AW or A quality flatware, and a medium-income family would probably use B, B+, or C quality flatware in their home.

One of the main substitutes for stainless steel table flatware wholly of metal is table flatware with handles not wholly of metal and in chief value of stainless steel--that is, flatware with handles of wood,

laminated wood, plastic, or other nonmetallic material. Such flatware, depending on the quality, is sold directly to restaurants and other eating establishments and to households through retail outlets. Because of differences in quality, table flatware with handles not wholly of metal and table flatware in chief value of stainless steel may not be substantially equivalent for commercial purposes.

Other substitutes for stainless steel flatware include sterling silver flatware, silver-plated flatware, and plastic flatware. Although sterling silver and silver-plated flatware are used for the same purposes as stainless steel flatware they are generally not cost competitive with stainless.

Plastic flatware is widely used because it can be disposed of after initial use. Hospitals and schools, in particular, use it because the initial cost is low, the cost of washing and sterilization is eliminated, and losses from theft are eliminated.

## U.S. Tariff Treatment

The stainless steel table flatware articles covered by this investigation are imported into the United States under TSUS items 650.08, 650.09, 650.10, 650.12, 650.21, 650.38, 650.39, 650.40, 650.42, 650.49, 650.54, 650.55, and 650.56, and, if included in sets, 651.75.

Certain of these articles are subject to a quota and thus are reported under TSUS items 949.00-949.08, inclusive. Specifically, they are knives, forks, and spoons that are provided for in items 650.08, 650.10, 650.38, 650.40, 650.54 and, if included in sets, 651.75 valued 25 cents each and under, not over 10.2 inches in overall length, and with stainless steel handles. Hereinafter, for the sake of brevity, such flatware will be referred to as quota-type stainless steel table flatware. Knives, forks, and spoons valued over 25 cents each, not over 10.2 inches in overall length, and having stainless steel handles (TSUS items 650.09, 650.12, 650.39, 650.42, and 650.55) will be referred to as nonquota-type stainless steel table flatware.

In addition to the quota- and nonquota-type flatware mentioned above, this investigation also covers certain "other table knives," other table forks, and "other" tablespoons and table ladles (Tariff Schedules of the United States Annotated (TSUSA) items 650.2120, 650.4920, and 650.5620, respectively). These TSUSA items are "basket" categories and include articles which are not complained of by the petitioner, such as steak knives with wooden handles, chrome-plated bar spoons, and fruit forks with plastic handles. Such flatware shall hereinafter be referred to as certain other nonquota flatware.

The duties applicable to quota-type stainless steel table flatware have remained unchanged since October 11, 1967.

The rates of duty applicable to quota-type, nonquota-type, and certain other nonquota flatware in effect on December 31, 1967, and subsequent changes in the rates of duty are shown in the table on the following page.



Stainless steel knives, forks, and spoons: U.S. rates of duty under the TSUS or TSUSA in effect on Dec. 31, 1967, changes in the rates pursuant to the Kennedy Round of trade negotiations, and rates as of Jan. 1, 1976

(Cents each; percent ad valorem)										
TSUS or TSUSA item	Description	Statutory rate	Trade-agreement rates in effect on Dec. 31, 1967 1/	Rate changes pursuant to the Kennedy Round effective on Jan. 1.					Current rates	
				1968	1969	1970	1971	1972		
	Knives, forks, and spoons with stainless steel handles:									
	Knives and forks:									
	With handles not con- taining nickel and not containing over 10 percent by weight of manganese:									
550.08, 2/ 650.38 2/	Valued under 25 cents each, not over 10.2 inches in overall length	2¢ + 45%	1¢ + 12.5%	3/	3/	3/	3/	3/	3/	
650.09, 650.39	Other-----	2¢ + 45%	1¢ + 12.5%	0.9¢ + 11%	0.8¢ + 10%	0.7¢ + 8.5%	0.6¢ + 7%	0.5¢ + 6%	3/	
	With handles containing nickel or containing over 10 percent by weight of manganese:									
650.10, 2/ 650.40 2/	Valued under 25 cents each, not over 10.2 inches in overall length	2¢ + 45%	1¢ + 17.5%	3/	3/	3/	3/	3/	3/	
650.12, 650.42	Other-----	2¢ + 45%	1¢ + 17.5%	0.9¢ + 15.5%	0.8¢ + 14%	0.7¢ + 12%	0.6¢ + 10%	0.5¢ + 8.5%	3/	
	Spoons:									
650.54 2/	Valued under 25 cents each, not over 10.2 inches in overall length	40%	17%	3/	3/	3/	3/	3/	3/	
650.55	Other-----	40%	17%	15%	13.5%	11.5%	10%	8.5%	3/	
651.75	Sets-----	The rate of duty: applicable to that article in the set subject to the highest rate of duty.		The rate of duty: applicable to that article in the set subject to the highest rate of duty.		3/	3/	3/	3/	3/
650.2120	Other table knives (includ- ing table serving knives),	3¢ + 45%	1¢ + 17.5%	0.9¢ + 15.5%	0.8¢ + 14%	0.7¢ + 12%	0.6¢ + 10%	0.5¢ + 8.5%	3/	
650.4040	Other table forks (includ- ing table serving forks),	5¢ + 45%	1¢ + 17.5%	0.9¢ + 15.5%	0.8¢ + 14%	0.7¢ + 12%	0.6¢ + 10%	0.5¢ + 8.5%	3/	
650.5520	Other tablespoons and table ladles,	40%	17%	3/	3/	3/	3/	3/	3/	

1/ Rates in effect when first quota terminated.

2/ Articles subject to quota and reported under the appropriate 7-digit number appearing in items 949.00-.08, inclusive.

3/ No change.

Rates of duty on the quota-type knives, forks, and spoons subject to a tariff-rate quota and reported in the appendix to the TSUS are shown in table 1 of the appendix to this report. The tariff-rate quota was established by Presidential Proclamation 4076 in accordance with the procedures of article XXVIII of the General Agreement on Tariffs and Trade. It became effective on October 1, 1971, and is due to expire on or before September 30, 1976, unless extended by the President.

Rates of duty on quota-type and nonquota-type knives, forks, and spoons in effect under the Tariff Schedules of the United States from August 31, 1963, to October 31, 1967, as well as the rates of duty for these articles under the Tariff Act of 1930, are shown in appendix tables 2 and 3.

Average ad valorem equivalents of the trade-agreement and overquota rates in effect in 1966, 1968, 1974, January-September 1974, and January-September 1975, by types of flatware for all countries and for Japan, the Republic of Korea, and Taiwan, are shown in tables 4 and 5 of the appendix.

Average ad valorem equivalents of the rates of duty in effect on January 1, 1966, January 1, 1968, and January 1, 1974, by types of flatware, are shown in the table on the following page. The table shows that the average ad valorem equivalent of the rates of duty applicable to quota-type stainless steel table flatware was 20.7 percent in 1968, compared with 27.3 percent in 1966 and 36.2 percent in 1974. In both 1966 and 1974 a tariff-rate quota was in effect. The 6.6-percentage point reduction in the ad valorem equivalent of the duties between 1966 and 1968 reflects the termination of the tariff-rate quota.

Stainless steel table flatware: Average ad valorem equivalents of the rates of duty in effect on  
Jan. 1, 1966, Jan. 1, 1968, and Jan. 1, 1974, by types of flatware 1/

Description	Average ad valorem : equivalents of the : rates of duty in : effect in 1966 : based on imports : in that year <u>2/</u> :		1968		1974	
			Rates of duty : in effect on : Jan. 1, 1968 :	Average ad valorem : equivalents of the : rates of duty :	Rates of duty : in effect on : Jan. 1, 1974 <u>3/</u> :	Average ad valorem : equivalents of the : rates of duty <u>4/</u> :
	Percent	Cents each; per- cent ad valorem	Percent	Cents each; per- cent ad valorem	Percent	Percent
Quota-type:						
Spoons-----	26.0	17%		17.0	17.0	31.7
Knives and forks:						
With handles containing nickel:						
Knives-----	31.6	1¢ + 17.5%		26.3	1¢ + 17.5%	66.7
Forks-----	40.4	1¢ + 17.5%		30.7	1¢ + 17.5%	54.5
With handles not containing nickel:						
Knives-----	24.4	1¢ + 12.5%		20.5	1¢ + 12.5%	32.6
Forks-----	34.4	1¢ + 12.5%		26.7	1¢ + 12.5%	47.1
All quota-type, average-----	27.3	-		20.7	-	36.2
Nonquota-type:						
Spoons-----	17	15%		15.0	8.5%	8.5
Knives:						
With handles containing nickel-----	20.6	0.9¢ + 15.5%		17.3	0.5¢ + 8.5%	8.9
With handles not containing nickel--	14.2	0.9¢ + 11%		14.1	0.5¢ + 6%	7.4
Forks:						
With handles containing nickel-----	21.8	0.9¢ + 15.5%		18.0	0.5¢ + 8.5%	9.0
With handles not containing nickel--	14.9	0.9¢ + 11%		14.3	0.5¢ + 6%	7.2
All nonquota-type, average-----	18.4	-		15.0	-	8.0
All types, average-----	25.0	-		19.3	-	30.6

1/ Data on sets are not available.

2/ Ad valorem equivalents shown for quota-type stainless steel table flatware are based on imports entered at the trade-agreement rate as well as at the overquota rate.

3/ Average ad valorem equivalents of the ratio of duty for imports entered within and over quota rates.

Source: Compiled from official statistics of the U.S. Department of Commerce.

## Domestic Producers

In 1975, stainless steel flatware was produced in the United States by 15 manufacturers operating 19 plants 1/ in nine States. Of the total quantity of domestically produced flatware sold in 1974, \* \* \* had been produced in the State of New York. Plants in New England, New Jersey, California, and Ohio accounted for all but a small percent of the remainder.

By way of contrast, in 1956, stainless steel table flatware was produced in the United States by at least 21 manufacturers operating at least 23 plants in nine States. Of the total quantity of flatware sold in 1956, 61 percent was produced in New England (48 percent in Connecticut, 10 percent in Rhode Island, and 3 percent in Massachusetts). Plants in New York and New Jersey together accounted for 27 percent of the total, and plants in Virginia, Ohio, Indiana, and California, for the remaining 12 percent. By 1966, the number of manufacturers had declined to 19, still operating a total of 21 plants. Since 1970, four firms have stopped manufacturing stainless steel table flatware. The most recent firm to quit the domestic manufacture of flatware was Washington Forge, Inc., of Englishtown, N.J., which stopped production in September 1973.

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1/ One firm, Northampton Cutlery Co., manufactures stainless steel blades for installation in hollow handles made by other manufacturers.

\* \* \* \* \*

The industry is dominated by two large producers (Oneida, Ltd., and Insilco Corp.), which together accounted for about \* \* \* of total U.S. shipments in terms of value in 1974.

Oneida, Ltd., with domestic sales of about \* \* \* in 1974, has been the largest U.S. producer of stainless steel table flatware for many years.

\* \* \* \* \*

The International Silver Co., the flatware manufacturing division of Insilco Corp., with stainless steel flatware sales of about \* \* \* million in 1974, has been the second largest U.S. producer of flatware in recent years.

\* \* \* \* \*

The remaining 13 U.S. producers of stainless steel table flatware are small by comparison with Oneida, Ltd., and Insilco Corp. In 1974, for example, these firms accounted for only about \* \* \* of total shipments in terms of quantity and \* \* \* in terms of value;

\* \* \* \* \*

Markets

Stainless steel flatware is sold principally in two types of markets, the retail market and the commercial or institutional market. Many manufacturers and importers specialize in serving just one of these markets, but the large manufacturers serve both.

In the retail market, flatware is sold in a wide variety of patterns, many of which have a short life span. U.S. producers' sales to retail stores, including department stores and chainstores, amounted to nearly 50 percent of total sales during January-September 1975, as shown by the table on page A-15. The bulk of the sales in this market consisted of sets. Most sets of stainless steel flatware are sold at prices in the range of \$15 to \$20 per set.

One segment of the retail market is variously called special items, premium, or promotions. It includes sales of flatware through the mail, as well as flatware distributed at no cost or sold by stores through special offers.

The commercial or institutional market is concerned with the distribution of flatware to restaurants, cafeterias, airlines, hotels, nursing homes, hospitals, and other organizations that serve food. In sales to this market, the variety of patterns is small and patterns change infrequently. The patterns commonly used are simple to allow ease in cleaning. In recent years restaurants have purchased great amounts of replacement flatware owing to heavy losses from pilferage and damage.

Both the retail and the institutional markets are served directly by manufacturers and importers and through wholesalers, jobbers, and manufacturers' representatives.

Data presented in the following table show U.S. producers' sales by types of market, and the percentage distribution among the markets, in specified years 1966 to 1974 and in January-September 1975.

Stainless steel table flatware: U.S. producers' sales, by types of market, specified years  
1966-74, and January-September 1975

Market	1966	1968 <sup>1/</sup>	1973	1974	January- September 1975
Value (1,000 dollars)					
Retail stores (department stores, chain- stores, etc.)-----	23,885	27,297	30,868	32,602	22,376
Commercial or institutional users (hotels, restaurants, etc.)-----	9,459	9,014	18,946	19,869	10,812
Premium-ware sales (including house-to- house canvassers)-----	14,322	12,503	16,080	19,976	12,302
Other manufacturers-----	1,512	229	87	43	16
U.S. Government-----	<sup>2/</sup>	<sup>2/</sup>	1,192	1,431	753
State and local governments-----	<sup>3/</sup> 4,781	<sup>3/</sup> 2,425	216	289	154
Other-----	593	373	462	929	525
Total sales <sup>4/</sup> -----	54,552	51,841	67,851	75,139	46,939
Percent of total					
Retail stores (department stores, chain- stores, etc.)-----	43.8	52.7	45.5	43.4	47.7
Commercial or institutional users (hotels, restaurants, etc.)-----	17.3	17.4	27.9	26.4	23.0
Premium-ware sales (including house-to- house canvassers)-----	26.3	24.1	23.7	26.6	26.2
Other manufacturers-----	2.8	00.4	00.1	00.1	00.1
U.S. Government-----	<sup>2/</sup>	<sup>2/</sup>	1.8	01.9	1.6
State and local governments-----	<sup>3/</sup> 8.8	<sup>3/</sup> 4.7	0.3	0.4	0.3
Other-----	1.0	0.7	0.7	1.2	1.1
Total sales <sup>4/</sup> -----	100.0	100.0	100.0	100.0	100.0

<sup>1/</sup> Does not include data for 4 producers which did not submit questionnaires.

<sup>2/</sup> Totals combined with those from State and local governments.

<sup>3/</sup> Includes sales to the U.S. Government.

<sup>4/</sup> Sales data in this table correspond roughly with those given in earlier tables; they differ in that some material imported by some U.S. producers is mixed in with sales of domestic merchandise, and could not be segregated by the manufacturers for this table.

Source: Compiled from responses to questionnaires of the U.S. International Trade Commission.



## The Question of Increased Imports

U.S. imports

All stainless steel table flatware.--Annual U.S. imports of all stainless steel table flatware covered by this investigation increased from 18.4 million dozen pieces in 1968 to 29.5 million dozen pieces in 1969 and then rose to a record high of 40.1 million dozen pieces in 1970 (table 6). Such imports declined over the next 2 years to 29.7 million dozen pieces in 1972, then increased to 33.7 million dozen pieces in 1973 and 35.0 million dozen pieces in 1974. The imports in 1974 were about 91 percent (16.7 million dozen pieces) higher than imports in 1968. U.S. imports of all flatware in January-September 1974 amounted to 27.8 million dozen pieces, and were about 5 percent (1.5 million dozen pieces) higher than imports in January-September 1975. 1/

Quota-type flatware.--Annual U.S. imports of quota-type flatware totaled 13.9 million dozen pieces in 1968, and increased to 25.0 million dozen pieces in 1969 and to a record high of 34.4 million dozen pieces in 1970 (table 7). The sharp increase in 1970 probably stemmed from anticipation of the imposition of a tariff-rate quota and the desire by importers and foreign producers to avoid any extra duty costs. With the establishment of the tariff-rate quota in October 1971, annual

---

1/ Since Oct. 1, 1971, the U.S. Customs Service of the Treasury Department has compiled data only with respect to quota-type flatware; it has not compiled data with respect to any other of the flatware covered by this investigation. Because the U.S. Customs Service data are not complete (see appendix tables 8-11), the import data used throughout this report are those reported as official statistics by the U.S. Department of Commerce.

U.S. imports declined to 25.0 million dozen pieces in 1971 and to 23.3 million dozen pieces in 1972. Imports of quota-type flatware increased to 26.2 million dozen pieces in 1973 and to 28.3 million dozen pieces in 1974. Part of this increase from 1973 to 1974 was due to large overquota imports from Korea and Taiwan. U.S. imports of quota-type flatware in January-September 1975 amounted to 19.8 million dozen pieces, or about 12 percent less than imports in the corresponding period in 1974, which amounted to 22.6 million dozen pieces.

Nonquota-type flatware.--Annual U.S. imports of nonquota-type stainless steel table flatware increased overall during the period 1968-74 by about 130 percent, or from 2.1 million dozen pieces in 1968 to 4.9 million dozen pieces in 1974. Much of this increase occurred after the establishment of the tariff-rate quota in October 1971. These imports increased from about 2.1 million dozen pieces in 1971, to 3.0 million dozen pieces in 1972, and to 4.4 million dozen pieces in 1973, and 4.9 million dozen pieces in 1974. U.S. imports of such flatware in January-September 1975 amounted to 5.1 million dozen pieces, which was higher by 34 percent (1.3 million dozen pieces) than imports in January-September 1974.

Certain other nonquota-type flatware.--U.S. imports of certain other nonquota-type flatware declined from 2.2 million dozen pieces in 1968 to 1.8 million dozen pieces in 1974, or by about 20 percent. U.S. imports of such flatware in January-September of both 1974 and 1975 amounted to 1.4 million dozen pieces (tables 12 and 13).

Increases or decreases in imports

The increases and decreases in the quantity of imports for each of the several flatware categories over selected time periods are shown in the following table.

Stainless steel table flatware: Increase or (decrease) in imports, by categories, 1974 over 1968, 1974 over 1970, 1974 over 5-year average 1970-74, and January-September 1975 over January-September 1974

(In thousands of dozen pieces)

Category	Increase or (decrease) in imports--				
	1974		1974		1974
	over		over		over
	1968		1970		5-year
					average
					1970-74
					Jan.-Sept.
					1975
					over
					Jan.-Sept.
					1974
Stainless steel table flatware, total-----	16,668	:	(5,059)	:	1,236
Quota-type flatware-----	14,336	:	(6,096)	:	887
Nonquota-type flatware--	2,776	:	2,392	:	1,540
Certain other nonquota flatware-----	(444)	:	(1,355)	:	(1,190)
		:		:	(12)

Source: Compiled from official statistics of the U.S. Department of Commerce.

As presented above, the comparison of 1974 with 1968 shows a large increase in total imports, principally reflecting an increase in the quota-type category; the comparison of 1974 with 1970 shows a large decrease in total imports, mainly reflecting a decrease in the quota-type category. The comparison of 1974 with the 5-year average 1970-74 shows an increase in the total, owing to increases

in the quota-type and nonquota-type categories and a decrease in the category for certain other nonquota flatware. For the period January-September 1975 over January-September 1974, the data exhibit a decrease in total imports, principally reflecting a decrease in the quota-type category. The sharp differences between the comparisons of 1974 with 1968 and of 1974 with 1970 came about because of the steep increase in imports in 1970 to a record level of 34.4 million dozen pieces, as reported earlier herein, and therefore raise a question as to whether the use of the 1970 imports as a benchmark is suitable for the purposes of this investigation.

Ratio of imports to production

The ratio of imports to production greatly increased during the period 1968-74 for all categories, particularly for quota-type flatware, as presented in the table on the following page. Also, the ratios of imports to production in all categories were higher in January-September 1975 than in the corresponding period in 1974.

Stainless steel table flatware: Ratio of the quantity of imports for consumption to the quantity of U.S. production, by categories, 1968-74, January-September 1974, and January-September 1975

(In percent)									
Category	1968	1969	1970	1971	1972	1973	1974	Jan.-Sept.--	
								1974	1975
Stainless steel table flat-	:	:	:	:	:	:	:	:	:
ware, total-----	63.8	107.0	150.0	147.9	131.5	149.0	166.9	186.2	229.4
Quota-type flatware-----	48.6	90.7	128.8	121.4	102.9	115.8	134.9	151.4	172.9
Nonquota-type flatware-----	7.4	7.5	9.4	10.1	13.1	19.4	23.4	25.5	44.5
Certain other nonquota flat-	:	:	:	:	:	:	:	:	:
ware-----	7.8	8.8	11.8	16.4	15.5	13.8	8.6	9.3	12.0
	:	:	:	:	:	:	:	:	:

Source: Compiled from responses to questionnaires of the U.S. International Trade Commission and official statistics of the U.S. Department of Commerce.

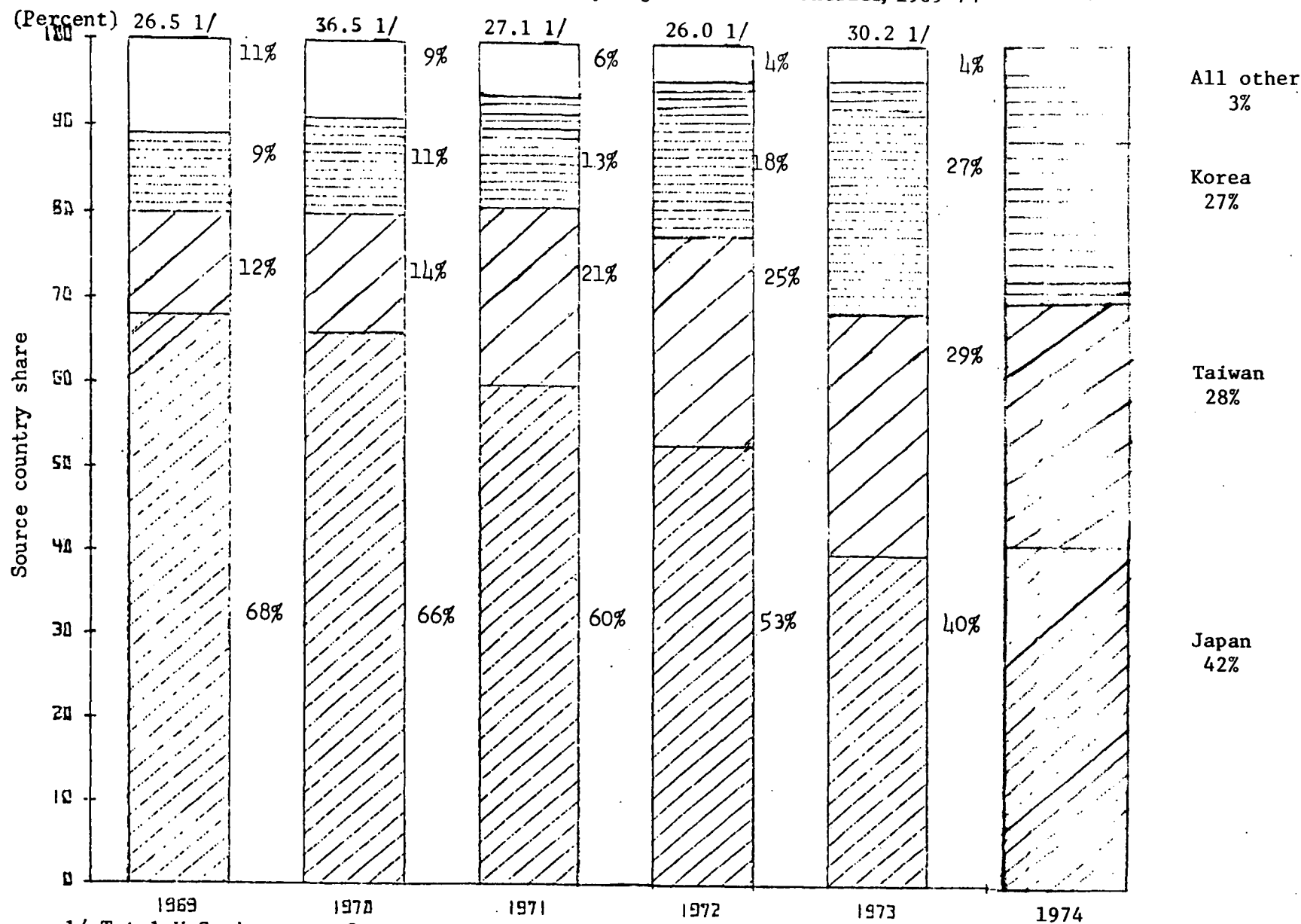
Changes in sources and types of U.S. imports

Three countries--Japan, Taiwan, and Korea--were the dominant sources of U.S. imports of quota-type and nonquota-type stainless steel table flatware (tables 14-19). As shown in figure 1, the imports from these three countries together accounted for 97 percent of the total quantity of imports in 1974; in terms of value in 1974, the combined share was 91 percent, as shown in appendix tables 15, 17, and 19. Japan has remained the dominant source for a long period; however, the share of the quantity of U.S. imports from Taiwan and Korea increased dramatically from 1969 to 1974. Taiwan's share more than doubled, from 12 percent to 28 percent, and Korea's share tripled, from 9 percent to 27 percent.

In value terms, however, in 1969-74 the shift in imports from countries other than Japan was not as marked, as indicated in appendix tables 15, 17, and 19. Japan's share of U.S. imports of quota-type flatware, for example, remained dominant in January-September 1975 at 57 percent.

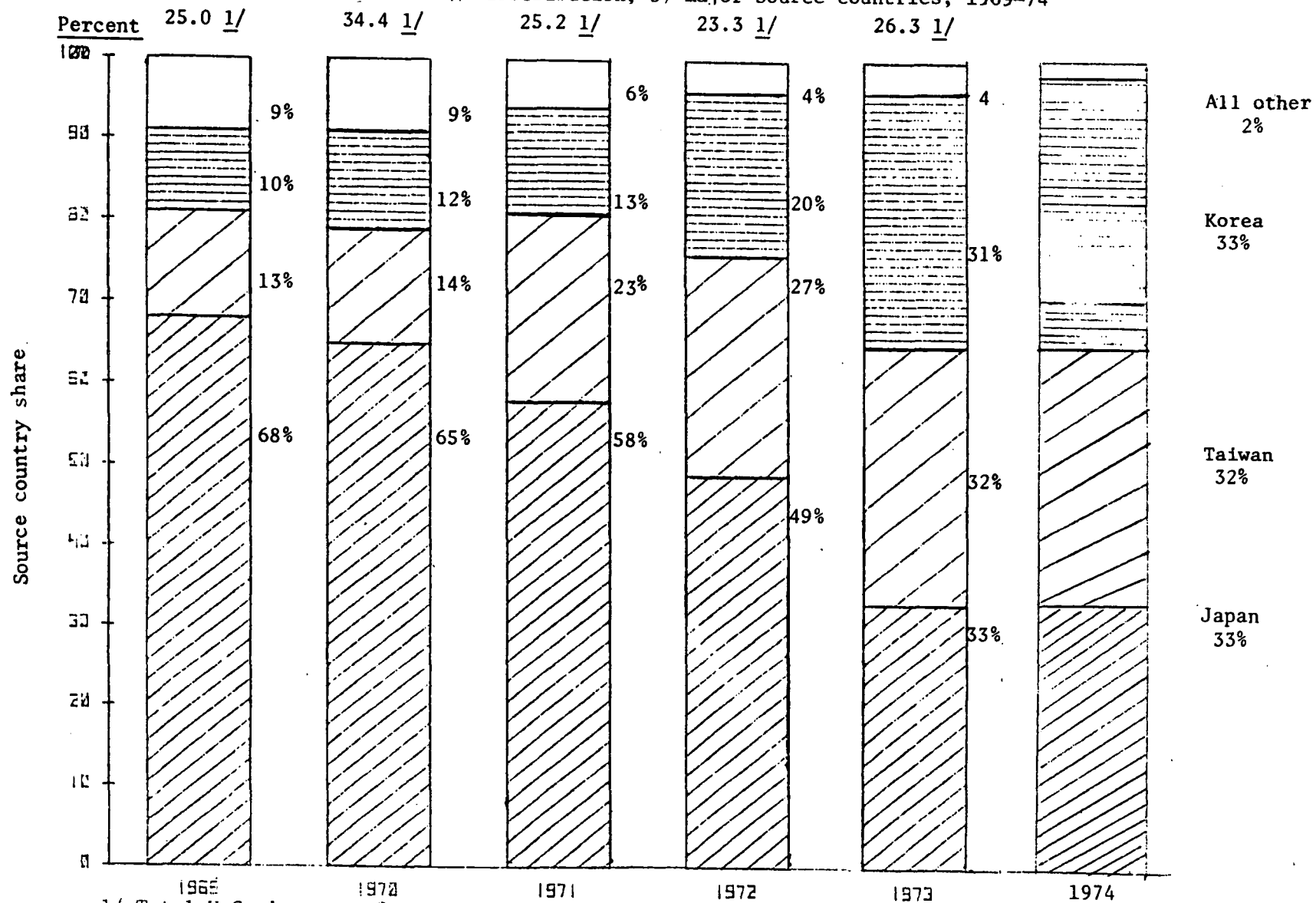
Quota-type imports.--Most of the quantity of stainless steel table flatware imports has consisted of quota-type flatware. Such imports amounted to 80.9 percent of the total in 1974, as shown in appendix table 6. Japan's share of the total quota-type imports dropped from well over two-thirds in 1969 to one-third in 1974 (fig. 2). During the same period, Korea and Taiwan made substantial inroads, increasing their combined share from about one-fourth in 1969 to two-thirds in 1974. Although the

Figure 1.--Total U.S. imports of stainless steel table flatware and percentage distributions by major source countries, 1969-74



Source: Tables 15, 17, and 19 in the statistical appendix.

Figure 2.--U.S. imports of quota-type stainless steel table flatware and percentage distribution, by major source countries, 1969-74



Source: Tables 15, 17, and 19 in the statistical appendix.



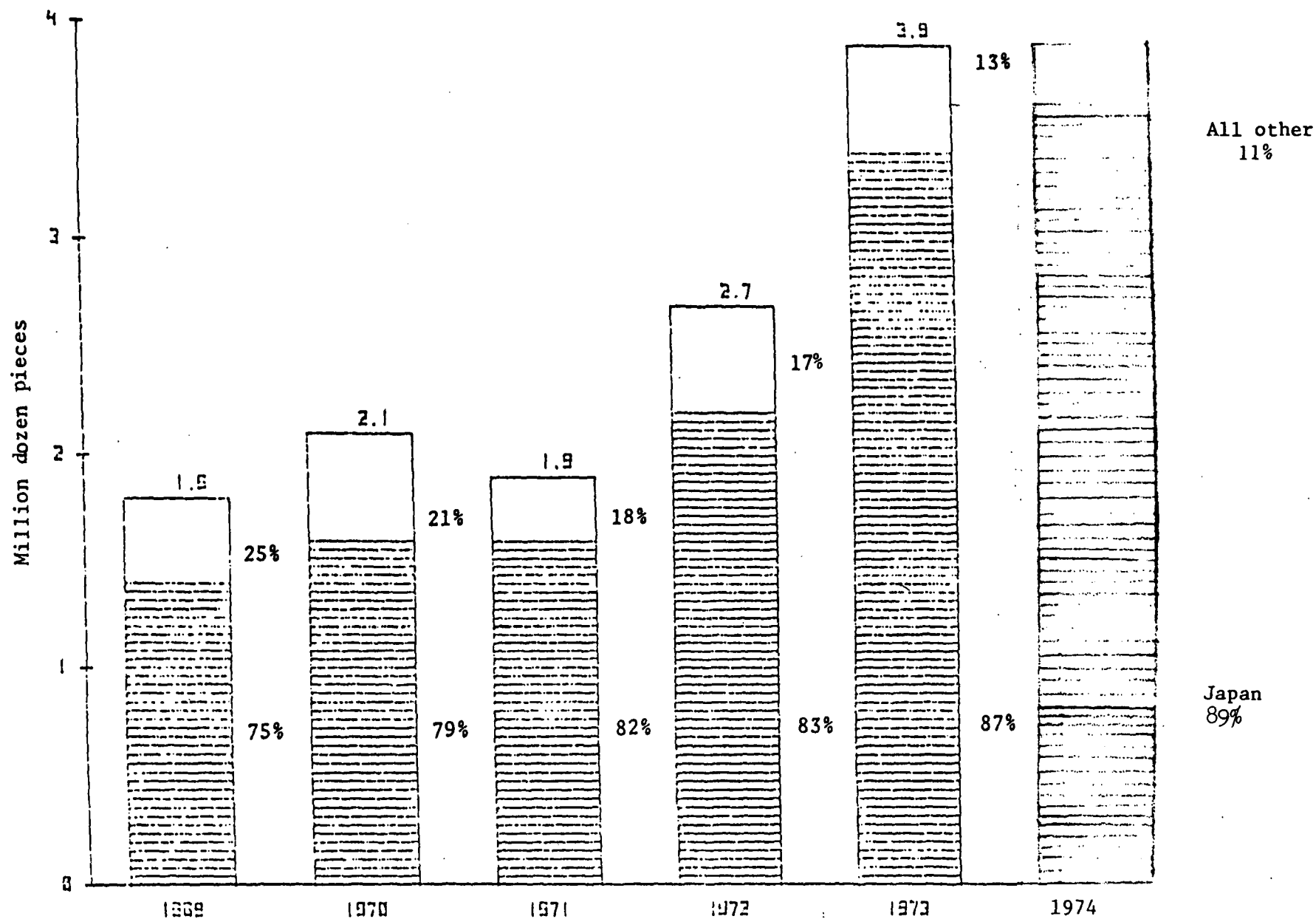
respective shares of quota-type imports from the three countries were almost equal in terms of quantity in 1974, Japan's share in terms of value, 44 percent, remained the largest (appendix tables 15, 17, and 19).

Traditionally, pieces, as opposed to sets, have made up the bulk of total stainless steel table flatware quota-type imports, in both quantity and value. Nevertheless, sets, have constituted at least a significant share. Most of the loss in Japan's share of the quota-type imports occurred in the pieces category.

Nonquota-type imports.--Japan has also been dominant among the suppliers of U.S. imports of nonquota-type stainless steel table flatware. For the years 1968 to 1974, Japan annually accounted for at least three-fourths of such imports, (table 15). It captured almost nine-tenths of the market in 1974 in terms of quantity and four-fifths in terms of value. Figure 3 shows the continuously expanding share of nonquota imports from Japan from 1969 to 1974.

Most of the nonquota-type imports consist of sets rather than pieces. Sets amounted to almost nine-tenths of total U.S. nonquota imports from Japan in 1974. Moreover nonquota-type stainless steel table flatware imports from Japan in 1974 have increased relatively more in terms of value than in terms of quantity, reflecting a shift to higher valued flatware within the sets that dominate the nonquota imports.

Figure 3.—U.S. imports of nonquota-type stainless steel table flatware, amount and percent of total, 1969-74



Source: Tables 15, 17, and 19 in the statistical appendix.

Some effects of the tariff-rate quota

The quotas established in 1971 for Taiwan and Korea were each less than a fifth of Japan's quota. The few times Japan has exceeded its quota it has done so only by an average of roughly 13 percent. Taiwan and Korea have greatly exceeded their quotas--in some quarters by as much as 300 percent and 600 percent, respectively--since the quota was reimposed. In 1974, imports from Taiwan and Korea--largely in excess of quota--were almost equal to those of Japan (table 10).

The tariff-rate quota put into effect on October 1, 1971, and enlarged as of October 1974 has not been effective in reducing the volume of imports. Nor has it been an effective barrier to the efforts of Taiwan and Korea to increase their share of the U.S. market. For example, in the third quarter of 1974 more than half the U.S. imports of stainless steel flatware from the three major source countries were in excess of quota.

Another apparent effect of the tariff-rate quota has enabled Japan to maintain a high level of sales of stainless steel flatware. Without its large quota (currently 35 million pieces per quarter), Japan--competitively vulnerable to excess-of-quota duty costs--probably would have experienced an even greater diminution in its share of the U.S. market.

Producers' responses to import competition

In testimony before the Commission, the largest company in the industry, Oneida, Ltd., cited three ways in which it has tried to

compete with imports during the past 5 years. Specifically, the company has engineered and built automatic presses to replace the older and less efficient drop hammers; it has consolidated its knife-making facilities into one sizeable factory; and it has expanded the engineering staff. According to the company, such improvements have cost over \$5 million. In addition, Oneida imports economy grade flatware from Korea and Japan.

Among Insilco Corp.'s responses to competition from imports has been its importation of economy grade restaurant flatware from its plant in Taiwan (purchased in 1967). <sup>1/</sup> The plant, with a monthly capacity of about \* \* \* pieces, accounts for approximately \* \* \* of International Silver Co.'s U.S. sales of flatware in terms of quantity; it makes mostly knives for its economy "Winner" pattern. In addition to the acquisition of the Taiwan facility mentioned above, in August 1969 International's parent company, Insilco Corp., purchased a major flatware importer, Stanley Roberts, Inc., in order to strengthen its competitive position in the middle-priced and higher priced flatware patterns. (However, the corporation was forced by the Justice Department to divest its Stanley Roberts holdings, effective December 31, 1973.) Company officials stated that the purchase of Stanley Roberts had been made specifically because the 1967 quota termination threatened the company with significant losses in its sales of high-quality flatware to department stores, particularly because of Japanese imports.

Another effort by Insilco Corp. was a \* \* \* investment in a completely new stainless steel flatware plant in Meriden, Conn., which

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<sup>1/</sup> World Tableware Corp., a subsidiary of Insilco Corp., owns 90 percent of all the stock of the Taiwan facility.

was completed in 1968.

\* \* \* \* \*

The remainder of the U.S. stainless steel table flatware industry consists of small establishments, each one realizing relatively small profit margins on its sales. These small firms employ various methods to hold down costs.

\* \* \* \* \*

The Question of Serious Injury to the Domestic Industry

Capacity

The capacity of domestic producers of stainless steel table flatware during the years 1971-75, based on their product mix for 1974 and on the operation of their facilities at two shifts per day, is shown in the table on the following page.

**A-30**

Company	1971	1972	1973	1974	1975
---------	------	------	------	------	------

\* \* \* \* \*

1/ Data do not include operations of 1 small U.S. producer which did not submit a questionnaire.

**Source:** Compiled from responses to questionnaires of the U.S. International Trade Commission.

U.S. producers increased their capacity to produce stainless steel table flatware from 1971 to 1975 by over 2.8 million dozen pieces, or about 9 percent. Testimony presented at the Commission's hearing indicated, however, that there is considerable underutilization of capacity at present. For example, the largest company, Oneida, Ltd., stated that in 1975 it was operating at about 60 percent of capacity. Further testimony at the hearing, which was not challenged, indicated that the average utilization of capacity for a majority of domestic producers was 40 percent. If the capacity of U.S. producers as reported in the preceding table is measured against actual production, however, capacity utilization for the entire industry was about 66 percent in 1974 and 64 percent in 1975.

#### Domestic production

Domestic production of stainless steel table flatware declined from 28.8 million dozen pieces in 1968 to 21.0 million dozen pieces in 1974 (tables 20 and 21). During January-September 1975, domestic production amounted to 11.4 million dozen pieces, or about 23 percent less than in the corresponding period of 1974.

#### U.S. producers' shipments

U.S. producers' shipments of domestically produced stainless steel table flatware declined in terms of quantity during the period 1969-74 by about 21 percent, or from 26.9 million dozen pieces to 21.1 million dozen pieces (tables 22 and 23). During January-September 1975, domestic shipments amounted to 11.9 million dozen pieces, or about 26 percent less



than in the corresponding period of 1974. In contrast to the decline in quantity, the value of domestic shipments generally increased during 1969-74, as shown in appendix table 23. The value of shipments declined from \$69.0 million in 1969 to \$65.6 million in 1970 and to \$62.1 million in 1971, but rose thereafter, reaching an alltime high of \$74.2 million in 1974. During January-September 1975, shipments amounted to \$46.8 million, 16 percent less than in the corresponding period of 1974.

\* \* \* \* \*

Stainless steel table flatware: Ratio of shipments by Oneida, Ltd.,  
Insilco Corp., and all other U.S. producers to total U.S. shipments,  
1969-74, January-September 1974, and January-September 1975

\* \* \* \* \*

The Utica Cutlery Co. and Oneida, Ltd., allege that they have lost sales to imports. Evidence of these lost sales has been submitted to the Commission and is included in appendix C of this report.

Royal Silver Manufacturing Co., Inc., in Norfolk, Va., also alleges that imports of flatware, especially Korean flatware, have hurt its sales.

\* \* \* \* \*

#### Importers' shipments

Flatware is imported by both domestic flatware manufacturers and independent importers. Of the 14 domestic manufacturers of stainless steel table flatware, 8 reported that they also currently import flatware, and at least 25 other firms are known to import stainless steel table flatware. Most of these 33 firms completed all or part of the Commission's importer's questionnaire. Data in the following table show that the producer-importers' share of total shipments of imported flatware has steadily declined since 1971, while that of other importers has steadily increased.

Stainless steel table flatware: U.S. shipments of imported flatware,  
1971-74, January-September 1974, and January-September 1975

Period	Shipments by--				Total
	Producer-importers		Other importers		
	Quantity	Percent	Quantity	Percent	
	: of total	: of total	: of total	: of total	
	<u>1,000 dozen</u>		<u>1,000 dozen</u>		<u>1,000 dozen</u>
	<u>pieces</u>		<u>pieces</u>		<u>pieces</u>
1971-----	7,659	37.5	12,761	62.5	20,420
1972-----	6,600	33.0	13,421	67.0	20,021
1973-----	7,174	31.9	15,283	68.1	22,457
1974-----	7,123	28.4	17,914	71.6	25,037
Jan.-Sept.--					
1974-----	5,391	27.6	14,138	72.4	19,529
1975-----	4,709	24.1	14,795	75.9	19,504

Source: Compiled from responses to questionnaires of the U.S.  
International Trade Commission.

Average unit values of U.S. producers' shipments

The average unit values of U.S. producers' shipments of stainless steel table flatware for the entire industry are shown in table 23, as well as for Oneida, Ltd., and Insilco Corp. The average unit value per dozen pieces rose from \$2.57 in 1969 to \$3.52 in 1974, or about 37 percent, and rose further to \$3.93 in January-September 1975, increasing by 13 percent over the average unit value in January-September 1974.

\* \* \* \* \*

The average unit values for all companies' domestic shipments, in 1973 and 1974, shown in table 25, generally indicate four rather distinct market segments.

\* \* \* \* \*

. The  
remaining nine firms consist of five firms whose average unit values

---

<sup>1</sup>/ Washington Forge no longer produced stainless steel table flatware in the United States in 1974.

ranged between \$1.06 and \$2.23 in 1973 and \$1.17 and \$2.68 in 1974, and four firms with average unit values of less than a dollar per dozen pieces in 1973 and either less than or slightly more than a dollar per dozen pieces in 1974.

Comparative manufacturing costs in Taiwan and in the  
United States

Information supplied by Insilco Corp. is shown in the following table, indicating 1975 manufacturing costs for two low-grade flatware patterns in its Taiwan facility and Meriden, Conn. plant. The table indicates large cost differentials between the two plants and the resulting cost advantages accruing to Insilco Corp. from manufacturing in its Taiwan facility. For example, the within-quota landed cost of a one-piece knife (A-2 quality pattern #192) manufactured in Taiwan is about \* \* \* less than a similar knife made in the Meriden plant.

Stainless steel table flatware: Comparison of manufacturing costs of  
2 patterns of Insilco Corp. in its Taiwan and Meriden, Conn., plants  
by gage, 1975

\* \* \* \* \*

### Inventories

U.S. producers' inventories of stainless steel table flatware fluctuated during the period 1969-74 (table 26). Inventories peaked in 1970 at 6.5 million dozen pieces, equal to almost 26 percent of total U.S. shipments in that year, in part because imports increased sharply in anticipation of a renewal of quota restrictions on imports. Inventories declined during the next 2 years to 4.7 million dozen pieces in 1972. They increased to 5.6 million dozen pieces in 1973, but declined to 5.1 million dozen pieces in 1974, the equivalent of 24 percent of U.S. shipments in 1974. Inventories on September 30, 1975, amounted to 4.7 million dozen pieces, or approximately the same as the inventory on September 30, 1974.

### Exports

The quantity of U.S. exports of stainless steel table flatware was insignificant during the period 1968-74, averaging less than 3 percent of annual domestic production (table 27). \* \* \*

### Employment trends

The average number of U.S. production and related workers engaged in the production of stainless steel table flatware declined 17 percent during the period 1968-74. The average number of such workers increased from 2,841 in 1968 or by 13 percent, to 3,202 in 1969, but declined over the next 5 years to 2,362 employees in 1974 as indicated in tables 28-29. Employment data for Oneida, Ltd., and Insilco Corp. are shown in tables 30 and 31.



Prices

The wholesale prices of most stainless steel flatware increased substantially between 1972 and 1975. During the period, the average reported price of 50-piece sets of stainless steel flatware manufactured in the United States rose from \$21.26 to \$35.98, or by 69 percent. During the same period the average reported price of 50-piece sets of stainless steel flatware imported by domestic manufacturers of flatware rose from \$11.11 to \$14.15, or by 27 percent. Such sets imported by firms that did not produce flatware increased from an average reported price of \$17.96 to \$31.12 over the same period, or by 73 percent. The Consumer Price Index increased from 125 to 161, or 29 percent, in the same period.

Reported wholesale prices of 50-piece stainless steel flatware sets were highest for domestically produced flatware. They were next highest for imports by firms that did not produce flatware, and wholesale prices were lowest for sets imported by domestic producers of flatware. In 1972, the average reported price of domestically produced flatware was \$21.26, which was 18 percent higher than the average reported price for flatware imported by nonmanufacturing firms, and 91 percent higher than the average price reported for sets imported by manufacturers of flatware. By 1975, the average reported price of domestically produced flatware was \$35.98, which was 16 percent higher than the average reported price for flatware imported for nonmanufacturing firms, and 154 percent higher than the average reported price of sets imported by flatware manufacturers.

The prices of open-stock stainless steel flatware sold in the retail market did not increase as rapidly as did the prices of sets. The average reported price of domestically produced teaspoons, which were the lowest priced components of flatware services, rose from 26 cents in 1972 to 41 cents in 1975, or by 58 percent. Knives, the highest priced components of flatware services, showed an increase in average reported prices of 48 percent between 1972 and 1975, as the prices went from 90 cents to \$1.33.

The prices of restaurant flatware, both domestically produced and imported, were considerably lower than the prices of flatware described above for the retail market. For example, in 1975 the average reported wholesale price for domestically produced teaspoons was 41 cents for the retail market and 9 cents in the restaurant market. Average reported restaurant prices for domestically made teaspoons had risen from 6 cents in 1972 to 9 cents in 1975, or by 50 percent. The reported price of imported restaurant teaspoons was 6 cents in both 1972 and 1975.

The average reported price of domestically produced knives for restaurants rose from 20 cents in 1972 to 54 cents in 1975, or by 170 percent. Concurrently, the average reported price of imported restaurant knives increased from 28 to 31 cents between 1972 and 1975, or by 11 percent. In 1972 the average reported price of domestic restaurant knives was 29 percent below that of imported knives, but, by 1975, domestic knives had risen in price until they were 74 percent more expensive than imported knives.

Not all manufacturers and importers of flatware reported price data to the U.S. International Trade Commission and, therefore, the average reported prices presented and discussed in this section may not be representative of the prices of all stainless steel flatware sold in the United States. However, the average reported prices of domestically produced stainless steel flatware are representative of that type of flatware sold in the United States.

\* \* \* \* \*

The reported prices of all domestically produced stainless steel flatware increased between 1972 and 1975. All flatware manufacturers which also imported stainless steel flatware increased the prices reported for their imported flatware between 1972 and 1974 with the exception of Reed & Barton. All importers which were not also manufacturers and which reported prices increased their prices between 1972 and 1975 except for Scientific Silver and Fingerhut.

Wholesale selling prices reported by manufacturers and importers for 50-piece stainless steel flatware sets, 1969-74 and January-September 1975

Item	: 1969	: 1970	: 1971	: 1972	: 1973	: 1974	: Jan.- Sept.- 1975
Domestic flatware:	:	:	:	:	:	:	:

\* \* \* \* \*

Average-----	: 13.10	: 13.39	: 13.42	: 21.26	: 23.04	: 31.25	: 35.98
Flatware imported by manufacturers:	:	:	:	:	:	:	:

\* \* \* \* \*

Average-----	: -	: 10.54	: 10.54	: 11.11	: 12.45	: 13.54	: 14.15
Flatware imported by nonmanufacturers:	:	:	:	:	:	:	:

\* \* \* \* \*

Average-----	: -	: -	: -	: 17.96	: 25.39	: 27.61	: 31.12
	:	:	:	:	:	:	:

Source: U.S. International Trade Commission questionnaires and price sheets for individual firms.

The tables on pages A-45 and A-46 show price data for domestically produced and imported stainless steel teaspoons and knives in 1969-74 and January-September 1975.

Wholesale selling prices for domestically produced and imported stainless steel teaspoons, by types of market, 1969-74 and January-September 1975

Item	: 1969	: 1970	: 1971	: 1972	: 1973	: 1974	: Jan.- Sept.- 1975
	Prices (cents)						
Retail market for domestic teaspoons:	:	:	:	:	:	:	:
*                    *	*	*	*	*	*	*	*
Average-----	26	-	27	26	26	31	41
Restaurant market: Domestic teaspoons:	:	:	:	:	:	:	:
*                    *	*	*	*	*	*	*	*
Average-----	-	-	-	6	7	8	9
Imported teaspoons:	:	:	:	:	:	:	:
*                    *	*	*	*	*	*	*	*
	Index (1967= 100)						
Consumer Price Index-----	109	116	122	125	132	147	161
Wholesale Price Index-----	105	110	114	119	136	156	174

Source: U.S. International Trade Commission questionnaires and price sheets for individual firms.

Wholesale selling prices for domestically produced and imported stainless steel knives, by types of market, 1969-74 and January-September 1975

Item	: 1969	: 1970	: 1971	: 1972	: 1973	: 1974	: Jan.- Sept.- 1975
Prices							
Retail market for domestic knives:							
* *	*	*		*	*	*	*
Average-----	.78	-	.79	.90	.90	.97	1.33
Restaurant market:							
* *	*	*		*	*	*	*
Imported knives:							
* *	*	*		*	*	*	*
Average-----	-	-	-	.28	.30	.35	.31
Indexes (1967= 100)							
Consumer Price Index-----	109	116	122	125	132	147	161
Wholesale Price Index-----	105	110	114	119	136	156	174

Source: U.S. International Trade Commission questionnaires and price sheets for individual firms.

Economy-grade flatware.--Testimony presented at the hearing indicated that price was one of the most important factors in the sale of stainless steel table flatware, if not the most important factor in the marketing of flatware, especially economy-grade flatware. The table on the following page presents a chronological listing of selling prices for economy-grade flatware offered by Seneca-Delco \* \* \* \* \* International Silver Co., and Oneida.

\* \* \* \* \*



Stainless steel table flatware: Comparative selling prices of economy-grade stainless steel flatware, by 3 producer-importers, on specified dates Jan. 1, 1970, to Oct. 15, 1975

\* \* \* \* \*

Price ranges.—In addition to other price information, the Commission asked U.S. producers, importers, and producer-importers to report their shipments by specified price ranges based on the average value per dozen pieces for 1974 and January-September 1975. The results are shown in the tables on the following pages.

Stainless steel table flatware: Sales by U.S. producers, by specified price ranges, 1/  
1974 and January-September 1975

Period and price range	Quantity		Value		Average net value
	Amount	Percent of total	Amount	Percent of total	
<u>1974</u>					
					Per dozen pieces
	Dozen pieces				
Total-----	19,787,489	100.0	\$72,397,552	100.0	3.66
Price ranges from less than \$1.00 to					
\$4.99 <u>2/</u> -----	15,881,437	80.3	42,788,921	59.1	\$ 2.69
Less than \$1.00-----	453,867	2.3	237,778	.3	.52
\$1.00-\$1.99-----	4,033,844	20.4	6,188,207	8.5	1.53
\$2.00-\$2.99-----	5,134,533	25.9	10,983,091	15.2	2.14
\$3.00-\$4.99-----	6,259,193	31.7	25,379,845	35.1	4.05
Price ranges above \$4.99-----	3,906,052	19.7	29,608,631	40.9	7.58
\$5.00-\$6.99-----	2,324,279	11.7	12,990,383	17.9	5.59
\$7.00 and over-----	1,581,773	8.0	16,618,248	23.0	10.51
<u>January-September 1975</u>					
Total-----	10,797,183	100.0	42,187,839	100.0	3.91
Price ranges from less than \$1.00 to					
\$4.99-----	7,791,592	72.2	19,509,113	46.2	2.50
Less than \$1.00-----	312,243	2.9	197,243	.5	.63
\$1.00-\$1.99-----	2,606,839	24.2	3,820,322	9.1	1.47
\$2.00-\$2.99-----	2,300,607	21.3	5,567,430	13.2	2.42
\$3.00-\$4.99-----	2,571,903	23.8	9,924,118	23.4	3.86
Price ranges above \$4.99-----	3,005,591	27.8	22,678,726	53.8	7.55
\$5.00-\$6.99-----	2,025,279	18.7	10,850,925	25.7	5.36
\$7.00 and over-----	980,312	9.1	11,827,801	28.1	12.07

1/ Based on average unit values of shipments.

2/ The bulk of the articles in these price ranges are probably quota-type flatware.

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

Stainless steel table flatware: Sales of imports by U.S. producers, by specified  
price ranges, 1/ 1974

Price range	Quantity		Value		Average net value
	Amount	Percent of total	Amount	Percent of total	
	Dozen pieces:				Per dozen pieces
Total-----	7,022,702	100.0	\$17,095,420	100.0	\$2.43
Price range from less than \$1.00 to					
\$4.99 <u>2/</u> -----	6,954,662	99.0	16,720,728	97.8	2.40
Less than \$1.00-----	143,967	2.1	78,458	.5	.54
\$1.00-\$1.99-----	1,586,223	22.6	2,601,466	15.2	1.64
\$2.00-\$2.99-----	3,968,371	56.4	9,446,610	55.3	2.38
\$3.00-\$4.99-----	1,256,101	17.9	4,594,194	26.8	3.67
Price range from \$5.00 to \$6.99-----	68,040	1.0	374,692	2.2	5.51

1/ Based on average unit values of shipments.

2/ The bulk of the articles in these price ranges are probably quota-type flatware.

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

Stainless steel table flatware: Sales by importers, by specified price ranges, 1/ 1974

Price range	Quantity		Value		Average net value
	Amount	Percent of total	Amount	Percent of total	
	Dozen pieces				Per dozen pieces
Total-----	8,565,168	100.0	\$ 30,709,841	100.0	3.59
Price ranges from less than \$1.00 to					
\$4.99 2/-----	8,255,835	96.4	27,877,738	90.8	3.38
Less than \$1.00-----	1,500	.1	1,445	3/	.9
\$1.00-\$1.99-----	2,059,614	24.0	3,580,573	11.7	1.74
\$2.00-\$2.99-----	1,636,331	19.1	4,000,460	13.0	2.44
\$3.00-\$4.99-----	4,558,390	53.2	20,295,260	66.1	4.45
Price ranges above \$4.99-----	312,333	3.6	2,832,103	9.2	9.07
\$5.00-\$6.99-----	224,296	2.6	1,321,453	4.3	5.89
\$7.00 and over-----	88,037	1.0	1,510,650	4.9	17.16

1/ Based on average unit values of shipments.

2/ The bulk of the articles in these price ranges are probably quota-type flatware.

3/ Less than 0.05 percent

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

Profit-and-loss experience of U.S. producers of  
stainless steel table flatware

The data in this section represent the profit-and-loss experience of 13 producers 1/ on their overall establishment operations and of 12 producers 2/ on their stainless steel flatware operations for the period 1969-75.

The 13 producers accounted for about 99 percent of the total sales value of all domestically produced stainless steel flatware shipped by U.S. producers during the period 1969-75, and the 12 producers accounted for about 98 percent of such shipments during this period.

Of the 12 producers, 3 manufactured only stainless steel flatware during the period 1969-75, and the other 9 manufactured other products as well. Six of the 9 producers employ a standard cost system as a means of segregating costs on their various product lines, and two others maintain separate records for their stainless steel flatware operations. For the remaining producer, net sales of stainless steel flatware accounted for a large enough percentage of total establishment sales that its total operations can be considered indicative of its stainless steel flatware operations.

The standard cost systems employed by the six producers range from unsophisticated to moderately sophisticated systems. Profit margins

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1/ Data are for 12 producers for each of the years 1969 and 1975. One small producer was unable to supply data for 1969 and another small producer was unable to supply data for 1975. The absence of data for these two producers for 1969 and 1975 does not affect the sales or profit trend during the period 1969-75.

2/ Data are for 11 producers for each of the years 1969 and 1975. See footnote 1 above.

of one or more producers may be over- or understated in 1 or more years during the period 1969-74.

The accounting year for seven producers ended on December 31, and that for each of the other producers ended on January 31 or November 30, or between those dates. The 1975 accounting year is an interim period averaging 8.8 months for the 13 producers that submitted usable profit-and-loss data on their total establishment operations and 9.2 months for the 12 producers that submitted such data on their stainless steel flatware operations.

Overall operations of the establishments  
producing stainless steel flatware

Total net sales of all products manufactured in the establishments producing stainless steel flatware during the period 1969-75 declined from \$202.7 million in 1969 to \$186.5 million in 1970 and then increased each year thereafter to \$260.0 million in 1974 (table 32). <sup>1/</sup> Net sales for the interim 1975 period were \$157.2 million. Net operating profit, following a somewhat different trend from that of net sales, declined from \$24.3 million in 1969 to \$14.0 million in 1971 and then increased to \$18.7 million in 1973 and declined to \$16.2 million in 1974. Net operating profit was \$2.9 million for the interim 1975 period. As a share of net sales, net operating profit averaged 12.0 percent in 1969, 8.4 percent in 1970, 7.2 percent in 1971, 7.4 percent in 1972, 7.8 percent in 1973, 6.2 percent in 1974, and 1.9 percent in the interim 1975 period.

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<sup>1/</sup> See table 33 for profit-and-loss data relative to the overall establishment operations of these producers for the period 1959-68.

Net profit before income taxes declined from \$21.9 million in 1969 to \$12.1 million in 1971 and then increased to \$14.6 million in 1972 before declining to \$11.5 million in 1974. Net profit before income taxes was \$2.6 million for the interim 1975 period. As a share of net sales, net profit before income taxes averaged 10.8 percent in 1969, 7.2 percent in 1970, 6.2 percent in 1971, 6.6 percent in 1972, 5.9 percent in 1973, 4.4 percent in 1974, and 1.7 percent in the interim 1975 period.

The principal elements of the item "other income or expense, net"--which makes up the difference between net operating profit and net profit before income taxes--were interest expense, employee profit-sharing expense, gain or loss on silver futures, idle plant expense, interest and royalty income, and income from subsidiaries.

Of the 13 producers, 6 sustained operating losses in one or more years during the period 1969-75, and 7 sustained net losses in one or more years during this period.

In summary, total establishment sales recovered from the slump of 1970 and 1971 and increased substantially during 1972-74, a period of rapid economic growth in the U.S. economy. Profit margins, however, failed to keep pace with increasing sales during 1972-74, and in interim 1975 profit margins declined sharply.

#### Stainless steel flatware operations

Total net sales of domestically produced stainless steel flatware 1/ declined from \$67.8 million in 1969 to \$61.3 million in 1971 and then

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1/ Net sales include sales of imported one-piece knives sold in sets with domestically produced spoons and forks. The sales value of such knives is believed to be no more than 2 percent of the total value of net sales in any one year.



increased in each of the next 3 years to \$74.1 million in 1974 (table 34). <sup>1/</sup> Net sales were \$42.5 million for the interim 1975 period. Net operating profit declined from \$5.1 million in 1969 to \$4.1 million in 1971 and then increased to \$6.1 million in 1972 before declining to \$4.8 million in 1974. Net operating profit for the interim 1975 period was \$255,000. As a share of net sales, net operating profits averaged 7.5 percent in 1969, 7.0 percent in 1970, 6.7 percent in 1971, 9.3 percent in 1972, 7.5 percent in 1973, 6.4 percent in 1974, and 0.6 percent in 1975.

Although the aggregate stainless steel flatware operation of U.S. producers has been profitable during the last 6 years, profitability has varied greatly from one producer to another. More than half of the reporting producers sustained operating losses in one or more years during the period 1969-75. Producers reporting operating losses during the period 1969-75 are shown, unidentified, in the following table.

U.S. companies reporting net operating losses on their stainless steel table flatware operations, 1969-75

Company	1969	1970	1971	1972	1973	1974	1975
A-----	x	x	x	x	x	x	x
B-----	x		x	x	x	x	x
C-----	x	x		x	x	x	x
D-----		x	x	x	x	x	x
E-----			x	x	x	x	x
F-----	x	x			x	x	x
G-----		x			x	x	x
H-----	x	x	x				
Total number of producers reporting losses-----	5	6	5	5	7	7	7

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

<sup>1/</sup> See table 35 for profit-and-loss data on U.S. producers' stainless steel flatware operations for the period 1969-75.

In summary, net sales of stainless steel flatware increased \$6.3 million or 9.3 percent during the period 1969-74. On the other hand, net operating profit declined \$343,000, or 6.7 percent, during this period. The average profit margin for U.S. producers declined sharply in 1975--when it was equal to 0.6 percent of net sales.

Overall financial condition of five U.S. producers

Five U.S. producers whose stainless steel flatware operations are a significant share of their total company operations submitted balance sheet data for the period 1969-74. <sup>1/</sup> In the aggregate, the five producers' sales of stainless steel flatware accounted for about half of their total company sales during this period.

Total assets of the five producers increased from \$56.1 million in 1969 to \$80.3 million in 1974--representing an increase of \$24.2 million, or 43 percent (table 36). Stockholders' equity increased from \$30.4 million in 1969 to \$40.4 million in 1974--representing an increase of \$9.9 million, or 33 percent. Net sales increased yearly from \$75.5 million in 1969 to \$109.6 million in 1974--representing an increase of \$34.1 million, or 46 percent.

As a share of net sales, average net profits after income taxes ranged from a low of 2.7 percent in 1971 to a high of 3.7 percent in 1972. Net profit after taxes, expressed as a ratio to total assets, ranged from a low of 3.7 percent in 1971 to a high of 5.3 percent in

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<sup>1/</sup> Balance sheet data are available for three other producers whose stainless steel flatware operations are not a significant share of their total company operations.

1972, and the ratio of such profit to stockholders' equity ranged from 6.4 percent in 1971 to 9.0 percent in 1972.

Net sales per dollar of total assets ranged from \$1.28 in both 1970 and 1973 to \$1.43 in 1972.

Individual company profit-and-loss and financial data

Profit-and-loss data on an individual company basis, both for the overall operations of the establishments producing stainless steel flatware and for stainless steel flatware alone, are presented in tables 37 and 38 for the period 1969-75.

The aggregate overall establishment operations of U.S. producers of stainless steel flatware were profitable during the period 1969-75. Three producers, however, sustained substantial net losses on their establishment operations in 1 or more years during this period, and four other producers sustained lesser net losses in 2 or more years.

\* \* \* \* \*

**A-59 through A-67**

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The Question of Imports as a Substantial Cause  
of Serious Injury

U.S. consumption

Apparent annual U.S. consumption of all stainless steel flatware covered by this investigation <sup>1/</sup> increased from 44.9 million dozen pieces in 1968 to 58.8 million dozen pieces in 1974, or by 31 percent (table 22). U.S. consumption increased from 44.9 million dozen pieces in 1968, to 55.8 million dozen pieces in 1969, and to an alltime high of 64.6 million dozen pieces in 1970. With the establishment of the tariff-rate quota in 1971, such consumption decreased in 1971 and 1972 amounting to 52.7 million dozen pieces in 1972. Thereafter, U.S. consumption of all flatware increased to 55.6 million dozen pieces in 1973 and to 55.8 million dozen pieces in 1974. In January-September 1975, U.S. consumption of all flatware amounted to 38.2 million dozen pieces, or 12 percent less than in the corresponding period in 1974.

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<sup>1/</sup> Apparent consumption of quota-type and nonquota-type flatware cannot be discussed separately owing to the lack of data on U.S. shipments of such flatware.

The factor of increased imports

The table on the following page presents data on the share of the U.S. stainless steel table flatware market taken by U.S. producers' shipments and by imports, on the basis of quantity, for each year in the period 1969-74 and for January-September 1974 and January-September 1975. The table also shows the share of the market supplied by Oneida, Ltd., Insilco Corp., and all other producers, in terms of shipments and imports.

Stainless steel table flatware: Percentage distribution of the U.S. market, showing shares taken by U.S. producers' shipments and imports and by Oneida, Ltd., Insilco Corp., and all other U.S. producers, 1969-74, January-September 1974, and January-September 1975

(In percent)								
Source	1969	1970	1971	1972	1973	1974	Jan-Sept.--	
							1974	1975
Total-----	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
U.S. producers' shipments-----	51.9	43.9	45.3	46.8	41.9	38.8	37.8	32.3
* * *	*	*	*	*	*	*	*	*
Imports-----	48.1	56.1	54.7	53.2	58.1	61.2	62.2	67.7
By domestic producers-----	5.7	5.7	15.5	13.4	13.6	13.1	12.7	12.8
* * *	*	*	*	*	*	*	*	*
Total market share-----	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

1/ Total imports of quota-type and nonquota-type stainless steel table flatware less producers' imports

Source: U.S. producers' share compiled from responses to questionnaires of the U.S. International Trade Commission; importers' share compiled from official statistics of the U.S. Department of Commerce.

Note.--Computed on the basis of quantity.



The table shows that there was a definite upward shift in the share of the U.S. market supplied by imports at the expense of U.S. producers' shipments during 1969-74; the import share grew from about 48 percent in 1969 to 61 percent in 1974. In January-September 1975 the import share of the U.S. market for stainless steel table flatware was about 68 percent, compared with 62 percent in the corresponding period in 1974.

Of the share of the U.S. stainless steel flatware market retained by domestic producers (from U.S. producers' shipments) during 1969-74, Oneida, Ltd., consistently supplied the largest part, and Insilco Corp. supplied the second largest, although Insilco Corp.'s share declined substantially.

As mentioned earlier, part of the imports were marketed by certain U.S. producers. As shown in the table, the share of the U.S. market accounted for by imports that were sold by domestic producers grew from about 6 percent in 1969 to 16 percent in 1971, then dropped to 13 percent in 1974 and January-September 1975. \* \* \*

The association of profits with imports

Investigations on the stainless steel flatware industry provide a source of information on industry profits for the past 15 years. This long series of profit data permitted the use of statistical correlation to analyze the relationship between the domestic stainless steel flatware industry's profit and flatware imports. A correlation was made to indicate the association, if any, of profit changes with imports. Another correlation examined the relation of profit changes to changes in the consumer goods production index, which was used as a measure of the business cycle.

The results of the analysis show that no significant statistical association exists between industry profits and stainless steel imports or between industry profits and the consumer goods production index. These associations were tested over the period 1960-74. It is suspected that prices may have had an association with profits, but such a relationship could not be measured because adequate price data were not available.

Injury caused by imports as the result of steel  
cost differences

Some domestic manufacturers of stainless steel flatware have stated that a difficulty which prevents them from competing with imports is that, in the United States, steel imported from Japan is more expensive than in the Far East. One manufacturer said that his firm imported steel from Japan at a price of 56 cents per pound while Korean manufacturers were buying Japanese steel at 32 cents per pound. Another domestic manufacturer held that imported flatware is lower priced than domestic flatware mainly because lower priced steel is available to Far East manufacturers.

\* \* \* \* \*

The American Embassy in Tokyo obtained average prices from the Japanese Customs Bureau for all rods, bars, hoop, and strip stainless steel exported from Japan. This information shows that prices

table, indicates that prices were usually higher for stainless steel exported to the United States, but it is not known whether the stainless steel shipped with the United States was comparable to that exported to other countries.

Average prices of stainless steel exported from Japan, by types and by principal destinations, 1973, 1974, and January-October 1975

(In cents per pound)			
Item	1973	1974	January-October 1975
Hoop and strip steel:			
Korea-----	25	27	30
Taiwan-----	26	31	31
United States-----	55	61	56
All countries-----	39	49	47
Bar and rod steel:			
Korea-----	27	56	70
Taiwan-----	40	46	53
United States-----	52	65	68
All countries-----	41	57	58

Source: Report from U.S. Embassy, Tokyo, 1975.

Foreign producers, production, capacity, and exports

Japan.--Japan's flatware industry is centered in and near one city, Tsubame. According to Japanese sources, the industry is largely one of small-scale producers whose production and exports are "coordinated" by a cooperative, the Japan Export Metal Flatware Industry Association, as shown in the following tabulation.

\* \* \* \* \*

Over the past decade, the Japanese industry has matured under the guidance of a Government-sponsored modernization program designed to improve production, upgrade quality, and reduce costs. Modern management, new technology, and mergers have been emphasized to enhance the industry's competitive position, especially in the world market. By 1970, this program had increased firm size in the industry to the point where 19 of Tsubame's flatware manufacturers each employed more than 100 persons. These larger manufacturers specialize in the medium and top grade stainless steel flatware. Thus, to the extent that employment reflects plant size and production scale, the Japanese flatware industry has more than three times the number of "large scale" firms than the U.S. flatware industry, which may give the Japanese industry a competitive advantage of significant proportions.

The Japanese industry's production capacity and rates of capacity utilization are unknown, but obviously have been adequate to support annual export increases of as much as 50 percent in certain years. Also, given the "coordinated" production arrangement noted above, overall production capacity could more easily and more smoothly respond to increased demand for stainless steel table flatware.

South Korea.--Korea's stainless steel table flatware industry has the production capacity to expand its exports to the United States and elsewhere. In 1974, world exports of Korean stainless steel table flatware totaled \* \* \* dozen pieces valued at \* \* \* dollars (tables 45 and 46). If projected from the data shown in table 33, Korea's exports of flatware in 1975 would have amounted to \* \* \* \* \* dozen pieces. These exports used only about two-thirds of the

nation's total flatware production capacity, which was an estimated 35.6 million dozen pieces as of yearend 1974 (table 47). Moreover, capacity utilization was up about 6 percent in 1974 from 1973, according to average monthly production figures for 1973.

Production of stainless steel table flatware in Korea appears to be a much more labor intensive process than in either Japan or the United States. Depending on the size of the firm, the seven Korean producers average from one to six million dozen pieces annually and employ between 400 and 1,500 workers each. In contrast, only the largest U.S. and Japanese firms approach the level of employment of the smallest Korean firms. Comparing production levels, Korean plants appear to be larger-scale than all U.S. flatware producers with the exception of Oneida.

Taiwan.--The Taiwanese flatware industry is composed of eleven firms, almost twice the number in Korea. One of the Taiwan manufacturers is an almost wholly owned subsidiary of a U.S. flatware manufacturer, Insilco Corp. In 1975, this plant accounted for about \* \* \* of Taiwan's total 1975 monthly production capacity of \* \* \* dozen pieces, and about \* \* \* of Taiwan's 1975 average monthly production of \* \* \* dozen pieces. 1/ Insilco's plant was the largest Taiwan producer in 1975, with average monthly production of about \* \* \*.

The industry has three large producers, with average monthly production of \* \* \* or more. Only two U.S. producers

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1/ According to information supplied by Insilco Corp. plant capacity at its Taiwan plant has been increased during the last three months from a monthly production capacity of 300,000 dozen to 375,000 dozen.

can equal this production level. There are five medium size producers, whose monthly production averages between 60,000 and 90,000 dozen pieces. Three firms are small, with monthly production of less than 25,000 dozen pieces.

Taiwan's industry has sufficient capacity to expand its market share. On-line monthly production capacity totaled \* \* \* dozen pieces in 1975. Monthly production at that time was \* \* \* dozen pieces or about three-fourths of total capacity. Based on current production capacity, Taiwan cannot match the expansion capability of Japan or Korea; Korea's total annual production capacity is more than twice that of Taiwan.



APPENDIX A  
STATISTICAL TABLES

Table 1.--Stainless steel table flatware: U.S. rates of duty under the Tariff Schedules of the United States on stainless steel knives, forks, and spoons, during the period of the tariff-rate quota in effect from Oct. 1, 1971-Dec. 31, 1975

Item	Stat. suf-fix	Articles	Units of quantity	Rates of duty		Effective period
				1	2	
		Subpart D statistical headnote:				
		For purposes of statistical reporting--				
		(a) the stainless steel knives, forks, and spoons provided for in items 949.00-.08 should be reported hereunder without reference to the item number in schedule 6 under which they would be classified but for the provisions of this appendix. Those articles, the product of Communist-dominated nations or areas for which "Rates of Duty" column 2 apply, should be reported under the appropriate provisions of schedule 6; and				
		(b) articles described in items 949.00-.08 but which are imported as parts of sets classifiable under item 651.75 are to be reported under one or more of the special 7-digit items in this appendix as to quantity only. The value of such articles is to be included in the value of the sets under item 651.75.				
		Knives, forks, and spoons; all the foregoing valued under 25 cents each, not over 10.2 inches in overall length, and with stainless steel handles (provided for in items 650.08, 650.10, 650.38, 650.40, 650.54, and, if included in sets, 651.75 of part 3E of schedule 6):				On or before Sept. 30, 1976, unless extended by the President
		For the following aggregate quantities of single units, which are the product of the specified sources of supply and are subject to the rates set forth in rates of duty column numbered 1, entered in any calendar quarter in any calendar year (see headnote 2 of this subpart with respect to possible increases in these quantities)--				
		Japan.....33,000,000 $\frac{1}{2}$ /				
		Republic of China.....6,300,000 $\frac{1}{2}$ /				
		Republic of Korea.....4,800,000 $\frac{1}{2}$ /				
		Hong Kong.....1,500,000 $\frac{1}{2}$ /				
		European Economic Community (an instrumentality of the Governments of the Kingdom of Belgium, the French Republic, the Federal Republic of Germany, the Republic of Italy, the Grand Duchy of Luxembourg, and the Kingdom of the Netherlands).....1,500,000 $\frac{1}{2}$ /				
		United Kingdom.....600,000 $\frac{1}{2}$ /				
		Other.....900,000 $\frac{1}{2}$ /				
		Knives and forks:				
949.00	2/	With handles not containing nickel and not containing over 10 percent by weight of manganese (items 650.08 and 650.38).....		1¢ each + 12.5% ad val.	No change	
	20	Knives and forks included in sets provided for in item 651.75 (quantity only).....	No.			
	40	Knives (item 650.08) not in the above sets.....	No.			
	60	Forks (item 650.38) not in the above sets.....	No.			
949.02	2/	With handles containing nickel or containing over 10 percent by weight of manganese (items 650.10 and 650.40).....		1¢ each + 17.5% ad val.	No change	
	20	Knives and forks included in sets provided for in item 651.75 (quantity only).....	No.			
	40	Knives (item 650.10) not in the above sets.....	No.			
	60	Forks (item 650.40) not in the above sets.....	No.			
949.04	2/	Spoons (item 650.54).....		17% ad val.	No change	
	20	Spoons included in sets provided for in item 651.75 (quantity only).....	No.			
	40	Spoons (item 650.54) not in the above sets.....	No.			
		Other:				
949.06	2/	Knives and forks (items 650.08, 650.10, 650.38, and 650.40).....		2¢ each + 45% ad val.	No change	
	10	Knives and forks included in sets provided for in item 651.75 (quantity only).....	No.			
		With handles not containing nickel and not containing over 10 percent by weight of manganese:				
	20	Knives (item 650.08) not in the above sets.....	No.			
	30	Forks (item 650.38) not in the above sets.....	No.			
		With handles containing nickel or containing over 10 percent by weight of manganese:				
	40	Knives (item 650.10) not in the above sets.....	No.			
	50	Forks (item 650.40) not in the above sets.....	No.			
949.08	2/	Spoons (item 650.54).....		40% ad val.	No change	
	20	Spoons included in sets provided for in item 651.75 (quantity only).....	No.			
	40	Spoons (item 650.54) not in the above sets.....	No.			

1/ By letter dated Sept. 3, 1974, the President notified the Secretary of the Treasury of his determination that the tariff-rate quota for each calendar quarter be increased by 6 percent for each source, effective with respect to articles entered, or withdrawn from warehouse, for consumption on and after Oct. 1, 1974.

2/ See subpt. D statistical headnote 1.

Table 2.--U.S. rates of duty under the Tariff Schedules of the United States (TSUS) on stainless steel knives, forks, and spoons,  
Aug. 31, 1963-Oct. 11, 1967 1/

TSUS item	TSUS appendix item <u>2/</u>	Article	Rate applicable before:		Rate applicable after quota is filled	
			(in effect since Aug. 31, 1963)		In effect from Aug. 31, 1963, to Oct. 31, 1965	
			Statutory rate <u>3/</u>	Trade- agreement rate <u>4/</u>	Applicable to products of non- Communist countries	Applicable to products of Communist countries
		Knives, forks, and spoons with stainless steel handles:				
		Knives and forks:				
650.09	927.50	With handles not containing nickel and				
650.39	927.53	not containing over 10 percent by				
651.75 <u>5/</u>	927.60	weight of manganese:				
		Not over 10.2 inches in overall	2¢ each +	1¢ each +	3¢ each +	3¢ each + 15%
		length and valued at less than 25	45% ad	12.5% ad	67.5% ad	ad val. but
		cents each.	val.	val.	val. <u>6/</u>	not less
					val. <u>7/</u>	than 2¢ each
						+ 45% ad
						val. <u>8/</u>
		Other <u>9/</u> -----	2¢ each +	1¢ each +	<u>10/</u>	<u>10/</u>
			45% ad	12.5% ad		
			val.	val.		
650.11	927.51	With handles containing nickel or contain-				
650.41	927.53	ing over 10 percent by weight of				
651.75 <u>5/</u>	927.61	manganese:				
		Not over 10.2 inches in overall	2¢ each +	1¢ each +	3¢ each +	3¢ each + 20%
		length and valued at less than 25	45% ad	17.5% ad	67.5% ad	ad val. but
		cents each.	val.	val.	val. <u>6/</u>	not less
					val. <u>7/</u>	than 2¢ each
						+ 45% ad
						val. <u>8/</u>
		Other <u>9/</u> -----	2¢ each +	1¢ each +	<u>10/</u>	<u>10/</u>
			45% ad	17.5% ad		
			val.	val.		

See footnotes at end of table.

Table 2.--U.S. rates of duty under the Tariff Schedules of the United States (TSUS) on stainless steel knives, forks, and spoons, Aug. 31, 1963-Oct. 11, 1967 1/--Continued

TSUS item	TSUS appendix item <u>2/</u>	Article	Rate applicable before:		Rate applicable after quota is filled	
			Statutory rate <u>3/</u>	Trade-agreement rate <u>4/</u>	In effect from Aug. 31, 1963, to Oct. 31, 1965	In effect beginning Nov. 1, 1965
					Applicable to products of non-Communist countries	Applicable to products of Communist countries
		Knives, forks, and spoons with stainless steel handles:				
650.55	927.52	Spoons:				
651.75 <u>5/</u>	927.54	Not over 10.2 inches in overall length	40% ad	17% ad	60% ad	40% ad
	927.62	and valued at less than 25 cents each.	val.	val.	val. <u>6/</u>	val. <u>7/</u>
		Other <u>9/</u> -----	40% ad	17% ad	<u>10/</u>	<u>10/</u>
			val.	val.		

1/ The TSUS came into effect on Aug. 31, 1963.

2/ TSUS appendix items provide or provided for the imposition of tariff quotas on certain stainless steel flatware. Items 927.53 and 927.54 were in effect from Aug. 31, 1963, to Oct. 31, 1965, and items 927.60, 927.61, and 927.62 became effective Nov. 1, 1965. Items 927.50, 927.51, and 927.52 have been in effect since Aug. 31, 1963. The initial tariff quotas specified in the appendix to the TSUS had been in effect since Nov. 1, 1959.

3/ Applicable to imports from countries or areas designated as Communist-dominated or Communist-controlled.

4/ Applicable to imports from all countries except those designated as Communist dominated or controlled and except imports from the Republic of the Philippines.

5/ Each set of 2 or more articles containing 1 or more articles of flatware is dutiable at the rate of duty applicable to the article in the set subject to the highest rate of duty.

6/ Applicable to imports from non-Communist countries (except the Philippines) and Communist countries after an aggregate quantity of 69 million single units of knives, forks, and spoons with stainless steel handles, valued under 25 cents each, and not over 10.2 inches in overall length had been entered in any 12-month period beginning Nov. 1 in any year from countries whose imports were subject to the trade-agreement rates.

7/ Applicable to imports from other than designated Communist countries and the Republic of the Philippines after an aggregate quantity of 84 million single units of knives, forks, and spoons with stainless steel handles, valued under 25 cents each, and not over 10.2 inches in overall length, has been entered in the periods Nov. 1, 1965-Oct. 31, 1966, and Nov. 1, 1966-Oct. 11, 1967, from countries whose imports are subject to the trade-agreement rates.

8/ Applicable to imports from designated Communist countries after the quota has been filled by imports from countries whose imports are subject to the trade-agreement rates.

9/ These articles are not subject to quota.

10/ Not applicable.

Table 3.--Stainless steel table flatware: U.S. rates of duty under the Tariff Act of 1930 through Aug. 31, 1963

(Cents each; percent ad valorem)			
Tariff paragraph and description	Tariff Act of 1930		
	Trade-agreement modification		
	Statutory rate 1/	Rate	Effective date and trade agreement 2/
Par. 339:			
Table, household, kitchen, and hospital utensils, and hollow or flat ware, not specially provided for: * * * composed wholly or in chief value of copper, brass, steel, or other base metal, not plated with platinum, gold, or silver, and not specially provided for:			
Table spoons wholly of metal and in chief value of stainless steel, not over 10.2 inches in overall length and valued at less than \$3 per dozen pieces.	40¢	20% 19% 18% 17% <u>3/</u> 60% <u>3/</u>	Jan. 1, 1948. June 30, 1956. June 30, 1957. June 30, 1958. Nov. 1, 1959. <u>3/</u>
Par. 355:			
Table, butchers', carving, cooks', hunting, kitchen, bread, cake, pie, slicing, cigar, butter, vegetable, fruit, cheese, canning, fish, carpenters' bench, curriers', drawing, farriers', fleshing, hay, sugar-beet, beet-topping, tanners', plumbers', painters', palette, artists', shoe, and similar knives, forks, and steels, and cleavers, all the foregoing, finished or unfinished, not specially provided for * * *:			
Not specially designed for other than household, kitchen, or butchers' use:			
Table knives and forks, wholly of metal and in chief value of stainless steel, not over 10.2 inches in overall length and valued at less than \$3 per dozen pieces, with handles of--			
Austenitic steel:			
Less than 4 inches in length, exclusive of handle.	2¢ + 45%	2¢ + 35% 2¢ + 17-1/2% 1¢ + 17-1/2% <u>3/</u> 3¢ + 67-1/2% <u>3/</u>	Jan. 1, 1939; United Kingdom. Jan. 1, 1948. July 7, 1951. Nov. 1, 1959. <u>3/</u>
4 inches in length or over, exclusive of handle.	8¢ + 45%	8¢ + 35% 8¢ + 35% <u>4/</u> 4¢ + 17-1/2% <u>3/</u> 12¢ + 67-1/2% <u>3/</u>	Jan. 1, 1939; United Kingdom. Jan. 1, 1948. Oct. 1, 1951. Nov. 1, 1959. <u>3/</u>
Steel, other than austenitic:			
Less than 4 inches in length, exclusive of handle.	2¢ + 45%	2¢ + 25% 2¢ + 25% <u>4/</u> 2¢ + 12-1/2% 1¢ + 12-1/2% <u>3/</u> 3¢ + 67-1/2% <u>3/</u>	Jan. 1, 1939; United Kingdom. Jan. 1, 1948. May 30, 1950. Oct. 1, 1951. Nov. 1, 1959. <u>3/</u>
4 inches in length or over, exclusive of handle.	8¢ + 45%	4¢ + 25% 4¢ + 25% <u>4/</u> 4¢ + 17-1/2% <u>3/</u> 12¢ + 67-1/2% <u>3/</u>	Jan. 1, 1939; United Kingdom. Jan. 1, 1948. Oct. 1, 1951. Nov. 1, 1959. <u>3/</u>

1/ Applicable to the products of Communist-dominated or Communist-controlled countries or areas which are designated as such by the President.

2/ General Agreement on Tariffs and Trade, unless otherwise indicated.

3/ Pursuant to Presidential Proclamation No. 3323, dated Oct. 20, 1959, the higher of the 2 rates to which this footnote is attached was made applicable during any 12-month period beginning Nov. 1, 1959, and in each subsequent year, after a total aggregate quantity of 69 million single units of table spoons described under par. 339, and of table knives and table forks described under par. 355, had been entered, or withdrawn from warehouse, for consumption; until the total aggregate quantity of the designated units had been entered, or withdrawn from warehouse, for consumption, during any 12-month period designated above, the lower rate of duty was applicable.

4/ Bound.

Note.--Stainless steel table flatware, wholly of metal and in chief value of stainless steel, over 10.2 inches in overall length or valued at \$3 or more per dozen pieces (nonquota-type flatware), was dutiable at the same rate of duty as the quota-type flatware entered within the quota limits.

Table 4.--Stainless steel table flatware: Average ad valorem equivalents of the trade-agreement and the overquota rates of duty, by types of flatware, for all countries, 1966, 1968, 1974, January-September 1974, and January-September 1975.

Description and TSUS item	(In percent)				
	Average ad valorem equivalents of the rates of duty based on imports from all countries in--				
	1966	1968	1974	January-September-- 1974	1975
Quota-type:					
Spoons imported at the--					
Trade-agreement rate (949.04)-----	17.0	17.0	17.0	17.0	17.0
Overquota rate (949.08)-----	60.0	1/	40.0	40.0	40.0
Knives and forks:					
With handles of nonaustenitic (chrome) steel: 2/					
Knives imported at the--					
Trade-agreement rate (949.0040)-----	30.2	20.5	18.5	18.6	18.8
Overquota rate (949.0620)-----	82.2	1/	58.3	58.4	58.5
Forks imported at the--					
Trade-agreement rate (949.0060)-----	27.2	30.7	22.6	22.4	23.5
Overquota rate (949.0630)-----	99.0	26.6	71.6	72.1	72.6
With handles of austenitic (nickel) steel:					
Knives imported at the--					
Trade-agreement rate (949.0240)-----	19.6	26.3	26.3	28.7	30.8
Overquota rate (949.0640)-----	89.0	1/	73.8	65.0	70.7
Forks imported at the--					
Trade-agreement rate (949.0260)-----	25.6	1/	24.4	24.4	23.4
Overquota rate (949.0650)-----	101.1	1/	73.8	78.7	69.4
Nonquota-type:					
Spoons (650.55)-----	17.0	15.0	8.5	8.5	8.5
Knives:					
With handles of nonaustenitic (chrome) steel					
(650.09)-----	20.7	14.1	7.4	7.4	7.4
With handles of austenitic (nickel) steel					
(650.12)-----	13.9	17.3	8.9	8.9	8.9
Forks:					
With handles of nonaustenitic (nickel) steel					
(650.39)-----	20.9	14.3	7.2	7.2	7.1
With handles of austenitic (nickel) steel					
(650.42)-----	14.8	18.0	9.0	9.0	9.0

1/ Not available.

2/ The great bulk of imports in both years consisted of stainless steel flatware with handles of chrome steel.

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table 5.--Stainless steel table flatware: Average ad valorem equivalents of the trade-agreement and the overquota rates of duty, by types of flatware, for Japan, Korea and Taiwan, 1966, 1968, 1974, January-September 1974, and January-September 1975.

Description	(In percent)												
	1966,	1968			1974			January-September 1974			January-September 1975		
	Japan <u>1/</u>	Japan	Korea	Taiwan	Japan	Korea	Taiwan	Japan	Korea	Taiwan	Japan	Korea	Taiwan
Quota-type:	:	:	:	:	:	:	:	:	:	:	:	:	:
Spoons imported at the--	:	:	:	:	:	:	:	:	:	:	:	:	:
Trade-agreement rate-----	17.0	17.0	17.0	17.0	17.0	17.0	17.0	17.0	17.0	17.0	17.0	17.0	17.0
Overquota rate-----	40.0	<u>2/</u>	<u>2/</u>	<u>2/</u>	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0
Knives and forks:	:	:	:	:	:	:	:	:	:	:	:	:	:
With handles of austenitic (nickel) steel:	:	:	:	:	:	:	:	:	:	:	:	:	:
Knives imported at the--	:	:	:	:	:	:	:	:	:	:	:	:	:
Trade-agreement rate-----	24.5	20.2	21.8	21.5	17.7	19.2	19.2	17.7	19.2	19.3	18.4	19.3	19.4
Overquota rate-----	40.4	<u>2/</u>	<u>2/</u>	<u>2/</u>	55.4	58.9	58.3	55.3	59.0	58.1	57.1	59.1	58.5
Forks imported at the--	:	:	:	:	:	:	:	:	:	:	:	:	:
Trade-agreement rate-----	26.7	30.2	<u>3/</u>	33.5	20.7	25.8	29.4	20.4	25.9	29.8	21.7	25.5	28.1
Overquota rate-----	49.0	25.2	31.5	32.6	61.4	73.0	74.7	62.5	72.8	74.8	65.0	75.4	74.5
With handles of nonaustenitic (chrome) steel: <u>4/</u>	:	:	:	:	:	:	:	:	:	:	:	:	:
Knives imported at the--	:	:	:	:	:	:	:	:	:	:	:	:	:
Trade-agreement rate-----	19.7	25.0	<u>3/</u>	26.6	26.3	<u>3/</u>	22.3	<u>3/</u>	<u>3/</u>	29.6	25.0	31.1	<u>3/</u>
Overquota rate-----	36.8	<u>2/</u>	<u>2/</u>	<u>2/</u>	53.5	68.6	71.2	53.5	70.3	60.8	82.7	63.3	72.9
Forks imported at the--	:	:	:	:	:	:	:	:	:	:	:	:	:
Trade-agreement rate-----	25.0	<u>2/</u>	<u>2/</u>	<u>2/</u>	24.4	<u>3/</u>	<u>3/</u>	24.5	<u>3/</u>	<u>3/</u>	23.4	<u>3/</u>	<u>3/</u>
Overquota rate-----	48.6	<u>2/</u>	<u>2/</u>	<u>2/</u>	73.8	73.9	61.1	<u>3/</u>	74.7	86.5	60.8	71.7	74.7
Nonquota-type:	:	:	:	:	:	:	:	:	:	:	:	:	:
Spoons-----	17.0	15.0	15.0	15.0	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5
Knives:	:	:	:	:	:	:	:	:	:	:	:	:	:
With handles of austenitic (nickel) steel-----	21.0	14.2	20.6	17.2	7.4	7.8	7.8	7.5	7.8	7.9	7.4	7.9	7.7
With handles of nonaustenitic (chrome) steel-----	16.1	20.6	<u>3/</u>	<u>3/</u>	9.4	<u>3/</u>	11.0	9.7	<u>3/</u>	11.0	9.9	<u>3/</u>	9.6
Forks:	:	:	:	:	:	:	:	:	:	:	:	:	:
With handles of austenitic (nickel) steel-----	21.2	15.2	14.7	20.1	7.6	7.7	7.4	7.7	7.7	7.3	7.5	7.2	<u>2/</u>
With handles of nonaustenitic (chrome) steel-----	16.9	28.2	<u>3/</u>	<u>3/</u>	9.4	14.3	<u>3/</u>	9.6	14.3	<u>3/</u>	9.2	<u>3/</u>	10.5

<sup>1/</sup> Taiwan and Korea were not major flatware importers in 1966.

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

<sup>3/</sup> No imports.

<sup>4/</sup> The great bulk of imports in both years consisted of stainless steel flatware with handles of chrome steel.

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table 6.--Stainless steel table flatware: U.S. imports for consumption, by types, 1968-74,  
January-September 1974, and January-September 1975

Item	1968	1969	1970	1971	1972	1973	1974	Jan.-Sept.--		
								1974	1975	
	Quantity (1,000 dozen pieces)									
All stainless steel table flatware-----	18,370	29,473	40,097	30,425	29,726	33,727	35,038	27,780	26,324	
Quota-type flatware-----	13,996	24,986	34,428	24,979	23,262	26,228	28,332	22,592	19,841	
Nonquota-type flatware-----	2,139	2,063	2,523	2,077	2,962	4,402	4,915	3,801	5,108	
Certain other nonquota flatware-----	2,235	2,424	3,146	3,369	3,502	3,097	1,791	1,387	1,375	
	Percent of total quantity									
All total stainless steel table flatware-----	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	
Quota-type flatware-----	76.2	84.8	85.9	82.1	78.2	77.7	80.9	81.3	75.4	
Nonquota-type flatware-----	11.6	7.0	6.3	6.8	10.0	13.1	14.0	13.7	19.4	
Certain other nonquota flatware-----	12.2	8.2	7.8	11.1	11.8	9.2	5.1	5.0	5.2	
	Value (1,000 dollars)									
All total stainless steel table flatware-----	22,761	36,298	51,691	37,697	38,659	50,071	52,856	41,604	41,234	
Quota-type flatware-----	15,041	27,150	40,450	27,991	24,325	29,584	32,923	25,997	22,462	
Nonquota-type flatware-----	5,066	5,866	7,119	5,231	8,948	14,553	15,510	12,304	15,785	
Certain other nonquota flatware-----	2,654	3,282	4,122	4,475	5,386	5,934	4,423	3,303	2,987	
	Percent of total value									
All stainless steel table flatware-----	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	
Quota-type flatware-----	66.1	74.8	78.3	74.3	62.9	59.1	62.3	62.5	54.5	
Nonquota-type flatware-----	22.3	16.2	13.8	13.8	23.1	29.1	29.3	29.6	38.3	
Certain other nonquota flatware-----	11.7	9.0	8.0	11.9	13.9	11.9	8.4	7.9	7.2	

Source: Compiled from official statistics of the U.S. Department of Commerce.



Table 7.--Stainless steel table flatware: U.S. imports for consumption, by types, 1968-74, January-September 1974, and January-September 1975

Item	1968	1969	1970	1971	1972 1/	1973 1/	1974	January-September--	
								1974	1975
Quantity (1,000 dozen pieces)									
Quota-type:									
Knives-----	1,942	3,306	4,594	3,408	3,219	3,625	4,520	3,461	2,505
Forks-----	3,145	5,898	6,917	5,124	4,877	5,631	6,498	5,049	4,194
Spoons-----	5,302	9,604	11,096	7,850	7,468	9,308	11,125	8,791	7,175
Sets-----	3,607	6,178	11,821	8,597	7,698	7,664	6,189	5,291	5,967
Total-----	13,996	24,986	34,428	24,979	23,262	26,228	28,332	22,592	19,841
Nonquota-type:									
Knives-----	418	400	531	266	338	525	722	574	474
Forks-----	149	217	154	130	149	181	104	76	105
Spoons-----	309	283	352	232	268	391	274	214	245
Sets 2/-----	1,263	1,163	1,486	1,449	2,207	3,305	3,815	2,937	4,284
Total-----	2,139	2,063	2,523	2,077	2,962	4,402	4,915	3,801	5,108
Value (1,000 dollars)									
Quota-type:									
Knives-----	2,905	5,274	7,607	5,423	4,999	6,387	8,671	6,573	4,636
Forks-----	2,684	5,382	6,709	4,568	4,371	5,537	6,659	5,181	4,114
Spoons-----	4,191	7,868	9,721	5,994	5,721	7,635	9,542	7,528	5,964
Sets-----	5,261	8,626	16,413	12,006	9,234	10,025	8,051	6,715	7,750
Total-----	15,041	27,150	40,450	27,991	24,325	29,584	32,923	25,997	22,462
Nonquota-type:									
Knives-----	1,559	1,652	2,431	1,315	1,862	2,551	3,507	2,718	2,661
Forks-----	355	778	770	608	810	1,003	880	649	1,076
Spoons-----	985	1,209	1,469	990	1,271	1,532	1,776	1,373	1,807
Sets-----	1,967	2,197	2,449	2,318	5,005	9,467	9,347	7,564	10,241
Total-----	5,066	5,866	7,119	5,231	8,948	14,553	15,510	12,304	15,785
Unit value (per dozen)									
Quota-type:									
Knives-----	\$1.50	\$1.60	\$1.66	\$1.59	\$1.55	\$1.76	\$1.92	\$1.90	\$1.85
Forks-----	.85	.91	.97	.89	.90	.98	1.02	1.03	.98
Spoons-----	.79	.82	.88	.76	.77	.82	.86	.86	.83
Sets-----	1.46	1.40	1.39	1.40	1.20	1.31	1.30	1.27	1.30
Average-----	1.07	1.00	1.17	1.12	1.05	1.13	1.16	1.15	1.32
Nonquota-type:									
Knives-----	3.73	4.21	4.58	4.94	5.51	4.85	4.85	4.74	5.61
Forks-----	3.72	3.59	5.00	4.68	5.43	5.54	8.46	8.53	10.25
Spoons-----	3.18	4.27	4.17	4.27	4.74	3.92	6.48	6.41	7.38
Sets-----	1.56	1.89	1.65	1.60	2.27	2.86	2.45	2.58	2.39
Average-----	2.37	2.84	2.82	2.52	3.02	3.31	3.16	3.24	3.09

1/ Does not include the small number of imports in the schedule 6 quota-type flatware categories.

2/ Nonquota sets may be overstated beginning in October 1974, owing to the inclusion of other unrelated items in this TSUSA item, i.e., 651.7545.

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table 8.--U.S. imports of quota-type stainless steel flatware, by principal sources and by quarters, 1972

(In pieces)								
Item and period	Japan	Taiwan	Korea	Hong Kong	European Community	United Kingdom	Other	Total
Quota for quarter-----	33,000,000	6,300,000	4,800,000	1,500,000	1,500,000	600,000	900,000	48,600,000
Maximum carryover-----	3,300,000	630,000	480,000	150,000	150,000	60,000	90,000	4,860,000
January-March:								
Total imports-----	33,000,981	14,429,945	6,130,689	928,412	273,923	262,200	1,097,858	56,124,008
Overquota-----	-	8,129,945	1,330,689	-	-	-	107,858	9,568,492
Carryover-----	-	-	-	150,000	150,000	60,000	-	360,000
April-June:								
Total imports-----	33,496,535	23,149,309	9,034,578	971,479	10,556	96	652,957	67,315,510
Overquota-----	496,535	16,849,309	4,234,578	-	-	-	-	21,580,422
Carryover-----	-	-	-	150,000	150,000	60,000	90,000	450,000
July-September:								
Total imports-----	39,835,612	20,134,587	14,319,770	1,270,904	107,195	600,084	772,606	77,040,758
Overquota-----	6,835,612	13,834,587	9,519,770	-	-	-	-	30,189,969
Carryover-----	-	-	-	150,000	150,000	-	90,000	390,000
October-December:								
Total imports-----	37,732,741	20,312,916	20,730,379	1,632,012	169,830	-	1,183,115	81,760,993
Overquota-----	4,732,741	14,012,916	15,930,379	17,988	-	-	193,115	34,887,139
Carryover-----	-	-	-	-	150,000	60,000	-	210,000
Total:								
Total imports-----	144,065,869	78,026,757	50,215,416	4,802,807	561,504	862,380	3,706,536	282,241,269
Overquota-----	12,064,888	52,826,757	31,015,416	17,988	-	-	300,973	96,226,022
Carryover-----	-	-	-	-	150,000	60,000	-	210,000

Source: U.S. Customs Service.

Table 9.—U.S. imports of quota-type stainless steel flatware, by principal sources and by quarters 1973

(In pieces)								
Item and period	Japan	Taiwan	Korea	Hong Kong	European Community	United Kingdom	Other	Total
Quota for quarter-----	33,000,000	6,300,000	4,800,000	1,500,000	1,500,000	600,000	900,000	48,600,000
Maximum carryover-----	3,300,000	630,000	480,000	150,000	150,000	60,000	90,000	4,860,000
January-March:								
Total imports-----	29,228,502	29,977,282	20,671,686	1,814,922	120,718	9,251	1,135,624	82,957,985
Overquota-----	-	23,677,282	15,871,686	314,922	-	-	235,624	40,099,514
Carryover-----	3,300,000	-	-	-	150,000	60,000	-	3,510,000
April-June:								
Total imports-----	36,649,872	22,922,282	28,786,967	1,464,750	212,854	297,864	932,936	91,267,525
Overquota-----	649,872	16,622,282	23,986,967	-	-	-	32,936	41,292,057
Carryover-----	-	-	-	35,250	150,000	60,000	-	245,250
July-September:								
Total imports-----	34,221,288	24,596,682	26,386,746	1,448,620	1,014,854	223,500	179,718	88,071,408
Overquota-----	1,221,288	18,296,682	21,586,746	-	-	-	-	41,104,716
Carryover-----	-	-	-	51,380	150,000	60,000	90,000	351,380
October-December:								
Total imports-----	33,484,406	27,325,530	26,539,578	1,943,145	147,618	-	353,924	89,794,201
Overquota-----	484,406	21,025,530	21,739,578	391,765	-	-	-	43,641,279
Carryover-----	-	-	-	-	150,000	60,000	90,000	300,000
Total:								
Total imports-----	133,584,068	104,821,776	102,384,977	6,671,437	1,496,044	530,615	2,602,202	352,091,119
Overquota-----	2,355,566	79,621,776	83,184,977	706,687	-	-	268,560	166,137,566
Carryover-----	-	-	-	-	150,000	60,000	90,000	300,000

Source: U.S. Customs Service.

Table 10.--U.S. imports of quota-type stainless steel flatware, by principal sources and by quarters, 1974

(In pieces)								
Item and period	Japan	Taiwan	Korea	Hong Kong	European Community	United Kingdom	Other	Total
Quota for quarter-----	33,000,000	6,300,000	4,800,000	1,500,000	1,500,000	600,000	900,000	48,600,000
Maximum carryover-----	3,300,000	630,000	480,000	150,000	150,000	60,000	90,000	4,860,000
January-March:								
Total imports-----	32,267,404	29,038,033	27,288,909	1,564,892	405,204	-	175,452	90,739,894
Overquota-----	-	22,738,033	22,488,909	64,892	-	-	-	45,291,834
Carryover-----	732,596	-	-	-	150,000	60,000	90,000	1,032,596
April-June:								
Total imports-----	31,641,418	26,509,740	30,477,334	1,135,582	205,010	-	369,228	90,338,312
Overquota-----	-	20,209,740	25,677,334	-	-	-	-	45,887,074
Carryover-----	1,358,582	-	-	150,000	150,000	60,000	90,000	1,808,582
July-September:								
Total imports-----	35,667,631	27,274,224	29,537,427	1,374,258	316,594	-	117,984	94,288,118
Overquota-----	1,309,049	20,974,224	24,737,427	-	-	-	-	47,020,700
Carryover-----	-	-	-	125,742	150,000	60,000	90,000	425,742
Quota for quarter <u>1</u> /-----	34,980,000	6,678,000	5,088,000	1,590,000	1,590,000	636,000	954,000	51,516,000
Maximum carryover-----	3,498,000	667,800	508,800	159,000	159,000	63,600	95,400	5,151,600
October-December:								
Total imports-----	34,563,471	23,994,457	23,060,016	1,485,293	989,550	-	79,816	84,172,603
Overquota-----	-	17,316,457	17,972,016	-	-	-	-	35,288,473
Carryover-----	416,529	-	-	104,707	159,000	63,600	95,400	839,236
Total:								
Total imports-----	134,139,924	106,816,454	110,363,686	5,560,025	1,916,358	-	742,480	359,538,927
Overquota-----	1,309,049	81,238,454	90,875,686	64,892	-	-	-	173,488,081
Carryover-----	416,529	-	-	104,707	159,000	63,600	95,400	839,236

1/ Quota for each quarter increased by 6 percent for each source, effective Oct. 1, 1974.

Source: U.S. Customs Service.

Table 11.--Imports of quotas-type stainless steel flatware, by principal sources and by quarters,  
January-September 1975

(In pieces)								
Item and period	Japan	Taiwan	Korea	Hong Kong	European Community	United Kingdom	Other	Total
Quota for quarter <u>1</u> /-----	33,000,000	6,300,000	4,800,000	1,500,000	1,500,000	600,000	900,000	48,600,000
Maximum carryover-----	3,300,000	630,000	480,000	150,000	150,000	60,000	90,000	4,860,000
January-March:								
Total imports-----	35,652,146	19,312,352	15,986,617	111,600	139,360	619,910	171,022	71,993,007
Overquota-----	255,617	12,634,352	10,898,617	-	-	-	-	23,788,586
April-June:								
Total imports-----	35,411,289	23,424,358	18,259,866	1,381,474	55,550	-	241,776	78,774,313
Overquota-----	431,289	16,746,358	13,171,866	-	-	-	-	30,349,513
July-September:								
Total imports-----	40,312,223	21,316,336	28,117,466	331,760	8,160	-	3,600	90,089,545
Overquota-----	5,332,223	14,638,336	23,029,466	-	-	-	-	43,000,025
Total:								
Total imports-----	111,375,658	64,053,046	62,363,949	1,824,834	203,070	619,910	416,398	240,856,865
Overquota-----	6,019,129	44,019,046	47,099,949	-	-	-	-	97,138,124

1/ Quota for each quarter increased by 6 percent for each source.

Source: U.S. Customs Service.

Table 12.-- Stainless steel table flatware: U.S. imports for consumption of certain other nonquota-type flatware, by kinds, 1968-74, January-September 1974, and January-September 1975

Item	1968	1969	1970	1971	1972	1973	1974	January-September--	
								1974	1975
Quantity (1,000 dozen)									
Knives-----	622	839	1,360	1,232	1,396	1,377	934	693	752
Forks-----	678	840	1,265	1,469	1,146	537	344	274	329
Spoons-----	935	745	521	668	960	1,183	513	420	294
Total-----	2,235	2,424	3,146	3,369	3,502	3,097	1,791	1,387	1,375
Value (1,000 dollars)									
Knives-----	1,098	1,513	2,266	2,371	3,091	3,277	2,672	1,957	1,922
Forks-----	680	932	1,247	1,252	1,039	807	682	506	526
Spoons-----	876	837	609	852	1,256	1,850	1,069	840	539
Total-----	2,654	3,282	4,122	4,475	5,386	5,934	4,423	3,303	2,987
Unit value (per dozen)									
Knives-----	\$1.77	\$1.80	\$1.67	\$1.93	\$2.21	\$2.38	\$2.86	\$2.82	\$2.56
Forks-----	1.00	1.11	.99	.85	.91	1.50	1.98	1.85	1.60
Spoons-----	.94	1.12	1.17	1.28	1.31	1.56	2.08	2.00	1.83
Average -----	1.19	1.35	1.31	1.33	1.54	1.92	2.47	2.38	2.17

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table 13.--Stainless steel table flatware: U.S. imports of all nonquota flatware, by TSUS or TSUSA items, 1971-74, January-September 1974, and January-September 1975

TSUS or TSUSA item	1971	1972	1973	1974	Jan.-Sept.--	
					1974	1975
Quantity (1,000 pieces)						
650.09-----	2,758	3,558	5,878	8,288	6,589	5,122
650.12-----	428	497	422	379	291	567
650.39-----	726	1,050	1,292	566	430	386
650.42-----	826	736	882	678	488	880
650.55-----	2,797	3,231	4,690	3,288	2,566	2,940
650.2120-----	14,791	16,750	16,523	11,208	8,319	9,022
650.4920-----	17,639	13,749	6,439	4,126	3,285	3,946
650.5620-----	8,008	11,515	14,193	6,158	5,042	3,531
Total-----	47,973	51,086	50,319	34,691	27,010	26,394
651.7535 (Sets, nonquota) 1/-----	17,391	26,491	39,660	45,781	35,249	51,404
Grand total-----	65,364	77,577	89,979	80,472	62,259	77,798
Value (1,000 dollars)						
650.09-----	1,008	1,422	2,115	3,009	2,349	1,901
650.12-----	307	440	436	498	369	760
650.39-----	271	341	412	242	184	184
650.42-----	337	469	591	638	465	892
650.55-----	990	1,271	1,532	1,776	1,373	1,807
650.2120-----	2,371	3,091	3,277	2,672	1,957	1,922
650.4920-----	1,252	1,039	807	682	506	526
650.5620-----	852	1,256	1,850	1,069	840	539
Total-----	7,388	9,329	11,020	10,586	8,043	8,531
651.7535 (Sets, nonquota) 1/-----	2,318	5,005	9,467	9,347	7,564	10,241
Grand total-----	9,706	14,334	20,487	19,933	15,607	18,772

1/ TSUSA item 651.7535 discontinued and transferred to 651.7545 on Oct. 1, 1974.

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table 14.--Stainless steel table flatware: U.S. imports for consumption from Japan, by types, 1968-74, January-September 1974, and January-September 1975

Period	Quota-type			Nonquota-type			Total		
	Pieces	Sets	Total	Pieces	Sets	Total	Pieces	Sets	Total
Quantity (millions of dozen pieces)									
1968-----	6.8	2.9	9.7	0.3	1.2	1.4	7.1	4.1	11.1
1969-----	12.1	4.9	17.0	.3	1.1	1.3	12.4	6.0	18.4
1970-----	13.8	8.8	22.6	.3	1.4	1.7	14.1	10.2	24.3
1971-----	8.3	6.5	14.8	.2	1.3	1.5	8.5	7.8	16.3
1972-----	6.2	5.5	11.6	.2	2.0	2.3	6.4	7.5	13.9
1973-----	4.6	4.2	8.8	.4	3.0	3.4	5.0	7.2	12.2
1974-----	5.4	3.8	9.2	1.6	3.4	5.0	7.0	7.2	14.2
Jan.-Sept.--									
1974-----	4.2	3.1	7.3	1.2	2.7	3.9	5.4	5.8	11.2
1975-----	4.5	4.8	9.3	1.0	2.9	3.9	5.5	7.7	13.2
Value (millions of dollars)									
1968-----	7.0	3.9	10.9	0.6	1.6	2.2	7.6	5.5	13.1
1969-----	13.4	6.6	20.0	.9	1.6	2.5	14.3	8.2	22.5
1970-----	16.8	11.7	28.5	1.0	2.0	3.0	17.8	13.7	31.5
1971-----	9.5	9.8	19.3	.7	1.8	2.5	10.2	11.6	21.8
1972-----	7.8	7.2	15.0	.9	3.9	4.8	8.7	11.1	19.8
1973-----	7.5	6.4	13.9	1.1	8.1	9.2	8.6	14.5	23.1
1974-----	8.3	6.0	14.3	3.1	7.9	11.0	11.4	13.9	25.3
Jan.-Sept.--									
1974-----	6.4	4.9	11.3	2.4	6.5	8.9	8.8	11.4	20.2
1975-----	6.1	6.7	12.8	1.9	6.3	8.2	8.0	13.0	21.0
Unit value (per dozen pieces)									
1968-----	\$1.02	\$1.34	\$1.12	\$2.00	\$1.33	\$1.57	\$1.07	\$1.34	\$1.18
1969-----	1.10	1.34	1.17	3.00	1.45	1.92	1.15	1.36	1.22
1970-----	1.21	1.32	1.26	3.33	1.42	1.76	1.26	1.34	1.29
1971-----	1.14	1.50	1.30	3.50	1.38	1.66	1.20	1.48	1.33
1972-----	1.25	1.30	1.29	4.50	1.95	2.08	1.35	1.48	1.42
1973-----	1.63	1.52	1.57	2.75	2.70	2.70	1.72	2.01	1.89
1974-----	1.54	1.58	1.55	1.94	2.32	2.20	1.63	1.93	1.78
Jan.-Sept.--									
1974-----	1.52	1.58	1.55	2.00	2.41	2.28	1.63	1.97	1.80
1975-----	1.36	1.40	1.38	1.90	2.17	2.10	1.45	1.68	1.59

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note.--Because of rounding, figures may not add to the totals shown.



Table 15.--Stainless steel table flatware: Share of U.S. imports supplied by Japan, by types, 1968-74, January-September 1974, and January-September 1975

(In percent)									
Period	Quota-type			Nonquota-type			Total		
	Pieces	Sets	Total	Pieces	Sets	Total	Pieces	Sets	Total
Quantity									
1968-----	65	79	68	47	92	78	64	82	70
1969-----	64	79	68	44	90	75	64	81	68
1970-----	61	74	65	49	92	79	61	77	66
1971-----	49	75	58	48	92	82	50	79	60
1972-----	39	70	49	44	92	83	40	76	53
1973-----	24	54	33	34	91	87	26	65	40
1974-----	24	62	33	88	90	89	29	73	42
Jan.-Sept.--	:	:	:	:	:	:	:	:	:
1974-----	24	60	33	89	91	91	29	71	42
1975-----	32	81	47	89	69	72	37	76	53
Value									
1968-----	72	73	72	30	80	56	66	75	69
1969-----	72	76	73	40	72	53	68	76	70
1970-----	69	71	70	41	83	55	66	73	68
1971-----	58	81	68	29	75	55	56	81	66
1972-----	51	78	61	18	78	61	50	78	61
1973-----	37	64	46	11	85	72	37	74	54
1974-----	34	75	44	70	84	80	39	80	54
Jan.-Sept.--	:	:	:	:	:	:	:	:	:
1974-----	33	74	44	73	87	82	39	80	55
1975-----	42	86	57	63	61	62	45	72	59

Source: Data compiled from table 14.

Table 16.--Stainless steel table flatware: U.S. imports for consumption from Korea, by types, 1968-74, January-September 1974, and January-September 1975

Period	Quota-type			Nonquota-type			Total		
	Pieces	Sets	Total	Pieces	Sets	Total	Pieces	Sets	Total
Quantity (millions of dozen pieces)									
1968-----	1.2	0.1	1.2	<u>1/</u>	<u>1/</u>	<u>1/</u>	1.2	0.1	1.3
1969-----	2.3	.2	2.5	<u>1/</u>	<u>1/</u>	<u>1/</u>	2.3	.2	2.5
1970-----	3.6	.5	4.1	<u>1/</u>	<u>1/</u>	<u>1/</u>	3.6	.5	4.1
1971-----	2.9	.6	3.4	<u>1/</u>	<u>1/</u>	<u>1/</u>	2.9	.6	3.4
1972-----	4.1	.4	4.6	<u>1/</u>	<u>1/</u>	<u>1/</u>	4.2	.4	4.6
1973-----	7.2	1.0	8.2	<u>1/</u>	<u>1/</u>	<u>1/</u>	7.3	1.0	8.2
1974-----	8.6	.6	9.2	<u>1/</u>	<u>1/</u>	<u>1/</u>	8.6	.6	9.2
Jan.-Sept.--									
1974-----	6.9	.5	7.4	<u>1/</u>	<u>1/</u>	<u>1/</u>	6.9	.5	7.4
1975-----	4.8	.3	5.1	<u>1/</u>	<u>1/</u>	<u>1/</u>	4.8	.3	5.1
Value (millions of dollars)									
1968-----	0.9	<u>1/</u>	0.9	<u>2/</u>	<u>2/</u>	<u>2/</u>	0.9	0.1	1.0
1969-----	1.7	0.2	1.9	<u>2/</u>	<u>2/</u>	<u>2/</u>	1.7	.2	1.9
1970-----	3.2	.5	3.7	<u>2/</u>	<u>2/</u>	<u>2/</u>	3.2	.5	4.7
1971-----	2.4	.5	2.9	<u>2/</u>	<u>2/</u>	<u>2/</u>	5.6	.5	2.9
1972-----	3.5	.4	3.8	<u>2/</u>	<u>2/</u>	<u>2/</u>	3.5	.4	3.8
1973-----	6.7	.9	7.7	<u>2/</u>	<u>2/</u>	<u>2/</u>	6.7	1.0	7.7
1974-----	8.9	.5	9.4	<u>2/</u>	<u>2/</u>	<u>2/</u>	8.9	.5	9.4
Jan.-Sept.--									
1974-----	7.1	.5	7.6	<u>2/</u>	<u>2/</u>	<u>2/</u>	7.1	.5	7.6
1975-----	4.6	.3	4.9	<u>2/</u>	<u>2/</u>	<u>2/</u>	4.6	.3	4.9
Unit value (per dozen pieces) <u>3/</u>									
1968-----	\$0.74	\$0.86	\$0.74	\$2.60	\$1.46	\$2.49	\$0.76	\$1.00	\$0.77
1969-----	.75	1.00	.76	1.50	1.28	1.25	.34	1.00	.76
1970-----	.89	1.04	.90	8.71	.75	3.76	.90	1.03	1.15
1971-----	.83	.83	.84	1.78	.80	1.47	1.97	.90	.85
1972-----	.83	1.00	.84	5.25	2.26	5.50	.89	.87	.84
1973-----	.93	.90	.93	1.90	5.20	3.07	.83	.98	.94
1974-----	1.03	.83	1.02	1.33	2.60	1.97	1.03	.83	1.02
Jan.-Sept.--									
1974-----	1.03	1.00	1.03	1.23	2.57	1.45	1.03	1.00	1.03
1975-----	.96	1.00	.96	1.86	5.23	2.56	.95	1.00	.96

1/ Less than 50,000 dozen.

2/ Less than \$50,000.

3/ Calculated from unrounded figures.

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note.--Because of rounding, figures may not add to the totals shown.

Table 17.--Stainless steel table flatware: Share of U.S. imports supplied by Korea, by types, 1968-74, January-September 1974, and January-September 1975

(In percent)									
Period	Quota-type			Nonquota-type			Total		
	Pieces	Sets	Total	Pieces	Sets	Total	Pieces	Sets	Total
Quantity									
1968-----	12	3	9	-	-	-	11	2	8
1969-----	12	3	10	-	-	-	12	3	9
1970-----	16	9	12	-	-	-	16	4	11
1971-----	17	7	13	-	-	-	17	6	13
1972-----	26	15	20	-	-	-	26	4	18
1973-----	39	13	31	-	-	-	38	9	27
1974-----	39	9	33	2	-	1	36	6	27
Jan.-Sept. --	:	:	:	:	:	:	:	:	:
1974-----	40	10	33	2	-	1	37	6	28
1975-----	34	6	26	1	-	-	32	3	20
Value									
1968-----	9	-	6	-	-	-	8	1	5
1969-----	9	2	7	-	-	-	8	2	6
1970-----	13	3	9	-	-	-	12	3	10
1971-----	15	4	10	-	-	-	31	3	9
1972-----	23	4	16	-	-	-	20	3	12
1973-----	34	9	26	-	-	-	29	5	18
1974-----	36	7	29	1	-	-	31	3	20
Jan.-Sept. --	:	:	:	:	:	:	:	:	:
1974-----	37	8	29	1	-	-	32	4	21
1975-----	31	4	22	-	-	-	26	2	14

Source: Data compiled from table 16.

Table 18.--Stainless steel table flatware: U.S. imports for consumption from Taiwan, by types, 1968-74, January-September 1974, and January-September 1975

Period	Quota-type			Nonquota-type			Total		
	Pieces	Sets	Total	Pieces	Sets	Total	Pieces	Sets	Total
Quantity (millions of dozen pieces)									
1968-----	1.8	0.2	2.0	1/	1/	1/	1.8	0.2	2.0
1969-----	3.0	.1	3.2	1/	1/	1/	3.1	.1	3.2
1970-----	4.1	.9	4.9	1/	1/	1/	4.1	.9	5.0
1971-----	4.6	1.2	5.8	1/	1/	1/	4.6	1.2	5.8
1972-----	4.7	1.6	6.3	1/	1/	1/	4.7	1.6	6.4
1973-----	6.2	2.4	8.5	1/	1/	1/	6.2	2.5	8.7
1974-----	7.4	1.7	9.1	1/	0.2	0.2	7.4	1.9	9.3
Jan.-Sept.--									
1974-----	5.9	1.6	7.5	1/	.2	.2	5.9	1.8	7.7
1975-----	4.5	.7	5.2	1/	.3	.3	4.5	1.0	5.5
Value (millions of dollars)									
1968-----	1.2	0.1	1.4	2/	2/	2/	1.3	0.1	1.4
1969-----	2.0	.1	2.2	2/	2/	2/	2.1	.1	2.3
1970-----	2.9	.7	3.7	2/	2/	2/	3.0	.8	3.8
1971-----	3.3	1.0	4.3	2/	2/	2/	3.3	1.0	4.3
1972-----	3.3	1.3	4.6	2/	2/	2/	3.9	1.3	4.7
1973-----	4.7	2.4	7.0	2/	2/	2/	4.7	2.6	7.3
1974-----	6.6	1.2	7.8	2/	0.2	0.2	6.6	1.4	8.0
Jan.-Sept.--									
1974-----	5.2	1.1	6.3	2/	.2	.2	5.2	1.3	6.5
1975-----	3.8	.6	4.4	2/	.6	.6	3.8	1.2	5.0
Unit value (per dozen pieces) 3/									
1968-----	\$0.68	\$0.79	\$0.69	\$1.30	\$0.84	\$1.12	\$0.69	\$0.80	\$0.70
1969-----	.68	.98	.69	2.04	1.38	2.01	.70	.99	.71
1970-----	.72	.86	.74	1.79	.89	1.41	.73	.86	.75
1971-----	.71	.85	.74	4.17	1.92	3.30	.72	.85	.75
1972-----	.71	.80	.73	7.00	1.25	1.51	.71	.81	.74
1973-----	.76	1.00	.83	2.04	1.56	1.63	.77	1.03	.84
1974-----	.89	.71	.86	1.18	1.00	1.00	.89	.74	.86
Jan.-Sept.--									
1974-----	.88	.69	.84	1.15	1.00	1.00	.88	.72	.84
1975-----	.84	.86	.85	1.03	2.00	2.00	.84	2.20	10.50

1/ Less than 50,000 dozen.

2/ Less than \$50,000.

3/ Calculated from unrounded figures.

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note.--Because of rounding, figures may not add to the totals shown.

Table 19.--Stainless steel table flatware: Share of U.S. imports supplied by Taiwan, by types, 1968-74, January-September 1974, and January-September 1975

(In percent)									
	Quota-type			Nonquota-type			Total		
	Pieces	Sets	Total	Pieces	Sets	Total	Pieces	Sets	Total
Quantity									
1968-----	17	6	14	-	-	-	17	4	13
1969-----	16	2	13	-	-	-	16	1	12
1970-----	18	8	14	-	-	-	18	7	14
1971-----	28	14	23	-	-	-	27	12	21
1972-----	30	21	27	-	-	-	29	16	25
1973-----	33	31	32	-	-	-	32	23	29
1974-----	34	27	32	3	5	4	31	19	28
Jan.-Sept.:									
1974-----	34	30	33	3	5	5	32	21	29
1975-----	32	12	26	27	7	11	32	10	23
Value									
1968-----	12	2	9	-	-	-	11	1	7
1969-----	11	1	8	-	-	-	10	1	7
1970-----	12	4	9	-	-	-	11	4	8
1971-----	20	8	15	-	-	-	18	7	13
1972-----	22	14	19	-	-	-	20	9	15
1973-----	24	24	23	-	-	-	20	13	17
1974-----	27	15	24	2	2	2	23	8	17
Jan.-Sept.:									
1974-----	27	17	25	1	2	2	23	9	18
1975-----	26	8	20	10	6	7	23	7	15

Source: Data compiled from table 18.

Table 20.--Stainless steel table flatware: U.S. production, shipments by U.S. manufacturers, exports, imports for consumption, and apparent consumption, 1953-74

Year	U.S.	Shipments by U.S.		Imports	Apparent	Ratio of	
	produc-	manufacturers		for	consump-	imports to--	
	tion	Total	Exports	consumption	tion 1/	Apparent	Produc-
						consump-	tion
	<u>Million</u>	<u>Million</u>	<u>Million</u>	<u>Million</u>	<u>Million</u>		
	<u>dozen</u>	<u>dozen</u>	<u>dozen</u>	<u>dozen</u>	<u>dozen</u>		
	<u>pieces</u>	<u>pieces</u>	<u>pieces</u>	<u>pieces</u>	<u>pieces</u>	Percent	Percent
1953-----	11.0	10.8	0.2	0.9	11.6	7.6	8.0
1954-----	11.1	10.8	1.0	1.4	12.1	11.2	12.2
1955-----	14.9	14.7	.1	3.6	18.1	19.8	24.1
1956-----	14.7	14.4	.8	8.0	22.3	35.9	54.4
1957-----	13.1	13.2	.8	10.6	23.7	44.7	81.0
1958-----	15.3	14.9	1.3	9.2	22.8	40.3	61.1
1959-----	18.5	18.6	.3	8.0	27.2	32.9	48.4
1960-----	19.3	18.7	.2	<u>2/</u> 10.9	<u>2/</u> 29.4	<u>2/</u> 37.1	<u>2/</u> 56.4
1961-----	18.5	18.9	.2	4.8	<u>2/</u> 23.4	<u>2/</u> 20.3	<u>2/</u> 25.7
1962-----	21.3	21.1	.2	5.2	26.1	19.9	24.2
1963-----	21.4	22.1	.2	6.9	28.8	23.9	32.1
1964-----	27.9	26.7	.3	7.3	33.7	21.7	26.3
1965-----	27.4	27.2	.3	8.9	35.8	24.0	32.4
1966-----	30.3	30.0	.4	9.2	38.8	23.7	30.3
1967-----	<u>3/</u> 32.7	31.6	.4	<u>1/</u> 11.8	43.0	27.4	36.1
1968-----	<u>3/</u> 28.8	27.0	.5	18.4	44.9	40.9	63.8
1969-----	27.5	26.8	.5	29.5	55.8	52.8	107.0
1970-----	26.7	25.0	.5	40.1	64.6	62.0	150.0
1971-----	20.6	22.4	.5	30.4	52.3	58.2	147.9
1972-----	22.6	23.4	.4	29.7	52.7	56.4	131.5
1973-----	22.6	22.3	.5	33.7	55.6	60.7	149.0
1974-----	21.0	21.3	.6	35.0	55.8	62.8	166.9

1/ Partially estimated from official statistics of the U.S. Department of Commerce.

2/ The figure for imports in 1960 is attributable primarily to the entry in that year of most of the imports permissible within the quota in the 1st and 2d quota years. As a result, the figures for apparent consumption and the ratios of imports to apparent consumption and to production for 1960 and 1961 are of only qualified significance.

3/ Adjusted to include close estimates of the production and shipments of 4 U.S. producers who did not submit data requested by the U.S. International Trade Commission. These manufacturers accounted for 7.5 percent of the quantity of sales in 1966.

Source: Compiled from data submitted to the U.S. International Trade Commission by producers and importers of stainless steel flatware and from official statistics of the U.S. Customs Service and U.S. Department of Commerce, except as noted.

Table 21.--Stainless steel table flatware: U.S. production, by major producers, 1969-74, January-September 1974, and January-September 1975 1/

\* \* \* \* \*

Table 22.--Stainless steel table flatware: 1/ U.S. producers' shipments, imports for consumption, exports of domestic merchandise, and apparent consumption, 1968-74, January-September 1974, and January-September 1975

Item	Shipments	Imports	Exports	Apparent consumption	Ratio of imports to consumption
	<u>1,000 dozen</u> <u>pieces</u>	<u>1,000</u> <u>dozen</u> <u>pieces</u>	<u>1,000</u> <u>dozen</u> <u>pieces</u>	<u>1,000 dozen</u> <u>pieces</u>	<u>Percent</u>
1968-----	27,037	18,370	499	44,908	40.9
1969-----	26,827	29,473	505	55,795	52.8
1970-----	25,011	40,097	481	64,627	62.0
1971-----	22,440	30,425	550	52,315	58.2
1972-----	23,358	29,726	400	52,684	56.4
1973-----	22,321	33,727	473	55,575	60.7
1974-----	21,363	35,038	565	55,836	62.8
January-September--					
1974-----	16,167	27,780	405	43,542	63.8
1975-----	12,083	26,324	197	38,210	68.9

1/ Statistics are not available for U.S. producers' shipments of either quota-type or nonquota-type flatware. Moreover, no production or shipments of certain other nonquota flatware were reported by U.S. stainless steel flatware producers. Imports of such flatware are shown in table 6.

Source: U.S. producers' shipments compiled from data submitted in response to questionnaires of the U.S. International Trade Commission; imports and exports compiled from official statistics of U.S. Department of Commerce.



Table 23.--Stainless steel table flatware: Shipments by Oneida, Ltd., Insilco Corp., and all other U.S. producers, 1969-74, January-September 1974, and January-September 1975

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Table 24.--Table flatware: Shipments of all types of table flatware produced in U.S. establishments in which stainless steel table flatware is produced, 1951-74, January-September 1974, and January-September 1975 <sup>1/</sup>

(In thousands of dozen pieces)					
Period	: Stainless steel	: Silver-plated	: Sterling silver	: Other <sup>2/</sup>	: Total
1951-----	11,379	15,763	993	2,211	30,346
1952-----	9,306	11,824	922	1,572	23,624
1953-----	10,827	12,957	1,285	1,920	26,989
1954-----	10,800	12,284	994	1,281	25,359
1955-----	14,654	10,946	1,034	1,255	27,889
1956-----	14,392	9,547	1,024	1,204	26,167
1957-----	13,207	6,748	857	1,439	22,251
1958-----	14,887	6,478	782	1,601	23,748
1959-----	18,594	6,971	822	704	27,091
1960-----	18,654	5,792	793	497	25,736
1961-----	18,877	5,233	802	411	25,323
1962-----	21,089	4,691	654	443	26,877
1963-----	22,100	4,805	497	378	27,780
1964-----	26,729	4,626	472	<sup>3/</sup> 510	32,337
1965-----	27,210	5,211	573	<sup>3/</sup> 415	33,409
1966-----	30,043	<sup>4/</sup>	602	<sup>4/</sup>	30,645
1967 <sup>5/</sup> -----	29,350	<sup>4/</sup>	588	<sup>4/</sup>	29,938
1968 <sup>5/</sup> -----	26,865	4,965	508	<sup>3/</sup> 172	32,510
1969-----	26,827	<sup>6/</sup> 4,846	<sup>6/</sup> 437	<sup>7/</sup>	32,110
1970-----	25,011	<sup>6/</sup> 4,037	<sup>6/</sup> 369	<sup>7/</sup>	29,417
1971-----	22,440	<sup>6/</sup> 3,543	<sup>6/</sup> 423	<sup>7/</sup>	26,406
1972-----	23,070	3,308	472	279	27,129
1973-----	22,043	2,874	457	278	25,652
1974-----	21,112	2,096	300	251	23,759
Jan.-Sept. --					
1974-----	16,012	1,637	223	155	18,027
1975-----	11,921	1,183	146	162	13,412

<sup>1/</sup> This table shows sales data only for manufacturers of stainless steel table flatware during the years in which they produced such flatware. The data on sales of stainless steel table flatware, therefore, are complete, but the data on sales of other types of flatware include only the sales by the manufacturers of stainless steel table flatware.

<sup>2/</sup> Includes gold-plated, tin-plated, nickel-plated, and chrome-plated flatware, flatware of metals (such as nickel silver) other than stainless steel, and flatware with handles of nonmetallic materials.

<sup>3/</sup> Data not strictly comparable with those for preceding years.

<sup>4/</sup> Withheld to avoid disclosing figures for individual companies.

<sup>5/</sup> Excludes data for 4 producers which did not submit questionnaires.

<sup>6/</sup> Estimated.

<sup>7/</sup> Not available.

Source: Compiled from data submitted to the U.S. International Trade Commission by U.S. producers of stainless steel table flatware. Data supplied to the Commission by individual producers and the Sterling Silversmiths Guild of America.

Table 25.--Stainless steel table flatware: Average unit values of domestic shipments, exports, imports, and shipments of imports, by companies, 1973 and 1974

\* \* \* \* \*

Table 26.--Stainless steel table flatware: U.S. producers' inventories of finished flatware, and shipments, 1951-74, January-September 1974, and January-September 1975

Period	Inventories at end:		Shipments		
	of period 1/				
	Quantity	Ratio to shipments	Quantity	F.o.b. factory value	Average unit value
	<u>1,000</u> <u>dozen</u> <u>pieces</u>	<u>Percent</u>	<u>1,000</u> <u>dozen</u> <u>pieces</u>	<u>1,000</u> <u>dollars</u>	<u>Per</u> <u>dozen</u> <u>pieces</u>
1951-----	1,160	10.2	11,379	20,140	\$1.77
1952-----	1,131	12.2	9,306	16,830	1.81
1953-----	1,309	12.1	10,827	19,723	1.82
1954-----	1,548	14.3	10,800	20,688	1.92
1955-----	1,699	11.6	14,654	28,323	1.93
1956-----	2,009	14.0	14,392	31,241	2.17
1957-----	1,525	11.5	13,207	29,626	2.24
1958-----	2,035	13.7	14,887	31,554	2.12
1959-----	2,050	11.0	18,594	38,515	2.07
1960-----	2,802	15.0	18,654	39,163	2.10
1961-----	2,465	13.1	18,877	40,522	2.15
1962-----	2,796	13.3	21,089	43,276	2.05
1963-----	2,242	10.1	22,100	47,084	2.13
1964-----	3,388	12.7	26,729	59,709	2.23
1965-----	3,602	13.2	27,210	62,668	2.30
1966-----	3,610	12.0	30,043	69,159	2.30
1967 <u>2/</u> -----	4,286	14.6	29,350	72,807	2.48
1968 <u>2/</u> -----	4,038	15.0	26,865	70,034	2.60
1969-----	4,688	17.5	26,827	68,960	2.57
1970-----	6,478	25.9	25,011	65,581	2.62
1971-----	5,076	22.6	22,440	62,091	2.77
1972-----	4,748	20.6	23,070	66,733	2.89
1973-----	5,638	25.6	22,043	67,334	3.05
1974-----	5,125	24.3	21,112	74,243	3.52
January-September--	:	:	:	:	:
1974-----	4,587	28.6	16,012	55,622	3.47
1975-----	4,692	39.4	11,921	46,826	3.93

1/ Includes an estimate (less than 1 percent of the total in any year) derived from data on production and sales.

2/ Excludes data for 4 producers which did not submit questionnaires.

Source: Compiled from data submitted to the U.S. International Trade Commission by U.S. producers of stainless-steel flatware, except as noted.

Table 27.--Stainless steel table flatware: U.S. exports of domestic merchandise, 1951-74, January-September 1974, and January-September 1975

Period	Quantity	Value	Average value per dozen pieces
	Dozen pieces		
1951-----	207,845	\$238,519	\$1.15
1952-----	202,952	235,898	1.16
1953-----	146,799	172,312	1.17
1954-----	96,736	143,614	1.48
1955-----	143,709	200,737	1.40
1956-----	82,180	138,214	1.68
1957-----	81,918	155,128	1.89
1958-----	1,291,757	1,536,076	1.19
1959-----	327,095	467,799	1.43
1960-----	190,648	437,640	2.30
1961-----	211,725	511,686	2.42
1962-----	177,859	382,286	2.15
1963-----	231,218	455,181	1.97
1964-----	267,345	593,810	2.22
1965-----	333,881	842,047	2.52
1966-----	449,466	1,244,406	2.77
1967 <u>1</u> /-----	383,724	1,090,875	2.84
1968 <u>1</u> /-----	498,743	1,572,105	3.15
1969-----	504,630	1,628,171	3.23
1970-----	481,294	1,744,782	3.63
1971-----	550,197	2,299,335	4.18
1972-----	399,730	1,834,165	4.59
1973-----	472,837	2,393,831	5.06
1974-----	564,954	2,979,547	5.27
January-September--			
1974-----	405,276	2,059,023	5.08
1975-----	196,952	1,220,618	6.20

1/ Excludes data for 4 producers which did not submit questionnaires.

Source: Compiled from data submitted to the U.S. International Trade Commission by U.S. producers of stainless-steel table flatware.

Table 28.--Stainless steel table flatware: Average number of employees, average number of production and related workers, and man-hours worked by production and related workers in establishments engaged in the production of stainless-steel table flatware, for all operations of the establishments and for production of stainless steel table flatware alone, 1959-74, January-September 1974, and January-September 1975

Period	Average number of employees--		Average number of production and related workers--		Man-hours worked by production and related workers--		Ratio of man-
	Engaged in all operations of establishments		Engaged in production of stainless steel table flatware 1/		In all operations of establishments		hours worked on stainless steel table flatware to man-hours worked on all products
					Thousands	Thousands	Percent
1959-----	8,383	3,019	6,580	2,435	13,803	5,079	37
1960-----	8,155	3,164	6,369	2,484	12,997	5,110	39
1961-----	8,404	2,973	6,671	2,401	13,543	4,886	36
1962-----	9,066	3,457	7,124	2,850	14,339	5,744	40
1963-----	9,773	3,607	7,618	2,819	15,681	5,889	37
1964-----	8,398	4,092	6,867	3,434	14,838	7,394	50
1965-----	8,757	3,957	7,282	3,277	15,610	7,109	46
1966-----	9,069	4,073	7,600	3,420	16,356	7,411	45
1967 2/-----	3/ 7,413	3/ 3,763	3/ 5,816	3/ 3,024	3/ 14,128	3/ 7,333	52
1968 2/-----	7,365	3,496	5,682	2,841	13,392	6,635	50
1969-----	9,633	3,915	8,004	3,202	14,925	6,003	40
1970-----	8,696	3,597	7,052	3,103	12,547	5,527	44
1971-----	8,017	3,269	5,584	2,457	11,203	4,894	44
1972-----	8,353	3,310	6,598	2,771	12,337	5,237	42
1973-----	8,694	3,300	6,544	2,552	13,257	5,174	39
1974-----	8,425	3,298	6,383	2,362	12,906	5,143	40
January-September--							
1974-----	8,151	3,274	6,389	2,364	9,762	3,627	37
1975-----	6,676	2,647	5,083	1,932	7,374	2,823	38

1/ Estimated by applying the ratio of man-hours worked by production and related workers on stainless steel table flatware to man-hours worked by such workers on all products to the reported number of employees on all products.

2/ Excludes data for 4 producers which did not submit questionnaires.

3/ Sharp decline attributable to the consolidation of stainless steel table flatware operations into 1 facility by each of 2 producers.

Source: Compiled from data submitted to the U.S. International Trade Commission by U.S. producers of stainless steel table flatware, except as noted.

Table 29.--Number of U.S. manufacturers, production, average number of employees engaged in producing stainless steel table flatware, total and production and related workers, man-hours worked by the latter, and their productivity per man-hour, 1951-74, January-September 1974, and January-September 1975

Period	Number of U.S. manu- facturers	Production 1,000 dozen pieces	Average number of employees (All persons)	Production and related workers			
				Average number 1/	Man-hours worked	Productivity per man-hour	
						Quantity	Value 2/
						Dozen pieces	
1951-----	18	11,893	2,336	2,021	4,253	2.8	\$4.95
1952-----	18	9,304	2,011	1,721	3,624	2.6	4.65
1953-----	19	11,020	2,182	1,882	4,056	2.7	4.94
1954-----	23	11,051	2,390	1,972	4,115	2.7	5.16
1955-----	22	14,848	3,080	2,501	5,329	2.8	5.38
1956-----	21	14,695	2,987	2,382	5,037	2.9	6.33
1957-----	21	13,079	2,888	2,248	4,658	2.8	6.29
1958-----	20	15,030	3,057	2,326	4,760	3.2	6.69
1959-----	19	18,480	3,019	2,435	5,079	3.6	7.45
1960-----	19	19,332	3,164	2,484	5,110	3.8	7.98
1961-----	19	18,467	2,973	2,401	4,886	3.8	8.17
1962-----	20	21,339	3,457	2,850	5,744	3.7	7.58
1963-----	20	21,366	3,607	2,819	5,889	3.6	7.67
1964-----	19	27,862	4,092	3,434	7,394	3.8	8.47
1965-----	19	27,409	3,957	3,277	7,109	3.9	8.97
1966-----	19	30,262	4,073	3,420	7,411	4.1	9.40
1967 3/-----	19	30,403	3,763	3,024	7,333	4.1	10.28
1968 3/-----	19	26,516	3,496	2,841	6,635	4.0	10.38
1969-----	15	27,537	3,915	3,202	6,003	4.6	11.82
1970-----	15	26,726	3,597	3,103	5,527	4.8	12.58
1971-----	15	20,582	3,269	2,457	4,894	4.2	11.63
1972-----	15	22,618	3,310	2,771	5,237	4.3	12.43
1973-----	15	22,640	3,300	2,552	5,174	4.4	10.65
1974-----	15	20,995	3,298	2,362	5,143	4.1	14.43
January-September--							
1974-----	15	14,918	3,274	2,364	3,627	4.1	14.23
1975-----	15	11,474	2,647	1,932	2,823	4.1	16.11

1/ Estimated by applying the ratio of man-hours worked by production and related workers on stainless steel table flatware to man-hours worked by such workers on all products to the reported number of employees on all products.

2/ Estimated by multiplying the number of dozens of pieces of flatware produced per man-hour by the average value of shipments per dozen pieces.

3/ Excludes data for 4 producers which did not submit questionnaires.

Source: Compiled from data submitted to the U.S. International Trade Commission by U.S. producers of stainless steel table flatware, except as noted.

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Table 32.--Stainless steel table flatware: Profit-and-loss experience of 13 U.S. producers on the overall operations of their establishments producing stainless steel table flatware, accounting years 1969-75 1/

Item	1969 <u>2/</u>	1970	1971	1972	1973	1974	1975 <u>3/</u>
Percent of U.S. producers' sales of stainless steel table flatware accounted for by reporting producers-----	98	99	99	99	99	99	98
Net sales-----1,000 dollars--	202,652	186,548	195,801	220,458	239,883	260,006	157,223
Cost of goods sold-----do----	138,918	131,342	139,939	154,649	167,396	185,422	114,627
Gross profit-----do-----	63,734	55,206	55,862	65,809	72,847	74,584	42,596
Administrative, general, and selling expense 1,000 dollars--	39,448	39,519	41,834	49,520	53,831	58,345	39,681
Net operating profit-----do----	24,286	15,687	14,028	16,289	18,656	16,239	2,915
Other income or (expense) net-----do----	(2,359)	(2,175)	(1,889)	(1,732)	(4,488)	(4,724)	(291)
Net profit before income taxes-----do----	21,927	13,512	12,139	14,557	14,168	11,515	2,624
Ratio of net operating profit to net sales percent--	12.0	8.4	7.2	7.4	7.8	6.2	1.9
Ratio of net profit before income taxes to net sales-----percent--	10.8	7.2	6.2	6.6	5.9	4.4	1.7
Percent of net sales accounted for by domestically produced stainless steel table flatware sales-----	33	35	31	30	28	29	27

1/ The accounting year for 7 producers ended Dec. 31, and that for each of the other 6 producers ended on Jan. 31 or Nov. 30, or between those dates.

2/ Data available for only 12 producers.

3/ Data available for only 12 producers for interim 1975 accounting period. Data are for a 12-month accounting period for 1 producer, a 9-month accounting period for 7 producers, an 8-month accounting period for 2 producers, a 10-month accounting period for 1 producer, and a 3-month accounting period for 1 producer.

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

Table 33.--Stainless steel table flatware: Profit-and-loss experience of U.S. producers on the over-all operations of their establishments producing stainless steel table flatware, accounting years 1959-68 1/

Year	Net sales	Net operating profit	Ratio of net operating profit to net sales
	<u>1,000 dollars</u>	<u>1,000 dollars</u>	<u>Percent</u>
1959-----	144,926	10,415	7.2
1960-----	139,906	7,635	5.5
1961-----	141,104	8,229	5.8
1962-----	142,086	9,008	6.3
1963-----	145,078	9,989	6.9
1964-----	155,377	14,145	9.1
1965-----	178,635	19,579	11.0
1966-----	195,152	21,405	11.0
1967-----	193,844	22,625	11.7
1968-----	202,540	22,839	11.3

1/ Data are for 16 producers for the year 1959, 17 producers for the period 1960-66, and 15 producers for each of the years 1967 and 1968.

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

Table 34.--Stainless steel table flatware: Profit-and-loss experience of 12 U.S. producers on their operations producing stainless steel table flatware, accounting years 1969-75 <sup>1/</sup>

Item	1969 <sup>2/</sup>	1970	1971	1972	1973	1974	1975 <sup>3/</sup>
Percent of U.S. producers' total sales of stainless steel table flatware accounted for by reporting producers-----	97	98	98	98	98	98	97
Net sales-----1,000 dollars--	67,822	64,813	61,316	65,176	68,021	74,123	42,544
Cost of goods sold-----do----	49,183	46,787	44,505	46,577	49,730	56,176	33,076
Gross profit-----do----	18,639	18,026	16,811	18,599	18,291	17,947	9,468
Administrative, general, and selling expense 1,000 dollars--	13,521	13,519	12,697	12,531	13,180	13,172	9,213
Net operating profit-----do----	5,118	4,507	4,114	6,068	5,111	4,775	255
Ratio of net operating profit to net sales percent--	7.5	7.0	6.7	9.3	7.5	6.4	0.6

<sup>1/</sup> The accounting year for 7 producers ended Dec. 31, and that for each of the other 5 producers ended on Jan. 31, or Nov. 30, or between those dates.

<sup>2/</sup> Data available for only 11 producers.

<sup>3/</sup> Data available for only 12 producers for interim 1975 accounting period. Data are for a 12-month accounting period for 1 producer, a 9-month accounting period for 7 producers, an 8-month accounting period for 2 producers, and a 10-month accounting period for 1 producer.

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

Table 35.--Stainless steel table flatware: Profit-and-loss experience of U.S. producers on their operations producing stainless steel table flatware, accounting years 1959-75

Item	1959	1960	1961	1962	1963	1964	1965	1966	1967
Number of producers included-----	14	14	14	14	14	13	13	13	12
Percent of U.S. producers' total sales of stainless steel table flatware accounted for by the reporting producers-----	97	96	96	97	97	90	94	92	<u>1/</u>
Ratio of the reporting producers' sales of stainless steel table flatware to their sales of all products made in the same establishments-----percent--	27	27	29	30	33	38	35	35	38
Net sales of stainless steel table flatware-----1,000 dollars--	37,866	37,155	39,676	42,548	47,430	54,717	59,709	64,777	71,482
Net operating profit before income taxes-----1,000 dollars--	1,281	1,241	1,094	1,844	2,179	5,059	5,409	5,463	7,641
Ratio of net operating profit to net sales-----percent--	3.4	3.3	2.8	4.3	4.6	9.2	9.1	8.4	10.7
Number of producers reporting losses--	2	3	5	5	5	3	4	2	2

See footnotes at end of table.

Table 35.--Stainless steel table flatware: Profit-and-loss experience of U.S. producers on their operations producing stainless steel table flatware, accounting years 1959-75--Continued

Item	1968	1969	1970	1971	1972	1973	1974	1975 <u>2/</u>
Number of producers included-----	12	11	12	12	12	12	12	11
Percent of U.S. producers' total sales of stainless steel table flatware accounted for by the reporting producers-----	<u>1/</u>	97	98	98	98	98	98	97
Ratio of reporting producers' sales of stainless steel table flatware to their sales of all products made in the same establishments percent--	35	33	35	31	30	28	29	27
Net sales of stainless steel table flatware-----1,000 dollars--	69,240	67,822	64,813	61,316	65,176	68,021	74,123	42,544
Net operating profit before income taxes-----1,000 dollars--	5,799	5,118	4,507	4,114	6,068	5,111	4,775	255
Ratio of net operating profit to net sales-----percent--	8.4	7.5	7.0	6.7	9.3	7.5	6.4	0.6
Number of producers reporting losses--	6	5	6	5	5	7	7	7

1/ Not available.

2/ Data are for a 12-month accounting period for 1 producer, a 9-month accounting period for 7 producers, an 8-month accounting period for 2 producers, and a 10-month accounting period for 1 producer.

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

Table 36.--Stainless steel table flatware: Overall company financial condition of 5 U.S. producers, accounting years 1969-74 1/

Item	1969	1970	1971	1972	1973	1974
Current assets:						
Cash-----1,000 dollars--	1,043	1,362	1,447	1,383	1,697	1,440
Trade accounts receivable--net-----do-----	13,056	12,220	13,580	14,408	17,624	17,828
Inventories-----do-----	22,105	25,367	24,116	25,389	33,794	35,301
Other current assets-----do-----	451	474	502	616	627	1,026
Total current assets-----do-----	36,655	39,423	39,645	41,796	53,742	55,595
Property, plant, machinery, and equipment--net of reserve for depreciation-----1,000 dollars--	17,751	17,767	17,479	17,166	20,259	22,401
Other assets, including investments-----do-----	1,720	2,509	2,003	2,189	2,179	2,289
Total assets-----do-----	56,126	59,699	59,127	61,151	76,180	80,285
Current liabilities:						
Accounts payable-----1,000 dollars--	2,534	2,541	2,392	2,649	3,962	3,972
Notes and loans payable-----do-----	1,997	4,281	3,805	2,699	9,123	10,008
Accrued expenses and payroll taxes-----do-----	2,748	2,350	2,701	2,933	3,959	3,905
Income taxes payable-----do-----	895	607	275	1,348	1,133	956
Other current liabilities-----do-----	614	1,449	630	666	635	690
Total current liabilities-----do-----	8,788	11,228	9,803	10,295	18,812	19,531
Long term debt-----do-----	15,651	14,901	13,857	13,110	17,430	18,683
Deferred credits and reserves-----do-----	1,248	1,494	1,653	1,598	1,534	1,717
Stockholders' equity:						
Capital stock-----do-----	11,435	11,461	11,650	11,730	11,806	11,896
Paid in surplus-----do-----	9	35	399	518	579	604
Retained earnings-----do-----	18,995	20,580	21,765	23,900	26,019	27,854
Total stockholders' equity-----do-----	30,439	32,076	33,814	36,148	38,404	40,354
Total liabilities and stockholders' equity-----do-----	56,126	59,699	59,127	61,151	76,180	80,285
Working capital ratio-----percent--	4.2 to 1	3.5 to 1	4.0 to 1	4.1 to 1	2.9 to 1	2.8 to 1
Total company net sales-----1,000 dollars--	75,496	76,116	79,974	87,303	97,196	109,576
Net profit after income taxes-----do-----	2,523	2,345	2,162	3,260	3,433	3,054
Ratio of net profit after income taxes to--						
Net sales-----percent--	3.4	3.1	2.7	3.7	3.5	2.8
Total assets-----do-----	4.5	3.9	3.7	5.3	4.5	3.8
Stockholders' equity-----do-----	8.3	7.3	6.4	9.0	8.9	7.6
Net sales per dollar of total assets-----	\$1.34	\$1.28	\$1.35	\$1.43	\$1.28	\$1.36
Ratio of sales of U.S. produced stainless steel flatware to total company net sales-----percent--	48.7	50.8	50.5	51.6	50.4	51.4

1/ The accounting year for 2 producers ended Dec. 31. Accounting years of the other 3 producers ended Jan. 31, June 30, and July 31.

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

A-118 through A-140

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APPENDIX B

PROCLAMATION 4076: ESTABLISHMENT OF TARIFF-RATE QUOTA  
ON CERTAIN STAINLESS STEEL FLATWARE

# Presidential Documents

## Title 3—The President

### PROCLAMATION 4076

## Establishment of Tariff-Rate Quota on Certain Stainless Steel Flatware

*By the President of the United States of America*

### A Proclamation

1. WHEREAS, pursuant to the authority vested in him by the Constitution and the statutes, including section 350(a) of the Tariff Act of 1930, as amended (19 U.S.C. 1351; hereinafter referred to as "the Tariff Act"), on October 30, 1947 the President entered into, and by Proclamation No. 2761A of December 16, 1947 (61 Stat. 1103) proclaimed, a trade agreement with certain foreign countries designated as the General Agreement on Tariffs and Trade (61 Stat. (pt. 5) A11; hereinafter referred to, as supplemented from time to time, as "the General Agreement");

2. WHEREAS the President has supplemented and modified the General Agreement and Proclamation No. 2761A by many subsequent agreements and proclamations, including;

(a) the Torquay Protocol of April 21, 1951 to the General Agreement (3 UST (pt. 1) 615; hereinafter referred to as "the Torquay Protocol") proclaimed by Proclamation No. 2929 of June 2, 1951 (65 Stat. C12);

(b) the Protocol of March 10, 1955 Amending the Preamble and Parts II and III of the General Agreement (8 UST (pt. 2) 1768; hereinafter referred to as "the 1955 Protocol") proclaimed by Proclamation No. 3513 of December 28, 1962 (77 Stat. 970, 979);

(c) the Sixth Protocol of Supplementary Concessions of May 23, 1956 to the General Agreement (7 UST (pt. 2) 1086; hereinafter referred to as "the Sixth Protocol") proclaimed by Proclamation No. 3140 of June 13, 1956 (70 Stat. C33);

(d) the Geneva (1967) Protocol of June 30, 1967 to the General Agreement (19 UST (pt. 1) 18) proclaimed by Proclamation No. 3822 of December 16, 1967 (82 Stat. 1455);

3. WHEREAS the General Agreement as originally concluded and several of the agreements supplementary thereto contain a schedule of United States concessions designated as Schedule XX;

4. WHEREAS item 355 in part I of Schedule XX to the Torquay Protocol provided for, and Proclamation No. 2929 proclaimed, concessions on certain knives and forks with stainless steel handles; and item 339 in part I of Schedule XX to the Sixth Protocol provided for, and Proclamation No. 3140 proclaimed, concessions on certain spoons with stainless steel handles;

## THE PRESIDENT

5. WHEREAS Proclamation No. 3548 of August 21, 1963 (77 Stat. 1017) gave effect to the Tariff Schedules of the United States (hereinafter referred to as "the TSUS") and proclaimed, with modifications, the concession rates of duty for knives, forks and spoons with stainless steel handles in column numbered 1 of items 650.09, 650.11, 650.39, 650.41 and 650.55 of the TSUS;

6. WHEREAS part I of Schedule XX to the Geneva (1967) Protocol (19 UST (pt. 2) 1227, 1626-1628) recognized the continuation, in items 650.08, 650.10, 650.38, 650.40 and 650.54, of such prior concessions, with the modifications made by Proclamation No. 3548, in the case of knives, forks and spoons with stainless steel handles valued under 25 cents each and not over 10.2 inches in overall length (hereinafter referred to as "stainless steel flatware") and Proclamation No. 3822, without modifying the rates of duty applicable thereto, proclaimed the modification of the classification of stainless steel flatware in the TSUS to correspond with its classification in such Protocol;

7. WHEREAS Article XXVIII of the General Agreement, as amended by the 1955 Protocol and proclaimed by Proclamation No. 3513, provides that a contracting party may, on compliance with specified procedures, modify or withdraw concessions in its schedules to the General Agreement;

8. WHEREAS, pursuant to the procedures of Article XXVIII, the stainless steel flatware concessions under the General Agreement have been modified by the insertion of a note after note 5 in unit E of chapter 3 of section 6 of part I of Schedule XX to the Geneva (1967) Protocol, so as to permit the establishment of the tariff-rate quota hereinafter proclaimed;

9. WHEREAS, in accordance with such note, the average imports from sources of supply during calendar years 1968 and 1969 are to be used for the sole purpose of providing a basis for the allocation of the tariff-rate quota hereinafter proclaimed among such sources and I determine that the allocation of such tariff-rate quota on such basis shall be as hereinafter proclaimed;

10. WHEREAS, subject to certain limitations, section 350 (a)(1)(B) of the Tariff Act and section 201(a)(2) of the Trade Expansion Act of 1962 authorize the President to proclaim such modifications of duties as are required or appropriate to carry out trade agreements entered into under sections 350(a) and 201(a) of such Acts, respectively, and I determine that the modifications of duties hereinafter proclaimed are appropriate to carry out Article XXVIII of the General Agreement;

11. WHEREAS section 350(a)(6) of the Tariff Act and section 255(b) of the Trade Expansion Act of 1962 authorize the President at any time to terminate, in whole or in part, any proclamations made under sections 350(a) and 201(a) of such Acts, respectively, and I determine it is appropriate to terminate in part certain of such proclamations with respect to certain articles for such time as the tariff-rate quota hereinafter proclaimed remains in effect;

## THE PRESIDENT

16563

NOW, THEREFORE, I, RICHARD NIXON, President of the United States of America, acting under the authority vested in me by the Constitution and the statutes, including section 350(a)(1)(B) of the Tariff Act of 1930, as amended, and section 201(a)(2) of the Trade Expansion Act of 1962 and, as separate and additional authority, section 350(a)(6) and section 255(b) of such Acts, respectively, and in accordance with Article XXVIII of the General Agreement, do proclaim as follows:

1. I hereby establish a tariff-rate quota with respect to stainless steel flatware so that the rates of duty provided in column numbered 1 of the TSUS shall be the same as the rates of duty now provided in column numbered 2 thereof with respect to any such flatware entered in excess of such quota. To that end the new subpart D set out in the annex to this proclamation shall be inserted after subpart C of part 2 of the Appendix to the TSUS.

2. I hereby modify the duties proclaimed by the proclamations referred to in recitals 4 and 5 above to the extent necessary to give effect to the tariff-rate quota established hereby, for such time as such quota remains in effect; and I hereby terminate in part such proclamations to such extent and for such time.

3. The tariff-rate quota established hereby shall be effective as to articles entered, or withdrawn from warehouse, for consumption on and after the first day of October 1971.

IN WITNESS WHEREOF, I have hereunto set my hand this 21st day of August, in the year of our Lord one thousand nine hundred and seventy-one, and of the Independence of the United States of America the one hundred and ninety-sixth.



THE WHITE HOUSE,  
Washington, D.C.

## THE PRESIDENT

## ANNEX

## SUBPART D.—OTHER TEMPORARY MODIFICATIONS

*Subpart D headnotes:*

1. This subpart contains temporary modifications of the provisions of the tariff schedules (other than modifications for balance of payments purposes) proclaimed by the President pursuant to his authority to modify duties as required or appropriate to carry out trade agreements (section 350(a)(1)(B) of the Tariff Act of 1930, as amended, and section 201(a)(2) of the Trade Expansion Act of 1962) and/or pursuant to his authority to terminate proclamations in part (section 350(a)(6) and section 255(b) of such acts, respectively). The rates of duty provided for in this subpart apply only with respect to articles entered during the period specified in the last column.

2. *Stainless Steel Flatware Tariff-Rate Quota.*—

(a) The tariff-rate quota with respect to knives, forks and spoons with stainless steel handles, valued under 25 cents each and not over 10.2 inches in over-all length, provided for in items 949.00 through 949.08, was established by the President pursuant to section 350(a)(1)(B) and (a)(6) of the Tariff Act of 1930, as amended, and sections 201(a)(2) and 255(b) of the Trade Expansion Act of 1962.

(b) The tariff rate quota—

(i) shall be allocated among sources of supply and administered on a calendar quarter basis;

(ii) may be increased for each calendar quarter in any calendar year commencing with the calendar year 1972, by an increase in the quarterly allocations over the allocations for the last quarter of the immediately preceding calendar year by the percentage (not in excess of 6 percent) which the President determines is the percentage increase in United States consumption of knives, forks and spoons with stainless steel handles during such preceding calendar year over the next preceding calendar year, unless economic conditions in the United States industry producing such articles indicate that a smaller growth rate or no growth rate is warranted; notice of any such increase shall be given by the President to the Secretary of the Treasury and published in the *Federal Register*; any such increase shall take effect on the first day of the calendar quarter next succeeding the date of such publication and shall remain in effect until further increased under this subparagraph;

(iii) shall be administered so that if any quantity of a product of a particular source of supply which is permitted to be entered within the tariff-rate quota during any calendar quarter is not entered, the difference between the allocation to such source for such quarter and the quantity which was entered and charged against the quota from such source, or 10 percent of such allocation, whichever is the lesser, may be entered during the immediately following calendar quarter; provided that any increased quantity permitted under this subparagraph shall not be considered part of such source's allocation for any quarter;

(iv) shall be administered so that if it becomes effective, or is increased, after the beginning of a calendar quarter, the quantity entitled to enter, or the amount of the increase which may be entered, during the unexpired portion of such quarter as originating from each source of supply shall be the quantity as so effective, or the amount of the increase, for such calendar quarter, less 1/90 thereof for each day that has expired in such quarter;

(v) shall be administered so that each single unit entered in a set shall be counted in determining the number of units entered during any calendar quarter.

(c) As promptly as practicable in each calendar year (beginning with 1972), the Tariff Commission shall determine the apparent United States consumption of knives, forks and spoons with stainless steel handles during the preceding calendar year and shall report such determination to the President. In its first report, the Commission shall also determine the apparent United States consumption of such articles during the calendar year 1970.

	Rates of duty		Effective period
	1	2	
Knives, forks and spoons; all the foregoing valued under 25 cents each, not over 10.2 inches in overall length, and with stainless steel handles (provided for in items 650.08, 650.10, 650.38, 650.40, 650.54 and, if included in sets, 651.75 of part 3E of schedule 6):			On or before September 30, 1976 unless extended by the President:

## THE PRESIDENT

16565

		Rates of duty		Effective period
		1	2	
	For the following aggregate quantities of single units, which are the product of the specified sources of supply and are subject to the rates set forth in rates of duty column numbered 1, entered in any calendar quarter in any calendar year (see headnote 2 of this subpart with respect to possible increases in these quantities)—			
	Japan..... 33, 000, 000			
	Republic of China..... 6, 300, 000			
	Republic of Korea..... 4, 800, 000			
	Hong Kong... 1, 500, 000			
	European Economic Community (an instrumentality of the Governments of the Kingdom of Belgium, the French Republic, the Federal Republic of Germany, the Republic of Italy, the Grand Duchy of Luxembourg, and the Kingdom of the Netherlands)..... 1, 500, 000			
	United Kingdom..... 600, 000			
	Other..... 900, 000:			
949. 00	Knives and forks: With handles not containing nickel and not containing over 10 percent by weight of manganese (items 650.08 and 650.38).	1¢ each + 12.5% ad val.	No change.	
949. 02	With handles containing nickel or containing over 10 percent by weight of manganese (items 650.10 and 650.40).	1¢ each + 17.5% ad val.	No change.	
949. 04	Spoons (item 650.54). ....	17% ad val. ...	No change.	
949. 06	Other: Knives and forks (item 650.08, 650.10, 650.38 and 650.40).	2¢ each + 45% ad val.	No change.	
949. 08	Spoons (item 650.54). ....	40% ad val. ....	No change.	

[FR Doc.71-12505 Filed 8-23-71;11:52 am]

APPENDIX C

INFORMATION ON LOST SALES BY UTICA AND ONEIDA, LTD.

A-148 through A-165

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Library Cataloging Data

U.S. International Trade Commission.

Stainless steel table flatware.

Report to the President on investigation  
no. TA-201-8 under section 201 of the  
Trade act of 1974. Washington, 1976.

49, A1-165 p. illus. 27 cm.  
(U.S. ITC Pub. 759)

1. Tableware, Stainless steel. 2. Cutlery.
- I. Title.