

# STAINLESS STEEL TABLE FLATWARE

**Report to the President on  
Investigation No. TA-201-49  
Under Section 201 of the Trade  
Act of 1974**



**USITC PUBLICATION 1536**

**JUNE 1984**

**UNITED STATES INTERNATIONAL TRADE COMMISSION**

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**Bruce Cates, Office of Investigations**

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**Clark Workman, Office of Economics**

**John Christ, Office of Economics**

**Marvin Claywell, Office of Investigations**

**Frank Schuchat, Office of the General Counsel**

---

**John MacHatton, Supervisory Investigator**

**Address all communications to  
Office of the Secretary  
United States International Trade Commission  
Washington, D.C. 20436**

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





REPORT TO THE PRESIDENT  
ON INVESTIGATION NO. TA-201-49

Stainless Steel Table Flatware

UNITED STATES INTERNATIONAL TRADE COMMISSION  
JUNE 4, 1984

Determination

On the basis of the information developed in the course of investigation No. TA-201-49, the Commission has determined 1/ that knives, forks, spoons, and ladles, with stainless steel handles, 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, item 651.75, of the Tariff Schedules of the United States (TSUS), 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 articles like or directly competitive with the imported articles.

Background

The Commission instituted the present investigation, No. TA-201-49, following the receipt, on December 13, 1983, of a petition for import relief filed on behalf of the Stainless Steel Flatware Manufacturers Association. The investigation was instituted pursuant to section 201(b) of the Trade Act of 1974 (19 U.S.C. 2251(b)) in order to determine whether knives, forks, spoons, and ladles, with stainless steel handles, provided for in items 650.08, 650.09, 650.10, 650.12, 650.38, 650.39, 640.40, 650.42, 650.54, and 650.55, and, if included in sets, item 651.75, of the 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 articles like or directly competitive with the imported articles.

Notice of the institution of the Commission's investigation and of the public hearing to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, D.C., and by publishing the notice in the Federal Register of January 10, 1984 (49 F.R. 1295). The hearing was held in Washington, D.C., on March 29, 1984, and all persons who requested the

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1/ Commissioner Susan Liebeler, who received her oath of office on April 20, 1984, did not participate.

opportunity were permitted to appear in person or through counsel. 1/ The Commission's determination in this investigation was made in an open "Government in the Sunshine" meeting, held on May 1, 1984.

This report is being furnished to the President in accordance with section 201(d)(1) of the Trade Act. The information in the report was obtained from fieldwork and interviews by members of the Commission's staff, and from other Federal agencies, responses to Commission questionnaires, information presented at the public hearing, briefs submitted by interested parties, the Commission's files, and other sources.

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1/ A transcript of the hearing and copies of briefs submitted by interested parties in connection with the investigation were attached to the original report sent to the President. Copies are available for inspection at the U.S. International Trade Commission, except for material submitted in confidence.

VIEWS OF THE COMMISSION 1/

We determine that stainless steel table flatware 2/ (SSTF) is not being imported into the United States in such increased quantities as to be a substantial cause of serious injury or threat of serious injury to the domestic SSTF industry. Accordingly, having found the requirements of section 201 3/ of the Trade Act of 1974 are not satisfied, we do not recommend to the President that relief under section 201 be granted.

Section 201 requires that three conditions be satisfied--(1) that imports are increasing, (2) that the domestic industry is seriously injured or threatened with serious injury, and (3) that the increased imports are a substantial cause of that serious injury or threat thereof. We find that the requirement of increased imports is met. However, we do not find that the domestic industry is seriously injured or threatened with serious injury. Thus, we make a negative determination.

In our views below, we first describe what we consider to be the appropriate domestic industry and discuss certain key factors in its operation. We then address the questions of increased imports and serious injury or threat thereof. Because we have found that the domestic industry is not seriously injured or threatened with serious injury, we do not find it necessary to discuss the third criterion, substantial cause. Finally, we find it appropriate to set forth our views on the adjustment which this industry has made to the current conditions of international competition.

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1/ Commissioner Liebler did not participate in this investigation.

2/ Knives, forks, spoons, and ladles, with stainless steel handles, 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, item 651.75, of the Tariff Schedules of the United States.

3/ 19 U.S.C. § 2251.

Domestic industry

For purposes of a section 201 investigation, the domestic industry consists of the producers of articles which are "like or directly competitive" with an imported article." 4/ Articles are considered to be "like" other articles if they are "substantially identical in inherent or intrinsic characteristics." "Directly competitive" articles are those which, "although not substantially identical in their inherent or intrinsic characteristics, are substantially equivalent for commercial purposes, that is, are adapted to the same uses and are essentially interchangeable therefor." 5/

The imported articles subject to this investigation are all SSTF. SSTF are implements used for serving and eating food. Each type of flatware piece, e.g., knives, forks, and spoons, has a separate primary function at the dining table. However, flatware is commonly used in sets and, thus, is largely imported in sets. The manufacturers of SSTF are generally able to produce the various pieces of a set in the same facility, using substantially the same machinery and labor force. Both domestic and foreign producers are able to manufacture SSTF to comparable specifications, 6/ and apart from some Far Eastern manufacturers substituting more weight for finer grading, no obvious differences distinguish the imported articles from domestically made articles of similar grades and patterns. 7/

SSTF sets can be distinguished by pattern--the shape of a pieces and the designs, if any, on their surface. 8/ However, SSTF is produced and sold in

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4/ 19 U.S.C. § 2251(b)(3).

5/ S. Rep. No. 1298, 93rd Cong., 2d Sess., 122 (1974). Since we find domestically-produced SSTF to be "like" imported SSTF, we do not discuss the issue of "directly competitive" articles.

6/ Report at A-6.

7/ Id.

8/ Report at A-3.

thousands of patterns, many of which differ only slightly from other patterns. 9/ SSTF made by various producers in the United States and elsewhere may also differ in weight, length, gauge (thickness), grading, finish, knife construction and refinement, alloy of stainless steel used, and price. 10/

Thus, we do not consider these distinctions to constitute sufficient differences in characteristics to warrant a finding of different like products or more than one industry. These distinctions merely reflect strategies of competition designed to appeal to consumers or decisions made by individual firms in order to rationalize their production. 11/ Accordingly, we consider the "like" product to be all domestically-produced SSTF corresponding to the above-mentioned TSUS items, and the domestic facilities producing such SSTF to constitute the appropriate domestic industry. 12/

#### Structure of the domestic industry and market

Before turning to our analysis of the statutory criteria of increased imports and serious injury, in this investigation of the SSTF industry, we

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9/ Id.

10/ Report at A-3.

11/ There has been no request to consider each item as a separate product or industry and the Commission has not done so in prior SSTF cases. Stainless Steel Table Flatware, Inv. No. TA-201-8, USITC Pub. 759 (March 1976); Certain Stainless Steel Flatware, Inv. No. TA-201-30, USITC Pub. 884 (May 1978). Dansk International Designs, Ltd. (Dansk), an importer, presented a case for determining that the high end flatware imported by Dansk is not "like" the flatware imports with which the petition is concerned. Post-Hearing Brief filed on behalf of Dansk at 2. We have not made that distinction, and, as acknowledged by Dansk, the issue is now irrelevant in this negative determination.

12/ There are at this time nine firms engaged in the production of SSTF in the United States. These firms are listed in the Report at A-11. Section 201(b)(3)(A) (19 U.S.C. § 2251(B)(3)(A)) states that the Commission, in the case of a domestic producer which also imports, may treat as part of the domestic industry only the domestic production of that firm. Many of these firms also import substantial quantities of SSTF produced in other countries. We consider it appropriate in this investigation to define the domestic industry as consisting of domestic production only.

find it useful to set forth certain conditions which are affecting the operation of this industry. These conditions provide a necessary background for our interpretation of the economic and other indicators of the health of the industry. These factors include the particular role of one company, Oneida, Ltd., in the industry; the role of imports in the SSTF market; and the evolution of two distinct market segments, each affected differently by raw material issues.

In describing and analyzing the operation of the domestic SSTF industry, the role of Oneida, Ltd. emerges as particularly significant. There are currently nine domestic producers of SSTF. However, Oneida alone accounted for over \*\*\* percent 13/ of the quantity and over \*\*\* percent 14/ of the value of all shipments and sales of domestically-produced SSTF in 1983. Oneida also employed over \*\*\* percent 15/ of production and related workers in the industry in 1983 and paid over \*\*\* percent 16/ of total compensation paid to such workers in that year. These figures establish Oneida's overwhelmingly dominant position among domestic producers of SSTF. While we cannot, and do not, ignore the operations of other domestic producers of SSTF, aggregate industry data represent almost solely the operations of Oneida. 17/

The SSTF industry has also been characterized by extremely high ratios of imports to consumption. Over the past six years, imports have accounted for at least 75 percent and more of apparent consumption. We note that import levels, while at a high absolute level and share of the U.S. market, have essentially stabilized.

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13/ Report at A-7.

14/ Id.

15/ Report at A-47.

16/ Report, Table 23.

17/ See discussion *infra* at pp. 11-12.

The overall SSTF market has evolved into two general categories, the high and the low end. 18/ Flatware in the high end of the market is characterized by thicker gauge, greater weight, and greater buffing and polishing and is made of higher chrome and nickel content stainless steel. 19/ The dominant cost elements in this category are direct labor costs to produce the desired finish and overhead costs related to low production rates. 20/ The domestic cost for the stainless steel used in this flatware is comparable to the cost for the same steel in the Far East. 21/ Import penetration at this end of the market is relatively low, in the 20 percent range over the last three years. 22/ The high end segment is dominated by Oneida, but also includes Reed & Barton and Gorham. 23/

Low end flatware is characterized by thinner gauge, lower weight, and lower quality machine finishing; it is made of stainless steel of the 400 series, some of which is 13 percent chrome, some 18 percent chrome, none with nickel. Because the production processes in this segment of the industry are highly automated, the dominant cost element is the cost of the stainless steel, averaging about 60 percent of the manufacturing cost for U.S. producers. 24/

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18/ For purposes of this discussion, we will assume an arbitrary cutoff point between the high end and low end of the market at \$7 per dozen. The proposed relief point of the petitioner was 60 cents per piece, or \$7.20 per dozen. Letter from petitioner, March 13, 1984. The \$7 cutoff point is the closest to \$7.20 for which we have data. Report at Table 15. "High end" and "low end" are terms commonly used in the SSTF industry.

19/ Report at A-5.

20/ Tr. at 134.

21/ Report at A-4.

22/ Report at Table 15.

23/ Neither Reed & Barton nor Gorham support the position of the domestic industry.

24/ Report at A-4.

Domestic manufacturers claim that the lower cost 13 percent chrome steel is no longer available in the U.S., so they use 18 percent chrome steel without the nickel content of the high end raw material. 25/ The domestic price for this steel is approximately twice the world price. U.S. trade barriers in stainless steel in the form of voluntary quotas from 1969-1974, existing formal relief from the 1976 and 1983 section 201 decisions on stainless steel, 26/ and feared charges of dumping have apparently contributed to the artificially high raw material prices the domestic industry must pay. 27/

Imports dominate the low end with an average of 86 percent of units shipped from 1981 to 1983. This market sector accounted for an average of 79 percent of all SSTF units shipped between 1981 and 1983. Of the domestic producers, Oneida is the dominant one in this market segment as well, with Calder, National, Royal, Utica and Ekco also competing.

Thus, there have been important shifts in domestic production since the Commission originally determined in 1976 and in 1978 to recommend relief for this industry from imports. There has been a significant increase over the period of investigation in the unit value of domestic shipments of SSTF, suggesting a shift by producers into higher value products. 28/ At the same time, imports by domestic producers, principally of products on the low end of the product price spectrum, have also increased. It appears that the domestic

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25/ Tr. at 21-22.

26/ Report at A-73.

27/ Tr. at 23. Report at A-74. Japanese manufacturers are reported to have refused to quote 13 percent chrome stainless steel to domestic users, and to have quoted the 18 percent chrome, no nickel content steel to domestic users at prices double the level quoted Far Eastern SSTF producers. It was suggested that the primary reason has been fear of dumping charges.

28/ Report at A-41. This is further confirmed when we look at producer's shipments broken down by value bracket. Shipments valued between \$8-\$10 and above \$10 have both increased by \*\*\* percent from 1978-1983. Report at A-45.



industry generally has made the decision to move away from production for the lower end of the market, while continuing to rely on production for the higher end of the spectrum.

### Increased imports

The requirement in section 201 that imports must be increasing is satisfied where an increase is "either actual or relative to domestic production" (emphasis added). 29/ To make this determination, the Commission must choose an appropriate time period to evaluate the volume of imports.

Congress has not provided the Commission in section 201 with explicit direction on this issue. Usual Commission practice is to consider the most recent five-year period as the relevant period for determining whether imports have increased. 30/ In the present case, import trends were examined over the six-year period 1978-1983 primarily because this period captures the most recent business cycle, and usable data for this period are available.

The quantity of imports of SSTF has fluctuated between 1978 and 1983. The volume of imports in 1983 is actually lower than it was in 1978 or 1981. 31/ Nevertheless, the statute intends that increased imports may be found on the basis of an increase relative to domestic production. It is clear from the history of this legislation that Congress intended relief to be

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29/ 19 U.S.C. § 2251(b)(2)(C). Section 201(b)(2)(c) is not specifically addressed to the issue of whether imports are increasing. Rather, it deals with the types of increased imports which Congress felt could be a substantial cause of the conditions facing a domestic industry. Nevertheless, logically these criteria are relevant to both increased imports and causation.

30/ Birch Plywood Doorskins, Inv. No. TA-201-1, USITC Pub. 743 (October 1975) Views of Commissioner Leonard at 12-19. However, use of a five-year period is not mandatory, and the Commission has in the past used both shorter and longer time periods where appropriate. A five-year period generally includes an entire business cycle. Use of such a period also allows the factoring out of aberrations in annual figures, although no such claims were put forth in the instant case.

31/ Report, Table 8.

available potentially even where there was no absolute increase in imports. 32/ The ratio of imports to domestic production increased markedly between 1982 and 1983. 33/ The ratio in 1983 was at the highest point of the six-year period. Domestic production for 1983 was at the lowest point since 1978, while imports were close to their highest point for the period. We therefore find that the first of the three criteria are satisfied.

No serious injury

The statute sets forth certain economic factors which we are to take into account in making our determination with respect to serious injury. We are also to take into account any other economic factors which we consider relevant. The enumerated factors are--

- 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.
- Significant unemployment or underemployment within the industry. 34/

In examining whether there is significant idling of production facilities, the Commission looks at whether firms have been leaving the business and at the utilization of production capacity. Six firms have ceased production of SSTF since 1977. 35/ Nonetheless, capacity increased slightly,

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32/ The Senate Committee and the Senate were of the view that "unless imports are increasing absolutely, they cannot be a substantial cause of serious injury." S. Rep. No. 1298, 93rd Cong. 2d Sess., 121 (1974). However, this position was not adopted. The House version on this point was adopted in conference. Therefore, the "increasing imports" requirement may be met where imports are declining, but domestic production is declining more rapidly.

33/ Report at A-33.

34/ 19 U.S.C. § 2251(b)(2)(A).

35/ Report at A-11. The largest firm to have ceased production since 1977 was International Silver Company. However, according to testimony presented at the hearing, their exit was due not to imports, but to the combination of a Justice Department ruling against their purchase of an importer, shrinkage of a targeted market segment, and an inability to compete with Oneida in the high end of the market. Tr., 158-160.

in the aggregate, over the period 1978-1983, reflecting an increase in \*\*\* production capacity and in the capacity of \*\*\*. 36/ Domestic production declined during 1978-1983 for all firms, including \*\*\*. 37/ Domestic capacity utilization declined between 1978-1983. 38/ Based on the exit of several firms and these figures, we find that there has been some idling of production facilities. However, we find the significance of this idling is diminished by \*\*\* increase in capacity and the structural shift in the domestic industry to lower volume, higher value SSTF.

In examining whether a significant number of firms have been able to operate at a reasonable level of profit, the overwhelming dominance of Oneida becomes an issue. 39/ We conclude in this case that a "significant number" of firms is more of a qualitative concept than a numerical one, and that no number of firms in this domestic industry can be considered significant if it does not include Oneida. We therefore addressed the profitability question by relying more on the data representing the overall industry rather than individual firms. 40/

In the aggregate, U.S. producer's stainless steel flatware operations were profitable during 1978-1983. 41/ In absolute terms, and as a percentage

36/ Report, Table 17.

37/ Report, Table 17.

38/ Capacity utilization at \*\*\* was very high between 1978-1981, exceeding \*\*\* percent in each of those years. Report at Table 17. They increased their capacity by over \*\*\* in 1982, which, combined with production declines, brought their utilization rate down to \*\*\* percent range for 1982 and 1983.

39/ See discussion *infra*, p. 6.

40/ Usable data on financial operations were supplied by \*\*\* of the nine firms currently producing SSTF, including Oneida. Report at A-51.

41/ Report at A-51.

of net sales, operating income rose sharply between 1978 and 1981. There was a falloff in 1982, but not below 1978 levels, followed by a rise in 1983. 42/ Net income before taxes followed the same trend over this period. In all of the years between 1979 and 1983, at least one firm sustained operating and net losses. In 1979 and 1983, three firms sustained such losses.

A number of observations are in order regarding the four firms which showed losses or low profitability in 1983. One firm opposed the petition and a second did not support it. 43/ A third firm's problems were related to the loss to other U.S. producers of a contract **\*\*\***. 44/ A fourth firm had difficulties related to reduced orders from an important customer which did not purchase imports; **\*\*\***. 45/

**\*\*\*** and **\*\*\***, the **\*\*\*** domestic firms in the high end of the market, enjoy the highest gross margin rates in the industry. These rates for both firms exhibited increasing trends from 1978 to 1983, 46/ indicating that pricing has generally increased faster than production costs, and that their ability to cover overhead costs has improved. Gross margin rates of **\*\*\***, **\*\*\***, and **\*\*\*** for 1978-1983, firms in the lower end of the market for which usable data was available, were approximately half those of **\*\*\*** and **\*\*\***. The trends of this key indicator for these firms showed general improvement from 1978 to 1982 and a drop in 1983. We therefore see the relative health of the firms producing in the high end market segment more than offsetting the generally poorer performance of the smaller firms producing for the lower end.

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42/ Id.

43/ Report at A-1, fn. 1.

44/ Report at A-38.

45/ Tr. at 21.

46/ Id.

The number of workers in the industry declined irregularly between 1978 and 1983, with 1978-1979 showing a decline of \*\*\* percent, the largest single decline between any two years. 47/ From 1979-1983, employment declined \*\*\* percent. In the aggregate, wages and total compensation (including fringe benefits) increased annually between 1978 and 1982. Between 1982 and 1983 there was a slight decline in total wages paid, though total compensation increased. 48/ Part of the decline in employment was due to increased automation in the domestic industry, particularly by Oneida and Utica. 49/

In our analysis of the issue of serious injury, the ability of the domestic industry to operate profitably throughout the period of investigation must bear great weight. In addition, the decline in employment and the reduction in capacity utilization are indicative in part of the industry's efforts at modernization and the structural shift to higher value flatware. Thus, we conclude that the domestic SSTF industry is not seriously injured.

#### Threat of serious injury

With respect to a threat of serious injury, we are also to consider all economic factors, including but not limited to--

- a decline in sales,
- a higher and growing inventory
- a downward trend in production, profits, wages or employment (or increasing underemployment) in the domestic industry concerned.

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47/ Report, Table 22.

48/ Report at Table 23.

49/ Tr. at 43, 49-51.

Furthermore, the legislative history of section 201 makes clear that any threatened injury must be real and imminent. 50/

In terms of sales, domestic producers are selling more dollars worth of flatware in 1983 than in 1978, by a large amount. Sales in 1983 are also above those of 1982, and are below only those of 1981, which was a very good year. 51/ Thus, we find sales--measured by value--to be improving over the period 1978-1983. Furthermore, there has been no great increase or decrease in U.S. producers' inventories of domestically produced flatware. 52/

Production in the United States, measured in units, has decreased over the period. We are not convinced this represents a threat of serious injury rather than evidence of the adjustment process. 53/ Some productive facilities which formerly were used to manufacture SSTF are being put to other uses. 54/ We therefore conclude that increasing imports are not a threat of serious injury to the domestic SSTF industry.

#### Industry adjustment 55/

The purpose of section 201 is to permit an industry seriously injured by import competition to have a temporary period for adjustment to that competition. We believe that the stainless steel flatware industry has largely already adjusted to the current level of imports. When an industry has stabilized its competitive position vis-a-vis imports, and has taken

50/ S. Rep. No. 1298, 93rd Cong., 2d Sess. 121 (1974).

51/ Report, Table 27.

52/ Report at A-44, Table 21.

53/ See Statement of Sinclair Weeks, Jr., President, Reed & Barton Corp., Transcript at 236-237.

54/ Tr. at 160.

55/ Because the ultimate purpose of section 201 is to permit domestic industries to adjust to changing conditions of international competition, we feel it is appropriate to discuss the effect of adjustment on the SSTF industry even though, in this case, it is not the basis for our decision.

measures to avoid additional dislocation of productive resources, it is questionable whether additional remedial measures would have further utility.

This is the third time that the SSTF industry has petitioned for relief under section 201. In the earlier two cases, investigations Nos. TA-201-8 and TA-201-30, completed in 1976 and 1978, respectively, the Commission made affirmative determinations, finding that all three conditions or criteria were satisfied. However, no relief was granted by the President. It appears that the role and impact of imports in the present investigation are fundamentally different from what they were in 1976 and 1978. Whereas imports and import penetration were then rapidly increasing and adversely affecting domestic producers and displacing domestic labor, imports and import penetration have now largely stabilized, albeit at a high level and high share of the U.S. market. The closing of domestic facilities and displacement of domestic workers which took place for the most part in the 1960's and 1970's appear to have ended. 56/

While the SSTF industry will undoubtedly continue to undergo change, it has determined what merchandise it can produce domestically which can compete with imports. In that segment of the marketplace--the high-end--the industry continues to produce and to compete. Likewise the industry has determined that in other segments--principally the lower end of the market--it cannot compete. To complement their product lines, most domestic producers have become importers in the low end of the market. 57/

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56/ Chairman Eckes emphasizes the obvious point that changing circumstances could well demonstrate at some point in the future that the industry needs an additional period in which to adjust in an orderly manner to increased imports. The negative determination of this case does not preclude further relief should circumstances at that time warrant it.

57/ Commissioner Stern notes that the industry would not be well served by the grant of additional protection under section 201 at this time.

Conclusion.

We do not believe that this industry is seriously injured, even though several small firms accounting for less than \*\*\* percent of domestic production are encountering difficulties. The economic data on the performance of this industry fail to demonstrate the required degree of serious injury mandated by the statute. Rather, the industry is doing reasonably well. 58/

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58/ We note as an aside that the industry would in all likelihood be in even better condition today but for the existence of higher tariffs imposed last year on stainless steel strip, a basic industry raw material, as a result of an earlier section 201 case, and the threat of dumping and countervailing duty actions on stainless steel strip.



## INFORMATION OBTAINED IN THE INVESTIGATION

## Introduction

On January 5, 1984, the United States International Trade Commission instituted investigation No. TA-201-49 under section 201(b) of the Trade Act of 1974, to determine whether knives, forks, spoons, and ladles, with stainless steel handles, 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, item 651.75, of the Tariff Schedules of the United States (TSUS), are being imported in such increased quantities as to be a substantial cause of serious injury, or the threat thereof, to the domestic industry producing articles like or directly competitive with the imported articles.

The investigation resulted from a petition filed with the Commission on December 13, 1983, on behalf of the Stainless Steel Flatware Manufacturers Association. 1/ The petitioners requested that the rates of duty applicable to imports of stainless steel table flatware, valued under 90 cents each, be increased for a period of 5 years. 2/ Refer to tables 1 and 2 for rates of duty suggested by the petitioner.

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1/ The petition listed eight represented domestic producers of stainless steel table flatware, and one nonrepresented producer. The eight represented firms were: Calder, Inc.; Gorham Corp.; National Flatware Corp.; Oneida Silversmiths, Ltd.; Reed & Barton Corp.; Royal Silver Manufacturing Co., Inc.; Utica Cutlery Co.; and Washington Forge, Inc. The sole unrepresented producer was Ekco Housewares Co. In a letter dated Jan. 13, 1984, counsel for the association, requested that the petition be amended to exclude Gorham Corp. Similarly, in letters dated Mar. 1 and Mar. 2, 1984, counsel for the association, and Reed & Barton directly, requested that Reed & Barton be removed from the list of represented domestic producers. On Mar. 1, 1984, by letter, counsel for the association notified the Commission that Washington Forge is not a producer of stainless steel table flatware and should be removed from the list of represented producers. In addition, the domestic industry includes at least one more U.S. producer that was not listed in the petition and which has not indicated any support for the petition, Slidewell Metals, Inc. The net result of these actions is that the domestic industry currently consists of nine firms, five of which--Calder, National Flatware, Oneida, Royal, and Utica--are represented by the petition, and four of which--Ekco Housewares, Gorham, Reed & Barton and Slidewell--are not represented. Copies of the letters are presented in app. A.

2/ In a letter received on Mar. 13, 1984, and presented in app. B, counsel for the petitioners requested that the petition be amended to provide a remedy only on flatware valued under 60 cents each, alleging that the serious injury to the domestic industry is mainly due to imports of flatware valued under 60 cents per piece.

Notice of the institution of the investigation and scheduling of the hearing was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, D.C., and by publishing the notice in the Federal Register of January 10, 1984 (49 F.R. 1295). 1/ A prehearing conference was held on March 23, 1984, and the public hearing was held on March 29, 1984. 2/ The Commission's briefing and vote on the question of injury was held on May 1, 1984, in a public "Government in the Sunshine" session.

The Trade Act of 1974 directs the Commission to complete its investigation under section 201 at the earliest practicable time, but not later than 6 months after the date on which a petition is filed. The statutory deadline for completion of this investigation is June 13, 1984. 3/

#### Previous Investigations 4/

Stainless steel table flatware has been the subject of numerous Commission investigations and, for most of the period between 1959 and 1976, has been subject to import restrictions. There have been two previous stainless steel table flatware investigations conducted by the Commission under section 201 of the Trade Act of 1974. The first such investigation 5/ resulted in an affirmative finding by the Commission (by a 5-to-1 vote) and a recommendation for a modification and extension of the then-existing tariff-rate quota. 6/ However, the President took no action on the recommendation and the tariff-rate quota expired on September 30, 1976.

The more recent investigation 7/ was instituted by the Commission on December 16, 1977, following receipt of a petition on behalf of the Stainless Steel Flatware Manufacturers Association. On May 8, 1978, the Commission

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1/ A Copy of the Commission's Federal Register notice of institution of the investigation and scheduling of the hearing is presented in app. C.

2/ A calendar of witnesses who appeared at the public hearing is presented in app. D.

3/ In the Commission meeting of May 1, 1984, the Commission requested that the staff prepare its report for transmittal to the President substantially ahead of the June 13, 1984 deadline, primarily because there will be no briefing and votes on remedy considerations.

4/ A more complete discussion of previous Commission investigations and import relief resulting from such investigations is presented in app. E.

5/ 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, March 1976.

6/ The tariff-rate quota represented a Presidential reservation modifying a prior trade concession implemented by Presidential Proclamation 4076, under article XXVIII of the General Agreement on Tariffs and Trade (GATT) and was in effect from Oct. 1, 1971, to Sept. 30, 1976.

7/ Certain Stainless Steel Flatware: Report to the President on Investigation No. TA-201-30 Under Section 201 of the Trade Act of 1974, USITC Publication 884, May 1978.

reported its affirmative determination (by a 3-to-2 vote) to the President. The President again did not act to remedy the injury, and no import relief applicable to stainless steel table flatware has been in effect since September 30, 1976.

## The Product

### Description and Uses

Stainless steel table flatware consists of knives, forks, spoons, and ladles having handles of stainless steel and commonly used for eating or serving purposes. Included in this product group are teaspoons, soup or dessert spoons, serving spoons, dinner forks, salad forks, dessert forks, and dinner knives. Other serving pieces, such as butter knives and sugar spoons also fall within the scope of this investigation.

Other than the primary function for which they are designed, the characteristic which uniquely differentiates various pieces of flatware is the pattern -- the shape of a piece and the design, if any, on its surface. There are thousands of patterns, often differing from one another only slightly. Although competitors' patterns may be nearly or actually identical, individual producers and importers will usually assign their own names to their flatware patterns. In addition to the pattern, stainless steel table flatware varies in weight, length, gage (thickness), grading, finish, knife construction and refinement, alloy of stainless steel used, and price. "Grading" refers to the variation in thickness from the end of the handle to the tip of the bowl of a spoon or the tines (prongs) of a fork necessary to balance the piece properly and leave strength in the handle where it is needed. "Finish" denotes both the extent to which the surfaces of the pieces have been buffed and polished and the type of surface, such as "mirror," "satin," "florentine," or "sculptured." Traditionally, the individual pieces of stainless steel table flatware have been under 10.2 inches in length. A few patterns over that length are produced, but consumer acceptance of patterns in the longer length has been limited.

Stainless steel used in the production of flatware contains chrome or chrome and nickel. The presence of these elements in steel retards rust and adds shine and lustre to the metal. In general, the higher the proportion of these metals in the flatware, the higher the price. Stainless steel used to produce flatware is available in several grades. Based on American Iron & Steel Institute (AISI) definitions these grades are divided into two series: 300 series and 400 series stainless steel.

### 300 series

301-302-304: 18 percent chrome/8 percent nickel.--This is the highest quality steel which the domestic industry uses. The cost of these grades of steel in Far Eastern countries and the United States is comparable. Grades 301 and 302 contain slightly less nickel than grade 304 but they are also considered to be 18/8 stainless steel.

400 series

410-black skin: 13 percent chrome/no nickel.--This grade is used mostly by manufacturers in Far Eastern countries. The surface of the steel is black due to the nature of processing and requires more finishing to produce a bright finish.

410: 13 percent chrome/no nickel.--This grade is used to manufacture all types of flatware. Domestic manufacturers have used this grade in the past but according to testimony presented at the hearing, it is no longer readily available to U.S. producers. 1/

420: 13 percent chrome/no nickel.--This grade contains a larger carbon content than 410 and is used to manufacture knives or knife blades because of the hardness and durability of the steel.

430: 18 percent chrome/no nickel.--This is the grade of steel that most domestic manufacturers use for lower quality flatware. It is available in two finishes (2-B and 2-BA) used by the domestic industry.

The different grades are available in several types of finishes. U.S. manufacturers prefer to use 2-B and 2-BA finish as they require less polishing and finishing. A 420 or 430-2B finish is a brighter, shinier finish that requires less polishing or tumbling and therefore reduces the labor costs of producing flatware. A 430-2BA finish is an annealed finish which is even brighter than a 2-B finish. Neither of these finishes are used to a large extent by manufacturers in the Far East which tend to use 410 and 420 grades for about 80 percent of the flatware exported to the United States. The material cost of low-end flatware for the domestic industry averages about 60 percent of the manufacturing cost. As the quality of raw material used in the flatware improves, the raw-material cost component becomes a smaller share of the cost of manufacturing stainless steel flatware. 2/

Industry sources believe that less than 20 percent of the flatware from the Far East is of 18/8 quality. It is believed that most of the flatware exported to the United States from Taiwan (except for that from \* \* \*) is almost all 13-percent chrome (i.e., either 410 or 420 grade). About 80 percent of exports from the Republic of Korea (Korea) to the United States are believed to be of 13-percent chrome stainless steel. The balance is mostly 18/8 chrome (300 series) with very little 18-percent chrome (430 grade). It is estimated that nearly 50 percent of Korean flatware exports to Europe consists of 18/8 (300 series) quality.

In addition to these variables, knives differ according to whether they are of one-, two-, or three-piece construction, have hollow or solid handles, and have forged or unforged, ground or unground blades. For the most part,

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1/ Transcript of hearing, p. 21.

2/ Transcript of hearing, pp. 20 and 94.

the manufacturing process for knives is independent of that for spoons and forks, requiring different skills and equipment. Knives are more labor intensive and more expensive to manufacture. Hollow-handled knife blades are usually made from stainless steel rods and the hollow handles are made from stainless steel coil or strip. Knives with solid handles are made wholly from rods. Unlike forks and spoons, knives must usually be forged, ground, and, if of more than one-piece construction, assembled.

Stainless steel table flatware generally has been classified in at least eight classes in terms of quality (from lowest to highest)--AW, A, A1, A2, B, B+, C, and C+ -- depending on variations in the product features, except in the pattern. This system of classification reportedly originated with Far Eastern manufacturers. The U.S. producers have used this classification system to identify the quality of its products as they compare with imported flatware from the Far East. At present, few of the domestic manufacturers use this system of classification, relying instead on internal company classifications or simply classifying their flatware by weight and/or quality as economy (low end), middle, or high end. Although exact standards and interpretations may vary with individual producers and importers, higher quality flatware represents higher chrome and nickel content, thicker gage, greater weight, care in grading, considerable buffing and polishing, and, for knives, hollow handles and well-ground blades. A single pattern may be incorporated into one, several, or all of these classifications; they are priced accordingly. Of the total value of stainless steel table flatware sold within the United States, industry sources estimate that most is less than B grade.

A 1981 study conducted for the Department of Commerce's Economic Development Administration <sup>1/</sup> found that in 1980, 54 percent of the total value of shipments of stainless steel table flatware was accounted for by sales of low-priced flatware priced at under 35 cents per piece. It found that 75 percent of the total number of pieces sold in the U.S. market in 1980 fell in this lower priced category. Although the majority of sales were of low-end flatware, sales of high-end flatware were becoming increasingly more significant. The study showed that high-end flatware grew by 15 percent between 1979 and 1980, whereas sales of low-end flatware fell by about 3 percent. The trend away from low-end merchandise toward high-end merchandise has continued, but not at the rate reported by the University of Kansas study.

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<sup>1/</sup> After the President denied the Commission's 1978 recommendation for tariff protection for the stainless steel table flatware industry, he asked the Department of Commerce to examine the feasibility of designing a special program to assist the industry. As a result of that examination, the University of Kansas Center for Research, Inc., was selected by the Department of Commerce to perform a comprehensive analysis of the industry, and identify areas for improving the viability of the industry. The final report of the study conducted by the University of Kansas Research Center was submitted to the Department of Commerce in May 1981.

Sets account for much of the stainless steel flatware sold within the United States--according to some industry estimates, as much as 45 to 50 percent in terms of value. Usually consisting of 50 pieces, a set will most often include 16 teaspoons, 8 soup/dessert spoons, 8 dinner forks, 8 salad forks, 8 dinner knives, and either 2 tablespoons or 1 butter knife and 1 sugar spoon. As prices and costs have risen, however, a trend has developed in the industry to sell sets composed of fewer than 50 pieces in order to maintain market share, sales volume, and profits. Some lower priced sets are sold with only 40 pieces or 32 pieces, at \$19.95 per set, in order not to raise retail prices.

At present, U.S. and foreign producers are capable of manufacturing stainless steel table flatware to comparable specifications. As recently as 10 years ago, some Far Eastern manufacturers tended to substitute more weight for finer grading as consumers believed that a heavier weight was an indicator of higher quality. This seldom occurs now, except at the request of an importer on a special order. No obvious differences distinguish the imported product from the domestically manufactured one of similar grade or pattern.

The closest substitute for stainless steel table flatware is that flatware made only partially of stainless steel--i.e., with handles of other materials. Although table flatware with handles of wood, plastic, or hard rubber is comparable in price with flatware made wholly of stainless steel, it generally lacks comparable durability. Table flatware having handles of animal bone, ivory, mother-of-pearl, or shell, is neither as durable as flatware made entirely of stainless steel nor as inexpensive. Sterling silver and silver-plated flatware is durable, but it tarnishes, therefore requiring more care by its owners, and is far more costly than stainless steel table flatware. To a limited extent, plastic flatware may be substituted for stainless steel table flatware, particularly in those institutional situations where the convenience of disposal or a desire to eliminate the cost of washing and sterilization is paramount, as in some fast-food chains, in hospitals or schools. Plastic flatware is used widely for picnics and other outdoor informal uses. Table flatware not having handles of stainless steel is not within the scope of this investigation.

#### U.S. tariff treatment and petitioner's requested increased duties

Imported stainless steel table flatware is dutiable under the provisions of TSUS items 650.08, 650.09, 650.10, 650.12, 650.38, 650.39, 650.40, 650.42, 650.54, 650.55, and, if included in sets, 651.75. The current column 1 (most-favored-nation) rates of duty and their ad valorem equivalents are shown in tables 1 and 2. All rates of duty applicable to stainless steel table flatware covered by this investigation have been in effect at least since January 1, 1972, the effective date of the final stage of the concessions granted in the Kennedy round of multilateral trade negotiations under the General Agreement on Tariffs and Trade (the GATT). Under the Kennedy round, the rates of duty applicable to imports under TSUS items 650.09, 650.12, 650.39, 650.42, and 650.55 were reduced by approximately 50 percent. The rates of duty applicable to imports under TSUS items 650.08, 650.10, 650.38, 650.40, and 650.54, which were subject to tariff-rate quotas from October 1971 to September 1976, were not subject to concessions in the Kennedy round. None of the rates of duty applicable to imports of stainless steel table flatware

were negotiated during the Tokyo round of multilateral trade negotiations. The column 2 (statutory) rates of duty (applicable to products of those Communist countries and areas enumerated in general headnote 3(f) of the TSUS) are also presented in table 1. Imports of stainless steel table flatware are not eligible for duty-free treatment under the provisions of the Generalized System of Preferences (GSP). 1/ However, such imports, if the product of designated beneficiary developing countries, are eligible for duty-free entry under the Caribbean Basin Initiative (CBI). 2/

The petitioner's suggested remedy, as amended by petitioner's letter of March 13, 1984, would increase the duties only on stainless steel table flatware valued under 60 cents per piece.

#### U.S. Producers

Currently nine firms produce stainless steel table flatware within the United States. In 1983, one firm, Oneida, Ltd., accounted for \* \* \* percent of the quantity and \* \* \* percent of the value of all shipments of domestically produced stainless steel table flatware by the nine producers. Those firms that produced stainless steel table flatware in 1983, the locations of their production facilities, and their total shipments in 1983 are shown in table 3.

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1/ The GSP, enacted as title V of the Trade Act of 1974, provides for duty-free treatment of specified eligible articles imported directly from designated beneficiary developing countries. The GSP, implemented by Executive Order No. 11888, of Nov. 24, 1975, applies to merchandise imported on or after Jan. 1, 1976, and is scheduled to remain in effect until Jan. 4, 1985.

2/ The CBI is a program of nonreciprocal tariff preferences granted by the United States to developing countries in the Caribbean Basin area to aid their economic development by encouraging greater diversification and expansion of their production and exports. The CBI, as enacted in Title II of Public Law 98-67 and implemented by Presidential Proclamation No. 5133 of Nov. 30, 1983, applies to merchandise entered on or after Jan. 1, 1984, and is scheduled to remain in effect until Sept. 30, 1995. It provides for duty-free entry of eligible articles imported directly from designated countries in the Caribbean Basin area. Imports of the articles subject to this investigation from these countries during 1983 came to zero.

Table 1.--Knives, forks, spoons, and ladles with handles of stainless steel: U.S. rates of duty, by TSUS items, as of Jan. 1, 1984, and petitioners' requested increased rates of duty 1/

TSUS item No.	Description	Current rates of duty		Petitioners' recommended increased duty rates				
		Column 1	Column 2	First year	Second year	Third year	Fourth year	Fifth year
		-----cents per piece; percent ad valorem-----						
	Knives not specifically provided for elsewhere in this subpart, with or without their handles							
	With stainless steel handles							
	With handles not containing nickel and not containing over 10 percent by weight of manganese:							
650.08	Valued under 25 cents each, not over 10.2 inches in over-all length.	1¢ + 12.5%	2¢ + 45%	1¢+55%	1¢+50%	1¢+45%	1¢+40%	1¢+30%
650.09	Other:							
xxx	Valued 25 cents or more each, but not over 60 cents each, not over 10.2 inches in overall length. <u>1/</u>	0.5¢+6%	2¢ + 45%	0.5¢+55%	0.5¢+50%	0.5¢+45%	0.5¢+40%	0.5¢+30%
xxx	Other----- With handles containing nickel or containing over 10 percent by weight of manganese:	0.5¢+6%	2¢ + 45%	<u>2/</u>	<u>2/</u>	<u>2/</u>	<u>2/</u>	<u>2/</u>
650.10	Valued under 25 cents each, not over 10.2 inches in over-all length	1¢+17.5%	2¢ + 45%	1¢+55%	1¢+50%	1¢+45%	1¢+40%	1¢+30%
650.12	Other:							
xxx	Valued 25 cents or more each, but not over 60 cents each, not over 10.2 inches in over-all length. <u>1/</u>	0.5¢+8.5%	2¢ + 45%	0.5¢+55%	0.5¢+50%	0.5¢+45%	0.5¢+40%	0.5¢+30%
xxx	Other----- Forks, spoons, and ladles, all the foregoing which are kitchen or table ware, with or without their handles:	0.5¢+8.5%	2¢ + 45%	<u>2/</u>	<u>2/</u>	<u>2/</u>	<u>2/</u>	<u>2/</u>
	Forks:							
	With stainless steel handles:							
	With handles not containing nickel and not containing over 10 percent by weight of manganese:							
650.38	Valued under 25 cents each, not over 10.2 inches in over-all length.	1¢ + 12.5%	2¢ + 45%	1¢+55%	1¢+50%	1¢+45%	1¢+40%	1¢+30%
650.39	Other:							
xxx	Valued 25 cents or more each, but not over 60 cents each, not over 10.2 inches in overall length. <u>1/</u>	0.5¢+6%	2¢ + 45%	0.5¢+55%	0.5¢+50%	0.5¢+45%	0.5¢+40%	0.5¢+30%
xxx	Other----- With handles containing nickel or containing over 10 percent by weight of manganese:	0.5¢+6%	2¢ + 45%	<u>2/</u>	<u>2/</u>	<u>2/</u>	<u>2/</u>	<u>2/</u>
50.40	Valued under 25 cents each, not over 10.2 inches in overall length.	1¢+17.5%	2¢ + 45%	1¢+55%	1¢+50%	1¢+45%	1¢+40%	1¢+30%

See footnote at end of table.



Table 1.--Knives, forks, spoons, and ladles with handles of stainless steel: U.S. rates of duty, by TSUS items, as of Jan. 1, 1984 and petitioners' requested increased rates of duty 1/--Continued

TSUS item No.	Description	Current rates of duty		Petitioners' recommended increased duty rates				
		Col. 1	Col. 2	First year	Second year	Third year	Fourth year	Fifth year
-----cents per piece; percent ad valorem-----								
650.42 xxx	Other: Valued 25 cents or more each, but not over 60 cents each, not over 10.2 inches in over-all length. 1/	0.5¢+8.5%	2¢ + 45%	0.5¢+55%	0.5¢+50%	0.5¢+45%	0.5¢+40%	0.5¢+30%
xxx	Other----- Spoons and ladles: With stainless steel handles: Spoons valued under 25 cents each, not over 10.2 inches in over-all length.	0.5¢+8.5%	2¢ + 45%	2/	2/	2/	2/	2/
650.54	Other: Spoons valued 25 cents more each but not over 60 cents each, not over 10.2 inches in overall length. 1/	17%	40%	55%	50%	45%	40%	30%
650.55 xxx	Other: Spoons valued 25 cents more each but not over 60 cents each, not over 10.2 inches in overall length. 1/	8.5%	40%	55%	50%	45%	40%	30%
xxx	Other-----	8.5%	40%	2/	2/	2/	2/	2/
651.75	Sets (except sets specially provided for) which include two or more of the tools, knives, forks, spoons, or other articles provided for in different rates provisions of this subpart-----	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/

1/ The increased rates of duty for sets of stainless steel table flatware requested by the petitioner would only be applicable to sets containing articles valued at under 60 cents each, according to the letter from the petitioner received on Mar. 13, 1984. The original petition had recommended increased duties on imports of all stainless steel table flatware valued at under 90 cents per piece.

2/ The petition, as amended by the letter received from the petitioner on Mar. 13, 1984, recommended no increased rates of duty on stainless steel table flatware valued at 60 cents or more each. The petition filed by the petitioner on Dec. 13, 1984, had originally recommended no increased rates of duty on flatware valued at 90 cents or more each. See petitioner's letter in app. B.

3/ Under TSUS item 651.75, knives, forks, spoons, and ladles having stainless steel handles will continue to be dutiable at the rate of duty applicable to that article in the set subject to the highest rate of duty including, for such articles valued at under 60 cents each, the increased rates of duty recommended by the petitioner.

Source: Current col. 1 and col. 2 rates of duty, compiled from the Tariff Schedules of the United States (1984); petitioners recommended increased duties, compiled from the petition.

Table 2.--Knives, forks, spoons, and ladles with handles of stainless steel: Ad valorem equivalents of the current (1984) most-favored-nation (column 1) rates of duty and ad valorem equivalent of the petitioners' recommended increased rates of duty, by TSUS items, based on total U.S. imports for consumption from all sources in 1983

TSUS item <sup>1/</sup> No.	:Ad valorem equiva- : lent of current :(1984) most-favored: : nation (col. 1) : rates of duty :	Ad valorem equivalent of petitioner's recommended increased rates of duty				
		First year	Second year	Third year	Forth year	Fifth year
-----Percent ad valorem-----						
650.08-----	19.0 :	61.5 :	56.5 :	51.5 :	46.5 :	36.5
650.09 <sup>2/</sup> -----	7.2 :	56.2 :	51.2 :	46.2 :	41.2 :	31.2
650.10-----	<sup>3/</sup> 21.7 :	<sup>3/</sup> 59.2 :	<sup>3/</sup> 54.2 :	<sup>3/</sup> 49.2 :	<sup>3/</sup> 44.2 :	<sup>3/</sup> 34.2
650.12 <sup>2/</sup> -----	8.9 :	55.4 :	50.4 :	45.4 :	40.4 :	30.4
650.38-----	35.8 :	78.3 :	73.3 :	68.3 :	63.3 :	53.3
650.39 <sup>2/</sup> -----	7.5 :	56.5 :	51.5 :	46.5 :	41.5 :	31.5
650.40-----	25.5 :	63.0 :	58.0 :	53.0 :	48.0 :	38.0
650.42 <sup>2/</sup> -----	9.1 :	55.6 :	50.6 :	45.6 :	40.6 :	30.6
650.54-----	17.0 :	55.0 :	50.0 :	45.0 :	40.0 :	30.0
650.55 <sup>2/</sup> -----	8.5 :	55.0 :	50.0 :	45.0 :	40.0 :	30.0

<sup>1/</sup> See product description for each TSUS item in table 1.

<sup>2/</sup> Ad valorem equivalents of current col. 1 and petitioners requested rates of duty are based on all imports from all sources in 1983; the ad valorem equivalents of duties applicable to flatware under 60 cents each would be higher than the ad valorem equivalents shown, whereas the ad valorem equivalents of duties on imports valued at 60 cents or more each would lower. For imports valued at more than 60 cents each, the rates of duty would continue unchanged at the 1984 most-favored-nation level during the 5 year period of relief recommended by the petitioner.

<sup>3/</sup> Ad valorem equivalents of rates of duty for TSUS item 650.10 are based on an average unit value of 24 cents each. Official statistics of the U.S. Department of Commerce indicate a 1983 average unit value of 36.4 cents each, but the TSUS provides only for imports valued less than 25 cents per piece for this item.

Source: Ad valorem equivalents for the current rates of duty, compiled from the Tariff Schedules of the United States and official statistics of the U.S. Department of Commerce; ad valorem equivalents of petitioners recommended increased rates of duty, compiled from the petition, as amended by petitioners' letter of Mar. 13, 1984.

Table 3.--Stainless steel table flatware: U.S. producers' shipments and share of total shipments of domestically produced merchandise, by firms, 1983

Firm and location	Quantity	Share of total	Value	Unit value
	: 1,000	: of total	: 1,000	: Cents per
	: dozen	: quantity	: dollars	: piece
	: pieces	: Percent		
<b>Represented producers:</b>				
Calder, Inc. (Calder); Los Angeles, Calif-----	***	***	***	***
National Flatware Corp. (National); Lincoln, R.I-----	***	***	***	***
Oneida Silversmiths, Ltd. (Oneida); Oneida, N.Y-----	***	***	***	***
Royal Silver Manufacturing Co., Inc. (Royal); Norfolk, Va-----	***	***	***	***
Utica Cutlery Co. (Utica); Utica, N.Y-----	***	***	***	***
Subtotal-----	***	***	***	***
<b>Other producers:</b>				
Ekco Housewares Co. (Ekco); Franklin Park, Il-----	***	***	***	***
Gorham Corp. (Gorham); Providence, R.I--	***	***	***	***
Reed & Barton Corp. (Reed & Barton); Taunton, Mass-----	***	***	***	***
Slidewell Metals (Slidewell); Woodside, N.Y 5/-----	***	***	***	***
Subtotal-----	***	***	***	***
Grand total, all producers-----	***	100.0	***	***

1/ Not available.

2/ \* \* \*

3/ \* \* \*

4/ \* \* \*

5/ \* \* \*

6/ \* \* \*

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

In 1977, 15 firms produced stainless steel table flatware in the United States, as shown in table 4. Six of these firms have ceased domestic production. International Silver Co., formerly a division of Insilco Corp. was the largest of the six companies; it accounted for \* \* \* percent of the quantity of all shipments of domestically produced stainless steel table flatware in 1977. International Silver owned stainless steel flatware manufacturing facilities in both Meriden, Conn., and in Taiwan. The Meriden facility produced stainless steel table flatware for both the institutional and retail markets. In addition to importing stainless steel table flatware from its own facility in Taiwan (the International Tableware Industrial Corp.), International also imported stainless steel table flatware from Korea and Japan.

Table 4.--Stainless steel table flatware: U.S. producers' shipments and share of total shipments of domestically produced merchandise, by firms, 1977

Firm	Quantity	Share of total quantity	Value	Unit Value
	<u>1,000 dozen</u> <u>pieces</u>	<u>Percent</u>	<u>1,000</u> <u>dollars</u>	<u>Cents per</u> <u>piece</u>
Firms in production in 1983:				
Represented 1983 producers:				
Calder-----	***	***	***	***
National <u>1</u> /-----	***	***	***	***
Oneida-----	***	***	***	***
Royal-----	***	***	***	***
Utica-----	***	***	***	***
Subtotal,	***	***	***	***
Other 1983 producers:				
Ekco-----	***	***	***	***
Gorham-----	***	***	***	***
Reed & Barton-----	***	***	***	***
Slidewell <u>3</u> /-----	***	***	***	***
Subtotal-----	***	***	***	***
Total-----	***	***	***	***
Firms that have ceased production since 1977:				
Durable Stainless Flatware Co. (Durable); Lambertville, N.J.-----	***	***	***	***
Hudson Manufacturing Co., Inc. (Hudson); Santa Fe Springs, Calif.-----	***	***	***	***
The Imperial Knife Co. (Imperial); Providence, R.I.-----	***	***	***	***
International Silver Co. (International); Meriden, Conn. <u>4</u> /-----	***	***	***	***
The Majestic Silver Co. (Majestic); New Haven, Conn. <u>5</u> /-----	***	***	***	***
Vogue Industries, Inc. (Vogue); Lowell, Mass.-----	***	***	***	***
Subtotal, firms that have ceased production since 1977-----	***	***	***	***
Grand total, all firms-----	***	100.0	***	***

1/ \* \* \*

2/ \* \* \*

3/ \* \* \*

4/ International ceased production in July 1983.

5/ Majestic ceased production in December 1977.

6/ Less than 0.05 percent.

Source: Compiled from data in the staff report to the Commission on investigation No. TA-201-30, May 1978.

International began to phase out its production of higher quality stainless steel table flatware in Meriden in 1978, but continued to domestically produce one line of lower quality flatware, amounting to \* \* \* pieces a year, for \* \* \*. International's executives have pointed out that, as a domestic producer, the firm could not match the costs and prices of importers. Although the company reported that it was reluctant to close its stainless steel table flatware operations in Meriden, because of the impact on its workers, the firm reported that it had begun to consider this option in light of the Presidential decision not to impose import restrictions on flatware in 1978 as its costs continued to increase. <sup>1/</sup> The Taiwan facility continued the production and exportation of lower and middle quality stainless steel table flatware to International. Domestic production of stainless steel table flatware in Meriden ceased totally in July 1983.

In July-December 1983, International, which was composed of two separate stainless steel table flatware divisions, was sold. The World Tableware Division, which served only the institutional market and manufactured stainless steel table flatware in Taiwan, was sold to American Silver Co. (American), Wallingford, Conn., a privately held company, in October 1983. International's retail division manufactured stainless steel table flatware for the consumer market. Wallace Silversmiths, a subsidiary of Kady Industries, in Elgin, Ill., acquired this division in November 1983, renaming the company Wallace International (Wallace). Wallace currently imports stainless steel table flatware from Korea, Japan, and Taiwan; all of its imports are of higher quality merchandise and are marketed through department stores and other high-end retail stores. Attempts were made to obtain production, shipment, and inventory data for International for 1978-1983. As a result of the recent sale, however, the information was unavailable.

Majestic ceased production of stainless steel table flatware in December 1977. The other domestic companies that have ceased production since 1977, are Durable, Hudson, Imperial, and Vogue. Efforts to contact four out of the five firms were unsuccessful and information as to the 1978-83 operation of those firms that have ceased production was unobtainable. These five producers together accounted for \* \* \* percent of the quantity of U.S. producers' shipments of domestically produced stainless steel table flatware in 1977 (table 4). If International Silver is included, the percentage share rises to \* \* \* percent of the 1977 quantity of U.S. producers' shipments.

The domestic manufacturers of stainless steel table flatware fall into two categories: (1) the producers that purchase stainless steel in coil or strip and rod form and make a variety of patterns and styles in all price ranges, and (2) the manufacturers that purchase scrap or surplus stainless steel in strips or small sheets and manufacture spoons and forks by a stamping

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<sup>1/</sup> Although International was in support of maintaining import restrictions in investigation No. TA-201-8 in 1976, it joined the importers in opposition to the reimposition of import restrictions in investigation No. TA-201-30 in 1978.

process, and then purchase knives from other domestic manufacturers or from foreign sources to round out their product lines. These firms often utilize inexpensive tumbling or vibratory machines for finishing their flatware.

Most domestic manufacturers of stainless steel table flatware also import the product, often in considerable quantities. In 1983, imports of stainless steel table flatware by the domestic producers that reported such data accounted for \* \* \* percent of all stainless steel table flatware imported and produced by the reporting firms. Oneida, whose imports accounted for \* \* \* percent of its combined imports and domestic production of stainless steel table flatware in 1983, imports stainless steel table flatware from Japan and Korea. Table 5 shows the quantity of stainless steel table flatware imported and produced by each U.S. producer in 1983, and the ratio of those imports to their combined imports and production.

The U.S. producers of stainless steel table flatware manufacture and/or sell products other than stainless steel table flatware, such as holloware, silver and silver-plated flatware, china, cutlery, and fishing lures. Oneida, Gorham, and Reed & Barton produce extensive lines of silver-plated bowls, trays, serving containers, and other holloware in addition to sterling silver and silver-plated flatware. Gorham also manufactures china and glassware. In addition to stainless steel table flatware, Utica also produces many different types of cutlery, pen knives and pocket knives; Royal also manufactures fishing lures. Calder manufactures other types of kitchen utensils and Ekco produces many other kitchen and household items.

The stainless steel table flatware industry utilizes a variety of sales and distribution systems to move its products to the market place. Most of the U.S. producers sell their products through a professional sales force, manufacturers' agents, wholesalers, mail-order catalogs, and trade shows. Flatware for the consumer retail market is usually sold directly from the manufacturers and importers to the retailer, or is distributed directly through wholesalers, or a combination of the two. \* \* \*. Most flatware sold to food service customers is distributed through the wholesale channel (approximately 1,500 food service distributors handle stainless steel table flatware). Sales to the U.S. Government and to some hotels of stainless steel table flatware are usually made directly through negotiations or bids. Table 6 presents U.S. producers' shipments of their domestically produced and imported stainless steel table flatware, by classes of purchasers and channels of distribution, in 1981 and 1983.

Oneida, Ltd., the largest U.S. producer of stainless steel table flatware also manufactures such merchandise abroad. Oneida has production facilities in Mexico, Canada, and Ireland. The company reports that its foreign production is generally sold in the country in which it is produced. The company testified during the hearing that it exports knife stubs to the United States from its plant in Mexico for use in its higher end U.S. produced flatware, mainly because of the dollar/peso differential. 1/

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1/ Transcript, pp. 54 and 55, Marcellus.

Table 5.--Stainless steel table flatware: U.S. producers' imports, production, and total imports and production, by firms, 1983

Firm	Imports	U.S. production	Total, imports and production	Ratio of imports to totals
	1,000 dozen pieces			Percent
<b>Represented producers:</b>				
Calder-----	***	***	***	***
National-----	***	***	***	***
Oneida-----	***	***	***	***
Royal-----	***	***	***	***
Utica-----	***	***	***	***
Subtotal-----	***	***	***	***
<b>Other producers:</b>				
Ekco-----	***	***	***	***
Gorham-----	***	***	***	***
Reed & Barton-----	***	***	***	***
Slidewell/THC 2/-----	***	***	***	***
Subtotal-----	***	***	***	***
Grand total 3/-----	***	***	***	***

1/ Not available.

2/ \* \* \*

3/ \* \* \*

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

Oneida reports that its foreign capacity to produce stainless steel table flatware, amounted to \* \* \*.

\* \* \* \* \*

Table 6.--Stainless steel table flatware: U.S. producers' shipments of domestic and imported merchandise, by classes of purchasers and channels of distribution, 1981 and 1983--Cont.

Class of purchaser and channel of distribution	(Thousand dozen pieces)							
	Calder		Oneida		Royal		Utica	
	Domes- tic	Im- ported	Domes- tic	Im- ported	Domes- tic	Im- ported	Domes- tic	Im- ported
	1981							
Shipments to retailers sold--								
Directly by firms' own salesmen-----	***	***	***	***	***	***	***	***
Through manufacturers' representatives-----	***	***	***	***	***	***	***	***
Through wholesalers-----	***	***	***	***	***	***	***	***
Subtotal-----	***	***	***	***	***	***	***	***
Shipments to institutional/commercial users:								
Directly by firms' own salesmen-----	***	***	***	***	***	***	***	***
Through wholesalers-----	***	***	***	***	***	***	***	***
Other-----	***	***	***	***	***	***	***	***
Subtotal-----	***	***	***	***	***	***	***	***
Shipments to premium-ware purchasers:								
Directly by firms' own salesmen-----	***	***	***	***	***	***	***	***
Other-----	***	***	***	***	***	***	***	***
Subtotal-----	***	***	***	***	***	***	***	***
Shipments to governmental purchasers:								
Directly by firms' own salesmen-----	***	***	***	***	***	***	***	***
Other-----	***	***	***	***	***	***	***	***
Subtotal-----	***	***	***	***	***	***	***	***
Total-----	***	***	***	***	***	***	***	***

See footnote at end of table.



Table 6.--Stainless steel table flatware: U.S. producers' shipments of domestic and imported merchandise, by classes of purchasers and channels of distribution, 1981 and 1983--Cont.

(Thousand dozen pieces)

Class of purchaser and channel of distribution	Gorham		Reed & Barton		Slidewell		Total	
	Domes- tic	Im- ported	Domes- tic	Im- ported	Domes- tic	Im- ported	Domes- tic	Im- ported
1981								
Shipments to retailers sold--								
Directly by firms'								
own salesmen-----	***	***	***	***	***	***	***	***
Through manufacturers' representatives-----	***	***	***	***	***	***	***	***
Through wholesalers-----	***	***	***	***	***	***	***	***
Subtotal-----	***	***	***	***	***	***	***	***
Shipments to institutional/commercial users:								
Directly by firms'								
own salesmen-----	***	***	***	***	***	***	***	***
Through wholesalers-----	***	***	***	***	***	***	***	***
Other-----	***	***	***	***	***	***	***	***
Subtotal-----	***	***	***	***	***	***	***	***
Shipments to premium-ware purchasers:								
Directly by firms'								
own salesmen-----	***	***	***	***	***	***	***	***
Other-----	***	***	***	***	***	***	***	***
Subtotal-----	***	***	***	***	***	***	***	***
Shipments to governmental purchasers:								
Directly by firms'								
own salesmen-----	***	***	***	***	***	***	***	***
Other-----	***	***	***	***	***	***	***	***
Subtotal-----	***	***	***	***	***	***	***	***
Total-----	***	***	***	***	***	***	***	***

See footnote at end of table.

Table 6.--Stainless steel table flatware: U.S. producers' shipments of domestic and imported merchandise, by classes of purchasers and channels of distribution, 1981 and 1983 Cont.

Class of purchaser and channel of distribution	(Thousand dozen pieces)							
	Calder		Oneida		Royal		Utica	
	Domes- tic	Im- ported	Domes- tic	Im- ported	Domes- tic	Im- ported	Domes- tic	Im- ported
	1983							
Shipments to re- tailers sold--								
Directly by firms'								
own salesmen-----	***	***	***	***	***	***	***	***
Through manufacturers'								
representatives-----	***	***	***	***	***	***	***	***
Through wholesalers----	***	***	***	***	***	***	***	***
Subtotal-----	***	***	***	***	***	***	***	***
Shipments to in- stitutional/commer- cial users:								
Directly by firms'								
own salesmen-----	***	***	***	***	***	***	***	***
Through wholesalers----	***	***	***	***	***	***	***	***
Other-----	***	***	***	***	***	***	***	***
Subtotal-----	***	***	***	***	***	***	***	***
Shipments to premium- ware purchasers:								
Directly by firms'								
own salesmen-----	***	***	***	***	***	***	***	***
Other-----	***	***	***	***	***	***	***	***
Subtotal-----	***	***	***	***	***	***	***	***
Shipments to govern- mental purchasers:								
Directly by firms'								
own salesmen-----	***	***	***	***	***	***	***	***
Other-----	***	***	***	***	***	***	***	***
Subtotal-----	***	***	***	***	***	***	***	***
Total-----	***	***	***	***	***	***	***	***

See footnote at end of table.

Table 6.--Stainless steel table flatware: U.S. producers' shipments of domestic and imported merchandise, by classes of purchasers and channels of distribution, 1981 and 1983--Cont.

(Thousand dozen pieces)									
Class of purchaser and channel of distribution	Gorham		Reed & Barton		Slidewell		Total		
	Domes- tic	Im- ported	Domes- tic	Im- ported	Domes- tic	Im- ported	Domes- tic	Im- ported	
1981									
Shipments to retailers sold--									
Directly by firms' own salesmen-----	***	***	***	***	***	***	***	***	***
Through manufacturers' representatives-----	***	***	***	***	***	***	***	***	***
Through wholesalers-----	***	***	***	***	***	***	***	***	***
Subtotal-----	***	***	***	***	***	***	***	***	***
Shipments to institutional/commercial users:									
Directly by firms' own salesman-----	***	***	***	***	***	***	***	***	***
Through wholesalers-----	***	***	***	***	***	***	***	***	***
Other-----	***	***	***	***	***	***	***	***	***
Subtotal-----	***	***	***	***	***	***	***	***	***
Shipments to premium-ware purchasers:									
Directly by firms' own salesmen-----	***	***	***	***	***	***	***	***	***
Other-----	***	***	***	***	***	***	***	***	***
Subtotal-----	***	***	***	***	***	***	***	***	***
Shipments to governmental purchasers:									
Directly by firms' own salesmen-----	***	***	***	***	***	***	***	***	***
Other-----	***	***	***	***	***	***	***	***	***
Subtotal-----	***	***	***	***	***	***	***	***	***
Total-----	***	***	***	***	***	***	***	***	***

1/ \* \* \*

2/ \* \* \*

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

Table 7.--Stainless steel table flatware: Production capacity, production, and capacity utilization, in foreign manufacturing facilities owned by Oneida, by plant locations, 1978-83

Foreign plant location	1978	1979	1980	1981	1982	1983
Capacity (1,000 dozen pieces)						
Toluca, Mexico-----	***	***	***	***	***	***
Niagara Falls, Ontario, Canada-----	***	***	***	***	***	***
Bangor, County Down, Northern Ireland-----	***	***	***	***	***	***
Total-----	***	***	***	***	***	***
Production (1,000 dozen pieces)						
Toluca, Mexico-----	***	***	***	***	***	***
Niagara Falls, Ontario, Canada-----	***	***	***	***	***	***
Bangor, County Down, Northern Ireland-----	***	***	***	***	***	***
Total-----	***	***	***	***	***	***
Capacity utilization (percent)						
Toluca, Mexico-----	***	***	***	***	***	***
Niagara Falls, Ontario, Canada-----	***	***	***	***	***	***
Bangor, County Down, Northern Ireland-----	***	***	***	***	***	***
Average-----	***	***	***	***	***	***

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

Oneida's aggregate capacity utilization at its foreign establishments declined from an average of \* \* \* percent in 1978 to \* \* \* percent in 1983. Utilization of capacity in Mexico, although on a downward trend, was much higher than utilization levels in either Canada or Ireland.

#### U.S. Importers

In 1983, there were hundreds of importers of stainless steel table flatware, the majority of which were located on the east and west coasts; many of the firms were heavily concentrated in the New York City metropolitan area. The Commission has received questionnaire responses from 27 importing

firms, including 5 U.S. producer/importers; the 27 importers accounted for 66.1 percent of total U.S. imports in 1983. Of these firms, the 12 largest accounted for 91.4 percent of all respondents' imports in 1983. As shown in table 8, the quantity of reporting U.S. producers' stainless steel table flatware imports and the ratio of these imports to total imports for 1978-83, indicates no obvious trends in either total imports, which ranged from 41.0 to 46.0 million dozen pieces during the period, or in U.S. producers' imports which ranged from \* \* \* dozen pieces to \* \* \* dozen pieces during 1978-83. The ratio of reporting U.S. producers' imports to total imports increased from \* \* \* percent in 1978 to \* \* \* percent in 1981, and then declined to \* \* \* and \* \* \* percent in 1982 and 1983, respectively.

In addition to the U.S. producers, several large department store chains import stainless steel table flatware. The greatest share of stainless steel table flatware, however, is imported by wholesalers that also deal in other import product lines. The largest wholesalers, such as \* \* \* or \* \* \*, order stainless steel table flatware from foreign samples according to their own quality specifications and frequently create their own designs (table 9). Other than packaging, importers usually do not add any value to the imported product, unless an importer is asked to stamp the name of the purchaser on the handle of the flatware. This is usually done only for institutional sales in which hotels, hospitals, or other institutions want their names stamped on the flatware. Table 10 presents U.S. importers' shipments by classes of purchasers and channels of distribution, 1981 and 1983.

#### Foreign Producers

Three Far Eastern countries--Japan, Korea, and Taiwan--are the principal sources of U.S. imports of stainless steel table flatware. Together they accounted for 95.8 percent of the quantity of U.S. imports in 1983, with Japan accounting for 47.6 percent, Korea for 35.9 percent, and Taiwan for 12.3 percent. Other sources in 1983 were China, Hong Kong, West Germany, Italy, and Brazil, in that order.

Stainless steel table flatware production in Japan is primarily concentrated in the prefecture of Niigata, in the city of Tsubame, northwest of Tokyo. Of the 163 firms that make up the Japanese stainless steel flatware industry, 152 firms are located in the vicinity of Tsubame. The remaining 11 firms are located in Seki city, in Gifu prefecture. The Japanese stainless steel flatware industry is dominated by the three largest firms, Kobayashi Kogyo Co., Ltd., Fuji Shoki Co., and Yamazaki Kinzoku Kogyo, Ltd. Of the 160 firms remaining, 60 firms are full-scale producers of flatware. Also included in the 163 Japanese manufacturers are 100 subcontractors that serve the full-scale stainless steel table flatware producers by, for example, performing only the blanking process. The production and exports of these firms are represented and coordinated by two groups, the Japan Metal Tableware Industry Association and the Japan General Merchandise Export Association.

Table 8.--Stainless steel table flatware: Total U.S. imports for consumption, and producers' imports, 1978-83

Year	Total imports	Producers' imports <sup>1/</sup>	Ratio of producers' imports to total imports <sup>1/</sup>
	<u>1,000 dozen pieces</u>	<u>1,000 dozen pieces</u>	<u>Percent</u>
1978-----	45,957	***	***
1979-----	40,972	***	***
1980-----	44,646	***	***
1981-----	45,761	***	***
1982-----	41,338	***	***
1983-----	45,397	***	***

<sup>1/</sup> Does not include \* \* \*.

<sup>2/</sup> \* \* \*.

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

Table 9.--Stainless steel table flatware: U.S. imports for consumption, by respondents to the Commission's questionnaires, 1983

Importing firms and their locations	Quantity	Share of total
	: 1,000 dozen : pieces	: quantity : Percent 1/
U.S. producer/importers:		
National-----	***	***
Oneida-----	***	***
Utica-----	***	***
Gorham-----	***	***
Reed & Barton-----	***	***
Slidewell/THC-----	***	***
Subtotal 3/-----	***	***
Other importers:		
Action Industries, Inc. (Action); Cheswick, Pa----	***	***
Admiral Craft Equipment Co. (Admiral); Flushing, N.Y-----	***	***
Dansk International Designs, Ltd. (Dansk); Mt. Kisco, N.Y-----	***	***
Fingerhut Corp. (Fingerhut); Minnetonka, Minn----	***	***
Harold Leonard & Co., Inc. (Harold Leonard); Rancho Dominguez, Calif-----	***	***
Imperial Arts Corp. (Imperial); Elk Grove, Ill----	***	***
K-Mart Corp. (K-Mart); Troy, Mich-----	***	***
Leonard Silver Mfg. Co. (Leonard); E. Boston, Mass-----	***	***
Lifetime Cutlery Co. (Lifetime); Brooklyn, N.Y----	***	***
National Silver Industries (National Silver); New York, N.Y-----	***	***
Oxford Hall Silversmiths (Oxford); Boston, Mass-----	***	***
Palmco Corp. (Palmco); Newport Beach, Calif-----	***	***
S.E. Rykoff & Co. (Rykoff); Los Angeles, Calif----	***	***
Scientific Silver Co. (Scientific); Woodside, N.Y-----	***	***

See footnotes and source at end of table.

Table 9.--Stainless steel table flatware: U.S. imports for consumption, by respondents to the Commission's questionnaires, 1983--Continued

Importing firms and their locations	Quantity	Share of total quantity
	<u>1,000 dozen</u>	
	<u>pieces</u>	<u>Percent</u> <sup>1/</sup>
Seneca Delco Corp. (Seneca); Port Washington, N.Y.	***	***
Stanley Roberts, Inc. (Stanley Roberts); New York, N.Y.	***	***
THC Systems, Inc. (THC); Whitestone, N.Y.	***	<u>4/</u>
Towle/Sigma Giftware Corp. (Towle/Sigma); E. Boston, Mass.	***	***
Towle Silversmiths (Towle); Newburyport, Mass.	***	***
Wallace International Silversmiths, Inc. (Wallace); Wallingford, Conn.	***	***
WMF, Inc. (WMF); Farmingdale, N.Y.	***	***
World Tableware International, Inc. (World); Wallingford, Conn.	***	***
Total, other reporting importers	***	***
Total, all reporting importers <sup>3/</sup>	***	***
All nonreporting importers <sup>5/</sup>	***	***
Grand total, all importers <sup>3/</sup> <sup>6/</sup>	***	100.0

<sup>1/</sup> Because of rounding, percentages may not add to the totals shown.

<sup>2/</sup> \* \* \*

<sup>3/</sup> \* \* \*

<sup>4/</sup> \* \* \*

<sup>5/</sup> Derived by subtracting imports by reporting importers from the total imports reported in official statistics of the U.S. Department of Commerce.

<sup>6/</sup> Compiled from official statistics of the U.S. Department of Commerce.

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



Table 10.--Stainless steel table flatware: U.S. importers' 1/ shipments, by classes of purchasers and channels of distribution, 1981 and 1983

(In thousands of dozen pieces)

Classes of purchasers and channels of distribution :	1981 :	1983 :
Shipments to retailers:		
Directly by firms' own salesmen-----:	*** :	***
Through manufacturers' representatives-----:	*** :	***
Through wholesalers-----:	*** :	***
Through mail order-----:	*** :	***
Other-----:	*** :	***
Subtotal-----:	*** :	***
Shipments to institutional/commercial users:		
Directly by firms' own salesmen-----:	*** :	***
Through manufacturers' representatives-----:	*** :	***
Through wholesalers-----:	*** :	***
Through mail order-----:	*** :	***
Other-----:	*** :	***
Subtotal-----:	*** :	***
Shipments to premium-ware purchasers:		
Directly by firms' own salesmen-----:	*** :	***
Other-----:	*** :	***
Subtotal-----:	*** :	***
Shipments to governmental purchasers:		
Directly by firms' own salesmen-----:	*** :	***
Other-----:	*** :	***
Subtotal-----:	*** :	***
Total-----:	*** :	***

1/ Excludes shipments of flatware imported by U.S. producers, except \* \* \*.

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

The number of employees per firm varies considerably, with the largest firms having nearly 350 employees; the smallest firms and subcontractors may have as few as 10 workers or less. As many as two-thirds of the companies (including the subcontractors) have 30 or fewer employees. As fewer Japanese are willing to work in stainless steel table flatware plants and labor costs have risen, the Japanese industry has turned increasingly to automation. New equipment, which allows the flatware to be tumble finished rather than hand finished has lowered Japanese labor costs for much of its low-end stainless steel table flatware.

The previously mentioned 1981 University of Kansas study for the Department of Commerce, 1/ found evidence that the Japanese flatware industry was the recipient of direct and indirect Government aid from the Ministry of International Trade and Industry (MITI). According to the study, Japanese flatware manufacturers have been encouraged through investment tax credits, and other incentives to diversify their production to include other goods, such as bicycle parts, automobile parts, and construction materials, in addition to flatware. The study also reported that the Japanese Government had encouraged Japanese manufacturers to shift their flatware production from low-end to high-end, higher valued flatware. Counsel for the Japanese, when questioned during the hearing about the policies of the Japanese Government, responded that the flatware industry had received financial assistance from the Government. This occurred from 1966 to 1977 when flatware firms were requested to move from their inner-city locations to an industrial park outside the city. The flatware firms received 10-year loans and other assistance in order to offset the expense of relocation. By 1977, however, not all of the firms had completed relocation. Additionally, counsel responded that the Government had attempted to provide industry guidance in upgrading its high-end flatware production. The result has been only partly successful. 2/

Official Japanese figures for production, domestic shipments, and exports to the United States were supplied by the Japan Metal Tableware Industry Association (JMTIA) and the Ministry of Finance (MOF). The flatware categories do not exactly correspond to the TSUS items that are the subject of this investigation. Japanese metal flatware categories include flatware having handles of stainless steel as well as flatware having handles of other base metals.

According to the JMTIA, Japanese exports of stainless steel table flatware to France, Italy, Greece, Norway, and the Benelux countries are restricted under bilateral agreements negotiated between the Government of Japan and the seven countries.

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1/ University of Kansas Research Center report prepared for the Department of Commerce.

2/ Transcript, p. 201.

Out of the 63 full-scale firms producing flatware, 33 export to the United States, either directly or through trading firms. Two Japanese flatware manufacturers, Yamazaki and Mitsuboshi, have recently opened sales offices in the United States to create their own distribution channels for higher quality flatware, thus becoming the first Japanese producers to bypass importers and wholesalers in an attempt to reach the U.S. market directly.

The Korean flatware industry, in contrast, consists of only 12 manufacturers, 7 large firms that manufacture for both the domestic and export markets, and 5 smaller firms that produce only for the domestic market. The seven large firms are responsible for over 90 percent of Korean production and all of Korea's exports of stainless steel flatware. The large firms employ an aggregate of approximately 8,000 workers and the smaller firms employ about 300 workers. The large firms employ from 400 to 1,500 workers each.

The export market for stainless steel flatware from Korea is dominated by two firms, Dae-Lim Trading Co. Ltd., and Kyung-Dong Inc. Co. Ltd. In 1983 these two firms exported \* \* \* dozen pieces to the United States, or \* \* \* percent (using Korean statistics), of all of Korea's flatware exports to the United States (or \* \* \* using U.S. import statistics). 1/ Korea's exports of flatware are coordinated by the Korean Metal Flatware Exporters Association. Table 11 presents data on Korea's production, total exports, and exports to the United States.

Capacity utilization in the Korean flatware industry has fluctuated during the 1980's for the seven large firms. In 1981, capacity utilization stood at \* \* \* percent. By 1982, however, reflecting the depressed export markets in the United States and other countries, it had fallen to \* \* \* percent. During 1983, Korean capacity utilization improved, averaging \* \* \* percent.

The Korean Government and the Korean flatware industry have stated that Korea has voluntarily restrained its exports of stainless steel flatware to the United States, limiting the amount to about 18 million dozen a year. The Korean Government also limits the level of exports to West Germany, the United Kingdom, Australia, and the Benelux countries. According to testimony presented in prehearing briefs by counsel for the Korean exporters and from information received in official cables, the industry has no plans to increase its capacity in the next two years, even though between 1980 and 1981, capacity fell by \* \* \* percent. 2/ In addition, Korean sources report that no increase in exports of flatware to the United States is planned.

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1/ The Korean export statistics may be slightly overstated in comparison with official U.S. import statistics because the Korean statistics include a broader category of flatware than that covered by the TSUS items that define the scope of this investigation.

2/ Prehearing brief of Korean counsel, p. 20, and official cables.

Table 11.--Stainless steel table flatware: Production, total exports, and exports to the United States for Japan, Korea, and Taiwan, 1978-83 1/

Item	1978	1979	1980	1981	1982	1983
Production:						
Japan--million						
dozen pieces--	***	***	***	***	***	***
Korea-----do----	***	***	***	***	***	***
Taiwan-----do----	***	***	***	***	***	***
Total-----do----	***	***	***	***	***	***
Total exports:						
Japan-----do----	***	***	***	***	***	***
Korea-----do----	***	***	***	***	***	***
Taiwan-----do----	***	***	***	***	***	***
Total-----do----	***	***	***	***	***	***
Total exports to the						
United States:						
Japan-----do----	***	***	***	***	***	***
Korea-----do----	***	***	***	***	***	***
Taiwan-----do----	***	***	***	***	***	***
Total-----do----	***	***	***	***	***	***
Ratio of total ex-						
ports to produc-						
tion:						
Japan-----percent--	***	***	***	***	***	***
Korea-----do----	***	***	***	***	***	***
Taiwan-----do----	***	***	***	***	***	***
Average----do----	***	***	***	***	***	***
Ratio of exports to						
the United States:						
to total ex-						
ports:						
Japan-----percent--	***	***	***	***	***	***
Korea-----do----	***	***	***	***	***	***
Taiwan-----do----	***	***	***	***	***	***
Average----do----	***	***	***	***	***	***

1/ Data on exports to the United States are different from that presented in table 13 for U.S. imports from these countries, since the data in the table are based on Japanese, Korean, and Taiwan flatware export data that is defined somewhat differently than the stainless steel table flatware included in the scope of this investigation.

2/ Taiwan's production was available only as a total for 1981-1983. That figure was \* \* \* dozen pieces. The ratio of total exports to production for those three years was \* \* \* percent.

3/ Does not include Taiwan's exports as it would overstate the ratio.

Source: Post-hearing briefs of Japanese and Korean counsel and official cables.

The Taiwan industry is composed of 10 stainless steel table flatware manufacturers of differing sizes. \* \* \*. \* \* \* and \* \* \* are the largest exporters of stainless steel flatware to the United States exporting \* \* \* dozen pieces in 1983, accounting for \* \* \* percent of Taiwan's exports to the United States (using Taiwan's statistics), and accounting for \* \* \* percent (using U.S. import statistics). The Taiwan flatware manufacturers are represented by the Taiwan Stainless Tableware Producers Association.

The average number of employees in the Taiwan industry is much smaller than that of Korea. Total employment is about \* \* \* persons. \* \* \*. Capacity utilization on the subject products has fluctuated by firm over the last 3 years, averaging \* \* \* percent for the industry in 1983. Of the top two firms, capacity utilization declined for \* \* \* from \* \* \* percent to \* \* \* percent and then to \* \* \* percent from 1981 to 1983; for \* \* \*, it amounted to \* \* \* percent in 1981, declined to \* \* \* percent in 1982, and then rose to \* \* \* percent in 1983.

Taiwan's exports of stainless steel flatware to countries other than the United States are limited by the nonfavorable tariffs of the European Community (EC) and Canada. Sales of flatware to Central and South American countries are limited due to a shortage of foreign exchange (U.S. dollars). During 1984 and 1985, only two firms projected an increase in production or capacity, four firms said that any change will be dependent upon the recovery in the United States, and the final four firms projected no changes in their present situation.

Very little, if any, data are available on the stainless steel table flatware industries in China, or Hong Kong, despite repeated efforts of the Commission to obtain such data through the Department of State, associations of manufacturers, counsel for the foreign industries and exporters, and U.S. importers. Information received from official sources concerning Hong Kong was incomplete, as much of the information needed for the investigation was not available. At least six firms export stainless steel flatware to the United States from Hong Kong; the volume of exports, production, and capacity for these firms are not available.

The positions of Japan and Korea as the major supplying countries of U.S. imports of stainless steel table flatware have reversed over the last 9 years. In 1975, Japan's position as the predominant foreign source of U.S. imports of stainless steel table flatware began to decline as Korea's share of the import market rose. By 1977, Korean exports held a 50-percent share of the U.S. market for imported flatware; Japan held 28 percent. By 1979, however, Japan had again risen to the position of primary exporting country and Korea had fallen to second place. Each country has maintained that position through 1983. Taiwan's share of the U.S. import market has declined erratically over the 6 year period, 1978-83, whereas, the shares supplied by China and Hong Kong have increased somewhat unevenly.

The West German and the Italian share of the U.S. flatware markets are much smaller than those of the Far Eastern suppliers. In addition, the type of flatware imported is also different. Imports from Europe, as a whole, are usually in the higher value category and consist of flatware which is 18/8 quality (or higher) and heavier in weight, and is more polished and finished. West Germany's exports of stainless steel flatware to the United States since 1981 have been less than 10 percent of their total flatware exports. Although the West German flatware industry has reported that it has no specific plans to alter production or capacity in 1984 and 1985, the industry plans to increase its exports in order to offset a decline in domestic sales. Italian exports of stainless steel table flatware held only 0.1 percent of the U.S. import market in 1983. Most Italian flatware is sold to the EC countries so Italy does not depend on the U.S. market for a major portion of its sales.

### U.S. Consumption

Apparent U.S. consumption of stainless steel table flatware declined irregularly from \*\*\* dozen pieces in 1978 to \*\*\* dozen pieces in 1982, representing a decline of \*\*\* percent, before rising to \*\*\* dozen pieces in 1983. Overall, during 1978-83, apparent U.S. consumption fell by \*\*\* percent. U.S. producers' shipments and imports both declined during 1978-83, dropping \*\*\* percent and 1.2 percent, respectively. Although imports declined during the same period, they increased irregularly as a share of U.S. consumption, from \*\*\* percent in 1978 to \*\*\* percent in 1982 (table 12). Imports increased by \*\*\* percent in 1983, increasing their share of apparent U.S. consumption to \*\*\* percent. Table F-1 in appendix F shows apparent U.S. consumption of stainless steel table flatware for 1953-83 and table F-2 shows the estimated value of U.S. consumption, 1978-83. Figure G-1 in appendix G, graphs U.S. consumption during 1969-83, and figure G-2 graphs the ratio of imports to consumption during 1953-83.

Table 12.--Stainless steel table flatware: U.S. producers' shipments, imports for consumption, exports of domestic merchandise, and apparent consumption, 1978-83

Year	Producers' shipments	Imports	Exports	Apparent consumption	Ratio of imports to consumption
	-----1,000 dozen pieces-----				Percent
1978-----	***	45,957	248	***	***
1979-----	***	40,972	171	***	***
1980-----	***	44,646	281	***	***
1981-----	***	45,761	261	***	***
1982-----	***	41,338	207	***	***
1983-----	***	45,397	139	***	***

Sources: 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 the U.S. Department of Commerce.

## The Question of Increased Imports

U.S. imports

U.S. imports of stainless steel table flatware declined from 46.0 million dozen pieces in 1978 to 41.0 million dozen pieces, or by 10.8 percent, in 1979. Imports then increased by 11.7 percent to 45.8 million dozen pieces in 1981, then fell again to 41.3 million dozen pieces in 1982, or by 9.7 percent. In 1983, imports totaled 45.4 million dozen pieces, 1.2 percent below the level of imports in 1978, but 9.8 percent above the level of imports in 1982. Data for January-February 1984, show imports rising by 48 percent above the level of imports in January-February 1983 (table 13).

Traditionally, Japan, Korea, and Taiwan have been the principal suppliers of stainless steel table flatware. The share of total quantity of U.S. imports supplied by Japan increased irregularly, from 33.6 percent in 1978 to 47.6 percent in 1983, whereas the shares supplied by Korea and Taiwan declined irregularly, from 44.6 percent and 20.2 percent, respectively, in 1978, to 35.9 percent and 12.3 percent, respectively, in 1983. Tables F-3 through F-6 show U.S. imports of stainless steel knives, forks, spoons, and sets, by TSUS items, and by principal sources, 1978-83.

Table 13.--Stainless steel table flatware: U.S. imports for consumption, by principal sources, 1978-83, January-February 1983, and January-February 1984

Source	1978	1979	1980	1981	1982	1983	Jan.-Feb.--	
							1983	1984
Quantity (1,000 dozen pieces)								
Japan-----	15,453	18,931	19,677	19,141	17,802	21,619	2,861	4,304
Korea-----	20,496	14,040	16,399	16,472	14,209	16,288	2,074	3,667
Taiwan-----	9,305	7,546	6,594	7,450	6,921	5,568	973	744
China-----	23	1	1,120	1,737	1,968	1,317	410	388
Hong Kong-----	138	141	431	434	237	331	72	396
West Germany--	109	73	151	192	91	127	20	14
Italy-----	16	15	20	54	13	37	10	2
Brazil-----	2	3	6	1/	1	30	2	4
Other-----	415	222	248	279	96	80	21	6
Total-----	45,957	40,972	44,646	45,761	41,338	45,397	6,443	9,525

See footnotes at end of table.

Table 13.--Stainless steel table flatware: U.S. imports for consumption, by principal sources, 1978-83, January-February 1983, and January-February 1984--Continued

Source	1978	1979	1980	1981	1982	1983	Jan.-Feb.--	
							1983	1984
Percentage distribution, by quantity								
Japan	33.6	46.2	44.1	41.8	43.1	47.6	44.4	45.2
Korea	44.6	34.3	36.7	36.0	34.4	35.9	32.2	38.5
Taiwan	20.2	18.4	14.8	16.3	16.7	12.3	15.1	7.8
China	2/	2/	2.5	3.8	4.8	2.9	6.3	4.1
Hong Kong	.3	.3	1.0	.9	.6	.7	1.1	4.2
West Germany	.2	.2	.3	.4	.2	.3	.3	.1
Italy	2/	2/	2/	.1	2/	.1	.2	2/
Brazil	2/	2/	2/	2/	2/	.1	2/	2/
Other	.9	.5	.6	.6	.2	.2	.3	.1
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Value (1,000 dollars) <sup>3/</sup>								
Japan	31,004	32,732	39,868	49,503	41,786	44,184	5,251	8,732
Korea	27,545	22,328	30,637	36,778	31,517	30,389	3,890	7,009
Taiwan	10,664	9,935	9,813	13,934	12,778	9,258	1,811	1,408
China	31	6	1,264	2,401	2,873	1,720	527	591
Hong Kong	212	250	591	743	437	632	96	441
West Germany	2,044	1,571	3,249	3,575	1,786	2,650	760	277
Italy	126	128	223	248	161	397	117	31
Brazil	24	16	49	4	6	92	25	15
Other	1,402	1,409	2,162	1,545	934	1,100	196	103
Total	73,052	68,375	87,856	108,731	92,278	90,422	12,673	18,607
Average unit value (cents per piece)								
Japan	16.7	14.4	16.9	21.6	19.6	17.0	15.3	16.9
Korea	11.2	13.2	15.6	18.6	18.5	15.6	15.7	15.9
Taiwan	9.6	11.0	12.4	15.6	15.4	13.8	15.5	15.8
China	10.8	57.0	9.4	11.5	12.2	10.9	10.8	12.7
Hong Kong	12.8	14.7	11.4	14.2	15.3	15.9	11.2	9.3
West Germany	156.3	179.8	179.6	155.0	162.7	173.7	316.1	169.3
Italy	65.6	72.2	94.2	38.3	100.1	89.5	95.8	114.8
Brazil	100.0	48.4	71.7	175.7	34.0	25.5	108.9	28.0
Other	29.5	62.0	96.0	16.2	83.9	158.7	161.6	248.8
Average	13.2	13.9	16.4	19.8	18.6	16.6	16.4	16.3

1/ Less than 500 dozen pieces.

2/ Less than 0.05 percent.

3/ Customs value.

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

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



Relative to U.S. production, U.S. imports of stainless steel table flatware rose substantially. The ratio of imports to production increased from \* \* \* percent in 1978 to \* \* \* percent in 1979 and 1980, declined to \* \* \* percent in 1981, then increased substantially in 1982, and, in 1983 reached \* \* \* percent, up \* \* \* percent from that of the ratio in 1978. The ratios are shown in the following tabulation:

	<u>U.S. imports</u>	<u>U.S. production</u>	<u>Ratio of imports to production</u>
	<u>--1,000 dozen pieces--</u>		<u>--percent--</u>
1978-----	45,957	***	***
1979-----	40,972	***	***
1980-----	44,646	***	***
1981-----	45,761	***	***
1982-----	41,338	***	***
1983-----	45,397	***	***

#### U.S. importers' shipments

Data are available for shipments of imported stainless steel table flatware by 27 importing firms, including \* \* \* U.S. producers (\* \* \*), that also imported stainless steel table flatware. Total shipments of imported flatware by the responding firms increased annually from \* \* \* dozen pieces in 1981 to \* \* \* dozen pieces in 1983, representing an increase of \* \* \* percent. Shipments of imported flatware by U.S. producer/importers increased annually from \* \* \* dozen pieces in 1981 to \* \* \* dozen pieces in 1983 (or by \* \* \* percent). Shipments by other importers increased annually from \* \* \* dozen pieces in 1981 to \* \* \* dozen pieces in 1983 (or by \* \* \* percent). As shown in table 14, the average unit values of shipments of imports by reporting U.S. producer/importers were substantially lower than the average unit values of shipments by the other reporting importers.

Table 14.--Stainless steel table flatware: Shipments of imported merchandise by U.S. producer/importers and by other U.S. importers, 1981-83

Item	1981	1982	1983
Quantity (1,000 dozen pieces)			
Producer/importers <u>1</u> /---	***	***	***
Other importers-----	***	***	***
Total-----	***	***	***
Value (1,000 dollars) <u>2</u> /			
Producer/importers <u>1</u> /---	***	***	***
Other importers-----	***	***	***
Total-----	***	***	***
Average unit value (per dozen pieces)			
Producer/importers <u>1</u> /---	***	***	***
Other importers-----	***	***	***
Average-----	***	***	***
Average unit value (cents per piece)			
Producer/importers <u>1</u> /---	***	***	***
Other importers-----	***	***	***
Average-----	***	***	***

1/ Excludes \* \* \*.

2/ F.o.b. U.S. point of shipment.

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

Questionnaire responses indicate that the bulk of the imported stainless steel table flatware is concentrated in the value brackets below \$5.99 per dozen pieces (or 50 cents each). Shipments of stainless steel table flatware with an f.o.b. value of not over \$5.99 per dozen pieces accounted for \* \* \* percent of total U.S. shipments of imports by the reporting firms in 1981, \* \* \* percent in 1982, and \* \* \* percent in 1983. Shipments of imported stainless steel flatware valued at under \$6.99 per dozen pieces (58.2 cents per piece), accounted for \* \* \* percent of total shipments of imports in 1981, \* \* \* percent in 1982, and \* \* \* percent in 1983. In comparison, shipments of domestically produced stainless steel table flatware with an f.o.b. value of not over \$5.99 per dozen pieces declined from \* \* \* percent of total shipments in 1981 to \* \* \* percent in 1982, and to \* \* \* percent in 1983 (table 15 and figs. 1-4). Tables F-7 to F-9, show U.S. shipments of imported stainless steel table flatware, by value brackets, by firms, and by countries of origin.

Table 15.--Stainless steel table flatware: U.S. producers' shipments of U.S. produced and imported merchandise, and shipments of imported merchandise by other importers, by value brackets, 1981-83

(In thousands of dozen pieces)

Value brackets per dozen pieces	Produced in the United States	Imported by--		
		U.S. producers	Other firms	Total
1981				
Less than \$2.00-----	***	***	***	***
\$2.00 to \$4.99-----	***	***	***	***
\$5.00 to \$5.99-----	***	***	***	***
\$6.00 to \$6.99-----	***	***	***	***
\$7.00 to \$7.99-----	***	***	***	***
\$8.00 to \$8.99-----	***	***	***	***
\$9.00 to \$9.99-----	***	***	***	***
\$10.00 to \$11.99-----	***	***	***	***
\$12.00 and over-----	***	***	***	***
Total-----	***	***	***	***
1982				
Less than \$2.00-----	***	***	***	***
\$2.00 to \$4.99-----	***	***	***	***
\$5.00 to \$5.99-----	***	***	***	***
\$6.00 to \$6.99-----	***	***	***	***
\$7.00 to \$7.99-----	***	***	***	***
\$8.00 to \$8.99-----	***	***	***	***
\$9.00 to \$9.99-----	***	***	***	***
\$10.00 to \$11.99-----	***	***	***	***
\$12.00 and over-----	***	***	***	***
Total-----	***	***	***	***
1983				
Less than \$2.00-----	***	***	***	***
\$2.00 to \$4.99-----	***	***	***	***
\$5.00 to \$5.99-----	***	***	***	***
\$6.00 to \$6.99-----	***	***	***	***
\$7.00 to \$7.99-----	***	***	***	***
\$8.00 to \$8.99-----	***	***	***	***
\$9.00 to \$9.99-----	***	***	***	***
\$10.00 to \$11.99-----	***	***	***	***
\$12.00 and over-----	***	***	***	***
Total-----	***	***	***	***

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

Note.--Not all firms could provide shipments data by value bracket.

Figure 1.--Stainless steel table flatware: Shipments of U.S. produced and imported flatware, 1981-83

\* \* \* \* \*

Figure 2.--Stainless steel table flatware: Shipments of U.S.-produced and imported flatware, by value brackets, 1981

\* \* \* \* \*

Figure 3.--Stainless steel table flatware: Shipments of U.S.-produced and imported flatware, by value brackets, 1982

\* \* \* \* \*

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Figure 4.--Stainless steel table flatware: Shipments of U.S.-produced and imported flatware, by value brackets, 1983

\* \* \* \* \*

U.S. importers' inventories

Inventories of imported stainless steel table flatware held by the responding U.S. producer/importers fell from \* \* \* dozen pieces in 1981 to \* \* \* dozen pieces in 1983, or by \* \* \* percent. Inventories of imported stainless steel table flatware held by other importing firms increased irregularly, from \* \* \* dozen pieces in 1981 to \* \* \* dozen pieces in 1983, or by \* \* \* percent. The ratio of inventories to shipments of the imported flatware declined annually for both groups of importers; dropping from an aggregate average of \* \* \* percent in 1981 to \* \* \* percent in 1983 (table 16).

Table 16.--Stainless steel table flatware: Inventories of imported merchandise held by importers, by types of firms, as of Dec. 31, 1981-83.

Item	Dec. 31--		
	1981	1982	1983
Quantity (1,000 dozen pieces)			
Producer/importers <u>1</u> /----	***	***	***
Other importers <u>2</u> /-----	***	***	***
Total-----	***	***	***
Ratio of inventories to shipments (percent)			
Producer/importers <u>1</u> /----	***	***	***
Other importers <u>2</u> /-----	***	***	***
Average-----	***	***	***

1/ Data are for 4 U.S. producer/importers \* \* \*.

2/ Data are for 19 importing firms.

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

The Question of Serious Injury or the Threat Thereof  
to a Domestic Industry

U.S. producers' capacity, production, and capacity utilization

National was the only firm currently producing stainless steel table flatware that could not supply full 1978-83 data on production, capacity, and capacity utilization in response to the Commission's questionnaires. 1/ U.S. capacity to produce stainless steel table flatware, as reported by the responding firms, declined annually from \* \* \* dozen pieces in 1978 to \* \* \* dozen in 1981, representing a decline of \* \* \* percent. \* \* \*. Total capacity in 1982, however, rose to \* \* \* dozen pieces, or by \* \* \* percent, from that of 1981, but declined slightly in 1983 (table 17).

U.S. production, as reported by the responding firms, declined from \* \* \* dozen pieces in 1978 to \* \* \* dozen pieces (or by \* \* \* percent) in 1982, and to \* \* \* dozen pieces, or by \* \* \* percent, in 1983. 2/ \* \* \*.

Capacity utilization by the responding firms also declined during the period, dropping from \* \* \* percent in 1978 to \* \* \* percent in 1983, or by \* \* \* percent. \* \* \*.

\* \* \* \* \*

---

1/ National was able to provide data only on its plant's production, shipments, and imports, and could supply such data for 1983 only. The firm operates in the plant formerly operated by Paige Industrial Corp. which, in 1977, produced \* \* \* dozen pieces. The company was sold in December 1983 and the new owners do not have access to data for the previous years covered by the investigation.

2/ In its questionnaire response, \* \* \* reported the cancellation in March 1983, of a contract with the General Services Administration (GSA) that accounted for approximately \* \* \* percent of the company's flatware volume. No reasons were given by \* \* \* for the cancellation of the contract by GSA. \* \* \*. GSA has a "Buy American clause" in its contracts and presently purchases the bulk of its needs from \* \* \* but also purchases from \* \* \*. However, GSA does purchase a small volume of imported "ungraded" stainless steel table flatware. \* \* \*. GSA's total purchases of stainless steel table flatware, all of which was purchased from U.S. sources, amounted to \* \* \* dozen pieces, valued at \* \* \*, in 1982, and to \* \* \* dozen pieces, valued at \* \* \*, in 1983, representing a drop of \* \* \* percent, in terms of quantity.

3/ \* \* \*.

Table 17.--Stainless steel table flatware: U.S. producers' capacity, production, and capacity utilization, by firms, 1978-83

Firm	1978	1979	1980	1981	1982	1983
Capacity (1,000 dozen pieces)						
Represented producers:						
Calder-----	***	***	***	***	***	***
National-----	***	***	***	***	***	***
Oneida-----	***	***	***	***	***	***
Royal-----	***	***	***	***	***	***
Utica-----	***	***	***	***	***	***
Subtotal-----	***	***	***	***	***	***
Other producers:						
Ekco-----	***	***	***	***	***	***
Gorham-----	***	***	***	***	***	***
Reed & Barton--	***	***	***	***	***	***
Slidewell-----	***	***	***	***	***	***
Subtotal-----	***	***	***	***	***	***
Grand total----	***	***	***	***	***	***
Production (1,000 dozen pieces)						
Represented producers:						
Calder-----	***	***	***	***	***	***
National-----	***	***	***	***	***	***
Oneida-----	***	***	***	***	***	***
Royal-----	***	***	***	***	***	***
Utica-----	***	***	***	***	***	***
Subtotal-----	***	***	***	***	***	***
Other producers:						
Ekco-----	***	***	***	***	***	***
Gorham-----	***	***	***	***	***	***
Reed & Barton--	***	***	***	***	***	***
Slidewell-----	***	***	***	***	***	***
Subtotal-----	***	***	***	***	***	***
Grand total----	***	***	***	***	***	***

See footnotes at end of table.

Table 17.--Stainless steel table flatware: U.S. production capacity, production, and capacity utilization, by firms, 1978-83--Continued

Firm	1978	1979	1980	1981	1982	1983
	Capacity utilization (percent)					
Represented producers:						
Calder-----	***	***	***	***	***	***
National-----	***	***	***	***	***	***
Oneida-----	***	***	***	***	***	***
Royal-----	***	***	***	***	***	***
Utica-----	***	***	***	***	***	***
Average-----	***	***	***	***	***	***
Other producers:						
Ekco-----	***	***	***	***	***	***
Gorham-----	***	***	***	***	***	***
Reed & Barton--	***	***	***	***	***	***
Slidewell-----	***	***	***	***	***	***
Average-----	***	***	***	***	***	***
Average-----	***	***	***	***	***	3/ ***

1/ \* \* \*

2/ \* \* \*

3/ \* \* \*

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

Production of flatware of materials other than stainless steel,  
by stainless steel table flatware producers

Three U.S. producers of stainless steel table flatware, Oneida, Gorham, and Reed & Barton manufactured flatware in the United States from materials other than stainless steel. None of the U.S. producers imported flatware of materials other than stainless steel. U.S. production by the three firms, of flatware, by type of material, in 1981 and 1983 is shown in the following tabulation:



Type of material and year	Oneida	Gorham	Reed & Barton	Total
	-----1,000 dozen pieces-----			
Other than stainless steel table flatware:				
Base metal (except stainless steel):				
1981-----	***	***	***	***
1983-----	***	***	***	***
Precious metals:				
1981-----	***	***	***	***
1983-----	***	***	***	***
Subtotal:				
1981-----	***	***	***	***
1983-----	***	***	***	***
Stainless steel table flatware:				
1981-----	***	***	***	***
1983-----	***	***	***	***
Total, all flatware:				
1981-----	***	***	***	***
1983-----	***	***	***	***

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

#### U.S. producers' shipments

U.S. producers' shipments of domestically produced stainless steel table flatware by the responding producers declined annually from \* \* \* dozen pieces in 1978 to \* \* \* dozen pieces in 1983, representing a decline of \* \* \* percent.

In the aggregate, the average unit value of U.S. producers' shipments increased by \* \* \* percent between 1978 and 1983. The average unit value of shipments by the petitioners increased from \* \* \* per dozen pieces in 1978 to \* \* \* per dozen pieces in 1983 (or by \* \* \* percent) whereas those of the unrepresented producers fell by \* \* \* percent, from \* \* \* per dozen pieces in 1978, to \* \* \* per dozen pieces in 1983 (table 18).

#### U.S. producers' shipments by value brackets

Shipments of domestically produced stainless steel table flatware by most of the domestic producers were concentrated in the value brackets below \$7 per dozen pieces. \* \* \*

Table 18.--Stainless steel table flatware: U.S. producers' shipments of their U.S.-produced flatware, by firms, 1978-83

Firm	1978	1979	1980	1981	1982	1983
Quantity (1,000 dozen pieces)						
Represented producers:						
Calder-----	***	***	***	***	***	***
National-----	***	***	***	***	***	***
Oneida-----	***	***	***	***	***	***
Royal-----	***	***	***	***	***	***
Utica-----	***	***	***	***	***	***
Subtotal-----	***	***	***	***	***	***
Other producers:						
Ekco-----						
Gorham-----	***	***	***	***	***	***
Reed & Barton--	***	***	***	***	***	***
Slidewell-----	***	***	***	***	***	***
Subtotal-----	***	***	***	***	***	***
Grand total-----	***	***	***	***	***	***
F.o.b. value (1,000 dollars)						
Represented producers:						
Calder-----	***	***	***	***	***	***
National-----	***	***	***	***	***	***
Oneida-----	***	***	***	***	***	***
Royal-----	***	***	***	***	***	***
Utica-----	***	***	***	***	***	***
Subtotal-----	***	***	***	***	***	***

See footnotes at end of table.

Table 18.--Stainless steel table flatware: U.S. producers' shipments of their U.S.-produced flatware, by firms, 1978-83--Continued

Firm	1978	1979	1980	1981	1982	1983
F.o.b. value (1,000 dollars)--Continued						
Other producers:						
Ekco-----	***	***	***	***	***	***
Gorham-----	***	***	***	***	***	***
Reed & Barton--	***	***	***	***	***	***
Slidewell-----	***	***	***	***	***	***
Subtotal-----	***	***	***	***	***	***
Grand total----	***	***	***	***	***	***
Unit value (per dozen pieces)						
Represented producers:						
Calder-----	***	***	***	***	***	***
National-----	***	***	***	***	***	***
Oneida-----	***	***	***	***	***	***
Royal-----	***	***	***	***	***	***
Utica-----	***	***	***	***	***	***
Subtotal-----	<u>3/</u> ***	<u>3/</u> ***	<u>3/</u> ***	<u>3/</u> ***	<u>3/</u> ***	<u>3/</u> ***
Other producers:						
Ekco-----	***	***	***	***	***	***
Gorham-----	***	***	***	***	***	***
Reed & Barton--	***	***	***	***	***	***
Slidewell-----	***	***	***	***	***	***
Subtotal-----	***	***	***	***	***	***
Grand total----	***	***	***	***	***	***

1/ Not available.

2/ \* \* \*.

3/ Based on data for the \* \* \* U.S. producers that reported both the quantity and value of their shipments for the 6-year period shown.

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

report, shipments of stainless steel table flatware with an f.o.b. value of not over \$5.99 per dozen pieces accounted for 93 percent of total U.S. imports by reporting firms in 1981, and for 89 percent in 1982 and 1983. Table 19 shows shipments of domestically produced stainless steel table flatware, by firms, for 1981-83.

### U.S. exports

U.S. exports of stainless steel table flatware declined irregularly from 248,000 dozen pieces in 1978 to 139,000 dozen pieces in 1983, or by 44.0 percent. As a share of U.S. producers' shipments, exports have accounted for less than \* \* \* percent of the quantity sold annually during 1978-83. Principal markets for U.S. exports during 1978-83, were Canada, Venezuela, and Malaysia (table 20).

### U.S. producers' inventories

U.S. producers' yearend inventories <sup>1/</sup> of U.S.-produced stainless steel table flatware declined from \* \* \* dozen pieces in 1978 to \* \* \* dozen pieces (or by \* \* \* percent) in 1979. They increased by \* \* \* percent to \* \* \* dozen pieces in 1981, then fell to \* \* \* dozen pieces in 1982, rising slightly in 1983 (by \* \* \* percent), as shown in table 21.

As a share of U.S. production, U.S. producers' inventories increased in each year except 1980, when the ratio declined slightly from that of the previous year. Overall, the ratio of inventories to production increased from \* \* \* percent in 1978 to \* \* \* percent in 1983, as shown in the following tabulation:

	<u>U.S. production <sup>1/</sup></u> <u>(1,000</u> <u>dozen pieces)</u>	<u>Yearend inventories</u> <u>(1,000</u> <u>dozen pieces)</u>	<u>Ratio of inventories</u> <u>to production</u> <u>(percent)</u>
1978-----	***	***	***
1979-----	***	***	***
1980-----	***	***	***
1981-----	***	***	***
1982-----	***	***	***
1983-----	***	***	***

<sup>1/</sup> Data are for the \* \* \* producers that supplied inventory data for the full period, 1978-83.

Table 19.--Stainless steel table flatware: U.S. producers' shipments of U.S.-produced merchandise, by value brackets and by firms, 1981-83

(In thousand of dozen pieces)

Value brackets per dozen pieces 1/	Represented Producers				Unrepresented Producers			Total
	Calder	Oneida	Royal	Utica	Ekco	Gorham	Reed & Barton	
1981								
Less than \$2.00----	***	***	***	***	***	***	***	***
\$2.00 to \$4.99----	***	***	***	***	***	***	***	***
\$5.00 to \$5.99----	***	***	***	***	***	***	***	***
\$6.00 to \$6.99----	***	***	***	***	***	***	***	***
\$7.00 to \$7.99----	***	***	***	***	***	***	***	***
\$8.00 to \$8.99----	***	***	***	***	***	***	***	***
\$9.00 to \$9.99----	***	***	***	***	***	***	***	***
\$10.00 to \$11.99----	***	***	***	***	***	***	***	***
\$12.00 or over----	***	***	***	***	***	***	***	***
Total-----	***	***	***	***	***	***	***	***
1982								
Less than \$2.00----	***	***	***	***	***	***	***	***
\$2.00 to \$4.99----	***	***	***	***	***	***	***	***
\$5.00 to \$5.99----	***	***	***	***	***	***	***	***
\$6.00 to \$6.99----	***	***	***	***	***	***	***	***
\$7.00 to \$7.99----	***	***	***	***	***	***	***	***
\$8.00 to \$8.99----	***	***	***	***	***	***	***	***
\$9.00 to \$9.99----	***	***	***	***	***	***	***	***
\$10.00 to \$11.99----	***	***	***	***	***	***	***	***
\$12.00 or over----	***	***	***	***	***	***	***	***
Total-----	***	***	***	***	***	***	***	***
1983								
Less than \$2.00----	***	***	***	***	***	***	***	***
\$2.00 to \$4.99----	***	***	***	***	***	***	***	***
\$5.00 to \$5.99----	***	***	***	***	***	***	***	***
\$6.00 to \$6.99----	***	***	***	***	***	***	***	***
\$7.00 to \$7.99----	***	***	***	***	***	***	***	***
\$8.00 to \$8.99----	***	***	***	***	***	***	***	***
\$9.00 to \$9.99----	***	***	***	***	***	***	***	***
\$10.00 to \$11.99----	***	***	***	***	***	***	***	***
\$12.00 or over----	***	***	***	***	***	***	***	***
Total-----	***	***	***	***	***	***	***	***

1/ F.o.b. U.S. point of shipment.

2/ Less than 500 dozen pieces.

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

Table 20.--Stainless steel table flatware: U.S. exports of domestic merchandise, by principal markets, 1978-83

Market	1978	1979	1980	1981	1982	1983
Quantity (1,000 dozen pieces)						
Canada	38	25	27	30	13	21
Venezuela	126	73	78	39	33	14
Malaysia	1/	2/	0	61	12	18
Cyprus	1/	2	6	5	3	9
Saudi Arabia	1/	2	8	15	15	11
All others	84	69	162	111	131	66
Total	248	171	281	261	207	139
Value (1,000 dollars)						
Canada	968	1,160	1,352	1,501	641	855
Venezuela	1,150	763	847	486	383	211
Malaysia	1/	8	-	283	242	197
Cyprus	1/	14	54	46	38	104
Saudi Arabia	1/	32	282	402	263	98
All others	2,021	2,162	2,766	2,692	2,888	1,605
Total	4,139	4,139	5,301	5,410	4,455	3,070
Unit value (per dozen pieces)						
Canada	\$25.47	\$46.40	\$50.07	\$50.03	\$49.31	\$40.71
Venezuela	9.13	10.45	10.86	12.46	11.61	15.07
Malaysia	1/	1/	-	4.64	20.17	10.94
Cyprus	1/	7.00	9.00	9.20	12.67	11.56
Saudi Arabia	1/	16.00	35.25	26.80	17.53	8.91
All others	24.06	31.33	17.07	24.25	22.05	24.32
Average	16.69	24.20	18.86	20.73	21.52	22.09

1/ Not available.

2/ Less than 500 dozen pieces.

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

Table 21.--Stainless steel table flatware: U.S. producers' inventories of U.S.-produced merchandise, by firms, Dec. 31, 1978-83

(In thousands of dozen pieces)

Firm	Dec. 31 of--					
	1978	1979	1980	1981	1982	1983
Represented producers:						
Calder-----	***	***	***	***	***	***
National-----	***	***	***	***	***	***
Oneida-----	***	***	***	***	***	***
Royal-----	***	***	***	***	***	***
Utica-----	***	***	***	***	***	***
Subtotal-----	***	***	***	***	***	***
Other producers:						
Ekco-----	***	***	***	***	***	***
Gorham-----	***	***	***	***	***	***
Reed & Barton--	***	***	***	***	***	***
Slidewell-----	***	***	***	***	***	***
Subtotal-----	***	***	***	***	***	***
Grand total-----	***	***	***	***	***	***

1/ Not available.

2/ \* \* \*.

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

#### Employment, wages, and worker trade adjustment assistance

The number of workers employed in the production of stainless steel table flatware declined irregularly from \* \* \* workers in 1978, to \* \* \* workers in 1983, representing a decline of \* \* \* workers (or \* \* \* percent). 1/ During 1978-83, Oneida employed more than \* \* \* percent of the production workers in the industry. Total hours worked by production and related workers producing stainless steel table flatware declined in each year except 1981 when they increased slightly from the previous year. In 1983, hours worked by production and related workers totaled \* \* \* hours, \* \* \* percent below the \* \* \* hours worked in 1978. Average annual hours worked by production and related workers each year ranged from a low of \* \* \* hours per worker in 1979 to a high of \* \* \* hours in 1982. Although on a downward trend, output per hour varied significantly between producers. Producers that supplied the

1/ As stated earlier in this report, \* \* \*.

lower priced end of the markets had a much higher output per hour rate than a producer such as \* \* \* which has more finishing operations and supplies only high-priced stainless steel table flatware (table 22).

The U.S. Department of Labor (Labor), under the Trade Adjustment Assistance program which began on April 1, 1975, has conducted numerous trade adjustment assistance investigations on stainless steel table flatware. As a result of Labor's investigations, workers at five firms, three of which have ceased production of stainless steel table flatware in the United States, have received trade adjustment assistance. The number of workers certified by Labor as eligible for assistance since the program began in 1975, totaled 2,921; trade adjustment allowances (cash benefits) have totaled \$3.7 million; and 49 workers have received training for new types of jobs at a cost of \$4,298. Labor also conducted five additional investigations covering 30 workers, but found no material injury in these cases resulting in the workers' dislocation by reason of imports; therefore, those workers were denied assistance under the program.

\* \* \* U.S. producers (\* \* \*) provided data to the Commission on wages and total compensation (which includes fringe benefits) paid to production and related workers. In the aggregate, wages paid to production and related workers increased annually from \* \* \* in 1978 to \* \* \* in 1982, representing an increase of \* \* \* percent. The average hourly wage paid to production workers increased annually from \* \* \* per hour in 1978 to \* \* \* per hour in 1982, or by \* \* \* percent. In 1983, total wages paid to production workers declined by \* \* \* percent although the average hourly wages increased by \* \* \* percent.

Total compensation paid to production workers increased irregularly during the period, from \* \* \* in 1978 to \* \* \* in 1983, or by \* \* \* percent. Average hourly total compensation paid to production workers by the U.S. manufacturers increased by \* \* \* percent, from \* \* \* per hour in 1978 to \* \* \* per hour in 1983 (table 23). Employees at four firms are represented by unions. Those at Reed & Barton are represented by the United Silver Workers Union, those at Ekco and Utica are represented by the United Steel Workers of America and those at Slidewell are represented by the Warehouse, Production & Industrial Service Employees Union. Workers at Oneida and Royal are not represented by unions.



Table 22.--Stainless steel table flatware: Production and related workers producing stainless steel table flatware, hours worked by them, and output per hour, by firms, 1978-83

Firm	1978	1979	1980	1981	1982	1983
Production and related workers (number)						
Calder-----	***	***	***	***	***	***
Oneida-----	***	***	***	***	***	***
Royal-----	***	***	***	***	***	***
Utica-----	***	***	***	***	***	***
Ekco-----	***	***	***	***	***	***
Reed & Barton-----	***	***	***	***	***	***
Slidewell-----	***	***	***	***	***	***
Total-----	***	***	***	***	***	***
Hours worked (1,000 hours)						
Calder-----	***	***	***	***	***	***
Oneida-----	***	***	***	***	***	***
Royal-----	***	***	***	***	***	***
Utica-----	***	***	***	***	***	***
Ekco-----	***	***	***	***	***	***
Reed & Barton-----	***	***	***	***	***	***
Slidewell-----	***	***	***	***	***	***
Total-----	***	***	***	***	***	***
Output per hour (dozen pieces)						
Calder-----	***	***	***	***	***	***
Oneida-----	***	***	***	***	***	***
Royal-----	***	***	***	***	***	***
Utica-----	***	***	***	***	***	***
Ekco-----	***	***	***	***	***	***
Reed & Barton-----	***	***	***	***	***	***
Slidewell-----	***	***	***	***	***	***
Average <u>3/</u> -----	***	***	***	***	***	***

1/ Data were not reported in the questionnaire response.

2/ Not available.

3/ \* \* \*

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

Table 23.--Stainless steel table flatware: Wages paid to production and related workers that produced stainless steel table flatware, total compensation paid to them (including fringe benefits), average hourly wages paid, and total average hourly total compensation paid, by firms, 1978-83

Firm	1978	1979	1980	1981	1982	1983
Wages paid (1,000 dollars)						
Oneida-----	***	***	***	***	***	***
Royal-----	***	***	***	***	***	***
Utica-----	***	***	***	***	***	***
Ekco-----	***	***	***	***	***	***
Reed & Barton-----	***	***	***	***	***	***
Slidewell-----	***	***	***	***	***	***
Total-----	***	***	***	***	***	***
Total Compensation (1,000 dollars)						
Oneida-----	***	***	***	***	***	***
Royal-----	***	***	***	***	***	***
Utica-----	***	***	***	***	***	***
Ekco-----	***	***	***	***	***	***
Reed & Barton-----	***	***	***	***	***	***
Slidewell-----	***	***	***	***	***	***
Total-----	***	***	***	***	***	***
Average hourly wages						
Oneida-----	***	***	***	***	***	***
Royal-----	***	***	***	***	***	***
Utica-----	***	***	***	***	***	***
Ekco-----	***	***	***	***	***	***
Reed & Barton-----	***	***	***	***	***	***
Slidewell-----	***	***	***	***	***	***
Average-----	***	***	***	***	***	***
Average hourly total compensation						
Oneida-----	***	***	***	***	***	***
Royal-----	***	***	***	***	***	***
Utica-----	***	***	***	***	***	***
Ekco-----	***	***	***	***	***	***
Reed & Barton-----	***	***	***	***	***	***
Slidewell-----	***	***	***	***	***	***
Average-----	***	***	***	***	***	***

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

Financial experience of U.S. producers

\* \* \* U.S. producers--\* \* \*,--furnished usable income-and-loss data relative to their overall establishment operations, their operations producing stainless steel table flatware, and their operations importing such flatware. In the aggregate, the \* \* \* firms accounted for \* \* \* percent or more of the sales value of all U.S. produced stainless-steel table flatware in 1983. Company-by-company data are presented in appendix F.

Overall establishment operations.--The income-and-loss experience of U.S. producers on the overall operations of their establishments within which stainless steel table flatware is produced for 1978-83, is shown in tables 24 and F-10. Net sales of all products rose annually from \* \* \* to \* \* \*, or by \* \* \* percent, during 1978-80. Net sales declined thereafter to \* \* \* in 1983. Net sales of U.S. produced stainless-steel flatware accounted for between \* \* \* percent (1979) and \* \* \* percent (1981) of total establishment net sales in each year during 1978-83 and imported flatware accounted for between \* \* \* percent (1979) and \* \* \* percent (1983) of such sales during this period.

In the aggregate, U.S. producers' establishments operated profitably during 1978-83. Operating income rose from \* \* \*, or \* \* \* percent of net sales, in 1978 to \* \* \*, or \* \* \* percent of net sales, in 1980. Operating income remained at the 1980 level in 1981 but declined thereafter to \* \* \*, or \* \* \* percent of net sales, in 1983.

Stainless steel table flatware, including imports.--The income-and-loss experience of U.S. producers on their stainless steel table flatware operations, including imported flatware, during 1978-83, is shown in tables 25 and F-11. Net sales of all stainless steel table flatware rose annually from \* \* \* in 1978 to \* \* \* in 1981, or by \* \* \* percent. Net sales were \* \* \* and \* \* \* in 1982 and 1983, respectively. Operating income rose annually from \* \* \* percent of net sales in 1978 to \* \* \* percent in 1981. Such income fell to \* \* \* percent of net sales in 1982 before rising to \* \* \* percent in 1983.

Operations importing stainless steel table flatware.--The income-and-loss experience of \* \* \* U.S. producers on their operations importing stainless steel table flatware for 1978-83 is shown in tables 26 and F-12. Aggregate net sales of imported stainless steel table flatware rose annually from \* \* \* to \* \* \*, or by \* \* \* percent, during 1978-81. Net sales slipped \* \* \* percent to \* \* \* in 1982 before rising \* \* \* percent to \* \* \* in 1983. Oneida accounted for \* \* \* percent of reported net sales of imported flatware in 1978 and for \* \* \* percent in 1983.

Operating income declined annually during 1978-81--from \* \* \*, or \* \* \* percent of net sales, to \* \* \*, or \* \* \* percent of net sales. The \* \* \* firms posted aggregate operating incomes of \* \* \*, or \* \* \* percent of net sales, and \* \* \*, or \* \* \* percent of net sales, in 1982 and 1983, respectively.

Table 24.--Income-and-loss experience of \* \* \* U.S. producers on the overall operations of their establishments in which stainless steel table flatware is produced, accounting years 1978-83 1/

Item	1978	1979	1980	1981	1982	1983
Net sales						
U.S.-produced stainless steel						
table flatware--1,000 dollars--	***	***	***	***	***	*
Imported stainless steel flatware						
1,000 dollars do--	***	***	***	***	***	*
Other products-----do--	***	***	***	***	***	*
Total net sales-----do--	***	***	***	***	***	*
Cost of goods sold:						
Raw materials-----do--	***	***	***	***	***	*
Direct labor-----do--	***	***	***	***	***	*
Goods purchased for resale--do--	***	***	***	***	***	*
Other factory costs-----do--	***	***	***	***	***	*
Total cost of goods sold--do--	***	***	***	***	***	*
Gross income-----do--	***	***	***	***	***	*
General, selling, and administrative:						
expenses-----1,000 dollars--	***	***	***	***	***	*
Operating income-----do--	***	***	***	***	***	*
Other income or (expense)-net--do--	***	***	***	***	***	*
Net income before income taxes						
do--	***	***	***	***	***	*
Depreciation and amortization						
do--	***	***	***	***	***	*
Cash flow from operations--do--	***	***	***	***	***	*
Ratio to total net sales of						
Cost of goods sold:						
Raw material-----percent-----	***	***	***	***	***	**
Direct labor-----do--	***	***	***	***	***	**
Goods purchased for resale						
do--	***	***	***	***	***	**
Other factory costs-----do--	***	***	***	***	***	**
Total cost of goods sold						
do--	***	***	***	***	***	**
Gross income-----do--	***	***	***	***	***	**
General, selling, and admin-						
istrative expenses-----do--	***	***	***	***	***	**
Operating income-----do--	***	***	***	***	***	**
Net income before income taxes						
percent-----	***	***	***	***	***	**
Sales of stainless steel flat-						
ware:						
Domestically produced--percent-----	***	***	***	***	***	**
Imported-----do--	***	***	***	***	***	**
Number of firms reporting--						
Operating losses-----	1	1	1	2	2	
Net losses-----	1	1	1	1	2	

1/ The accounting year for \* \* \* firms ended on or about Jan. 31 and the accounting year for the other \* \* \* firms ended on Dec. 31. Income-and-loss data are presented separately for each company in table F-10.

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

Table 25.--Income-and-loss experience of \* \* \* U.S. producers on their stainless steel table flatware operations (including imports), accounting years 1978-83 <sup>1/</sup>

Item	1978	1979	1980	1981	1982	1983
Net sales--						
U.S.-produced stainless-steel table flatware---1,000 dollars--	***	***	***	***	***	***
Imported stainless-steel flatware 1,000 dollars--	***	***	***	***	***	***
Total-----do-----	***	***	***	***	***	***
Cost of goods sold:						
Raw materials-----do-----	***	***	***	***	***	***
Direct labor-----do-----	***	***	***	***	***	***
Goods purchased for resale--do----	***	***	***	***	***	***
Other factory costs-----do-----	***	***	***	***	***	***
Total cost of goods sold--do-----	***	***	***	***	***	***
Gross income-----do-----	***	***	***	***	***	***
General, selling, and administrative expenses-----1,000 dollars--	***	***	***	***	***	***
Operating income-----do-----	***	***	***	***	***	***
Interest expense-----do-----	***	***	***	***	***	***
Other income or (expense)-net--do----	***	***	***	***	***	***
Net income before income taxes						
do-----	***	***	***	***	***	***
Depreciation and amortization						
do-----	***	***	***	***	***	***
Cash flow from operations-----do-----	***	***	***	***	***	***
Ratio to total net sales of--						
Cost of goods sold:						
Raw material-----percent--	***	***	***	***	***	***
Direct labor-----do-----	***	***	***	***	***	***
Goods purchased for resale						
do-----	***	***	***	***	***	***
Other factory costs-----do-----	***	***	***	***	***	***
Total cost of goods sold						
do-----	***	***	***	***	***	***
Gross income-----do-----	***	***	***	***	***	***
General, selling, and administrative expenses-----percent--	***	***	***	***	***	***
Operating income-----do-----	***	***	***	***	***	***
Net income before income taxes						
percent--	***	***	***	***	***	***
Number of firms reporting--						
Operating losses-----	2	1	2	1	2	3
Net losses before income taxes----	2	1	2	1	2	3

<sup>1/</sup> The accounting year for \* \* \* firms ended on or about Jan. 31 and the accounting year for the other \* \* \* firms ended Dec. 31. Income-and-loss data are presented separately for each company in table F-11.

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

Stainless steel table flatware operations, excluding imports.--Income and-loss experience of U.S. producers on their domestic stainless steel table flatware operations for 1978-83, is shown in tables 27 and F-13. Net sales rose annually from \*\*\* to \*\*\*, or by \*\*\* percent, during 1978-81. Net sales slipped to \*\*\* and \*\*\*, respectively, in 1982 and 1983. Oneida accounted for \*\*\* percent or more of aggregate net sales of U.S.-produced stainless steel table flatware in each year during 1978-83. The following tabulation shows each reporting producer's share of U.S.-produced stainless steel table flatware sales during 1978-83 (in percent):

\* \* \* \* \*

In the aggregate, U.S. producers' stainless steel table flatware operations were profitable during 1978-83. Operating income rose annually from \*\*\*, or \*\*\* percent of net sales, in 1978 to \*\*\*, or \*\*\* percent of net sales, in 1981. Operating income fell sharply to \*\*\*, or \*\*\* percent of net sales, in 1982 before rising to \*\*\*, or \*\*\* percent of net sales, in 1983. Net income before income tax followed the same trend--rising from \*\*\* percent of net sales in 1978 to \*\*\* percent in 1981 and then dropping to \*\*\* in 1982 before rising again to \*\*\* percent in 1983. Three firms sustained operating and net losses in 1979, one firm sustained such losses in 1979, as did two in 1980, one in 1982, and three in 1983.

Cash flow from operations rose annually from \*\*\* in 1978 to \*\*\* in 1981. It plunged \*\*\* percent to \*\*\* in 1982, in then rose by \*\*\* percent to \*\*\* in 1983.

Oneida's stainless steel table flatware operation was far more profitable than the combined flatware operations of the other \*\*\* U.S. producers, as shown in the following tabulation:

	<u>Oneida</u>		<u>The other *** producers</u>	
	<u>Operating income</u> (1,000 dollars)	<u>Operating income margin</u> (percent)	<u>Operating income or(loss)</u> (1,000 dollars)	<u>Operating income or (loss)</u> (percent)
1978-----	***	***	***	***
1979-----	***	***	***	***
1980-----	***	***	***	***
1981-----	***	***	***	***
1982-----	***	***	***	***
1983-----	***	***	***	***

Table 26.--Income-and-loss experience of \* \* \* U.S. producers on their operations importing stainless steel table flatware, accounting years 1978-83 1/

Item	1978	1979	1980	1981	1982	1983
Net sales-----1,000 dollars--:	***	***	***	***	***	***
Cost of goods sold:						
Direct labor-----do-----:	***	***	***	***	***	***
Goods purchased for resale--do---:	***	***	***	***	***	***
Other factory costs-----do-----:	***	***	***	***	***	***
Total cost of goods sold--do---:	***	***	***	***	***	***
Gross income-----do-----:	***	***	***	***	***	***
General, selling, and administrative:						
expenses-----1,000 dollars--:	***	***	***	***	***	***
Operating income-----do-----:	***	***	***	***	***	***
Interest expense-----do-----:	***	***	***	***	***	***
Other income or (expense)-net-do---:	***	***	***	***	***	***
Net income before income taxes						
do-----:	***	***	***	***	***	***
Depreciation and amortization						
do-----:	***	***	***	***	***	***
Cash flow from operations-----do---:	***	***	***	***	***	***
Ratio to total net sales of--						
Cost of goods sold:						
Direct labor-----percent--:	***	***	***	***	***	***
Goods purchased for resale						
do-----:	***	***	***	***	***	***
Other factory costs-----do---:	***	***	***	***	***	***
Total cost of goods sold						
do-----:	***	***	***	***	***	***
Gross income-----do-----:	***	***	***	***	***	***
General, selling, and administra-						
tive expenses-----percent--:	***	***	***	***	***	***
Operating income-----do-----:	***	***	***	***	***	***
Net income before income taxes						
percent--:	***	***	***	***	***	***
Number of firms reporting--						
Operating losses-----do-----:	1	-	2	2	1	1
Net losses before income taxes---:	1	-	2	1	1	1

1/ The accounting year for \* \* \* firms ended on or about Jan. 31 and the accounting year for the other \* \* \* firms ended Dec. 31. Income-and-loss data are presented separately for each company in table F-12.

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

Table 27.--Income-and-loss experience of \* \* \* U.S. producers on their operations producing stainless steel table flatware (excluding imports), accounting years 1978-83 1/

Item	1978	1979	1980	1981	1982	1983
Net sales-----1,000 dollars--:	***	***	***	***	***	***
Cost of goods sold:						
Raw materials-----do-----:	***	***	***	***	***	***
Direct labor-----do-----:	***	***	***	***	***	***
Other factory costs-----do-----:	***	***	***	***	***	***
Total cost of goods sold--do-----:	***	***	***	***	***	***
Gross income-----do-----:	***	***	***	***	***	***
General, selling, and administrative:						
expenses-----1,000 dollars--:	***	***	***	***	***	***
Operating income-----do-----:	***	***	***	***	***	***
Interest expense-----do-----:	***	***	***	***	***	***
Other income or (expense)-net--do-----:	***	***	***	***	***	***
Net income before income taxes						
do-----:	***	***	***	***	***	***
Depreciation and amortization						
do-----:	***	***	***	***	***	***
Cash flow from operations-----do-----:	***	***	***	***	***	***
Ratio to total net sales of--						
Cost of goods sold:						
Raw materials-----percent--:	***	***	***	***	***	***
Direct labor-----do-----:	***	***	***	***	***	***
Other factory costs-----do-----:	***	***	***	***	***	***
Total cost of goods sold						
do-----:	***	***	***	***	***	***
Gross income-----do-----:	***	***	***	***	***	***
General, selling, and administra-						
tive expenses-----percent--:	***	***	***	***	***	***
Operating income-----do-----:	***	***	***	***	***	***
Net income before income taxes						
percent--:	***	***	***	***	***	***
Number of firms reporting--						
Operating losses-----:	3	1	2	-	1	3
Net losses become income taxes-----:	3	1	2	-	1	3

1/ The accounting year for \* \* \* firms ended on or about Jan. 31 and the accounting year for the other \* \* \* firms ended on Dec. 31. Income-and-loss data are presented separately for each company in table F-13.

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



As a share of net sales, the cost of raw materials consumed in the production of stainless steel table flatware declined in each year during 1978-81--from \* \* \* percent to \* \* \* percent, before rising to \* \* \* percent and \* \* \* percent in 1982 and 1983, respectively. Direct labor costs declined from \* \* \* percent of net sales in 1978 to \* \* \* percent in 1981. It rose to \* \* \* percent of net sales in 1982 but declined to \* \* \* percent in 1983. The overall cost of goods sold declined annually from \* \* \* percent of net sales in 1978 to \* \* \* percent in 1981 before rising to \* \* \* percent in 1982. The relationship declined to \* \* \* percent in 1983. In absolute figures, the cost of goods sold ranged from \* \* \* in 1979 to \* \* \* in 1982. As a share of net sales, operating expenses remained fairly constant during 1978-83--ranging from \* \* \* percent of net sales in 1979 to \* \* \* percent in 1983.

Capital expenditures, research and development expenses, and investment in fixed assets.--Capital expenditures for fixed assets used principally in the production of stainless steel table flatware rose annually from \* \* \* in 1978 to \* \* \* in 1982 (table 28). Such expenditures fell sharply to \* \* \* in 1983. Machinery, equipment, and fixtures accounted for the major share of such expenditures during 1978-81. \* \* \*

Research and development expenses averaged about \* \* \* a year during 1978-80 and \* \* \* per year during 1981-83. \* \* \* reported such expenses in 1981-83 only--ranging from \* \* \* in 1981 to \* \* \* in 1982.

U.S. producers' investment in assets employed in the production of all products produced in the establishments in which stainless steel table flatware is produced is also shown in table 28. Their investment in such assets, valued at cost, rose annually from \* \* \* in 1978 to \* \* \* in 1983 and the book value of such assets rose annually from \* \* \* in 1978 to \* \* \* in 1983.

New investments.--U.S. producers were asked to list their new investments made since 1978. Their replies are shown as follows:

\* \* \* \* \*

U.S. producers were also asked to list new investments their firm anticipates making during the 5-year period for which the domestic stainless steel flatware industry has requested import relief. Their replies are shown as follows:

\* \* \* \* \*

Table 28.--U.S. producers' capital expenditures and research and development expenses associated with the production of stainless steel table flatware, and the value of their fixed assets employed in the establishments in which such flatware is produced, 1978-83

Item	1978	1979	1980	1981	1982	1983
	-----1,000 dollars-----					
Capital expenditures associated with the production of stainless steel flatware--						
Land and land improvements-----	***	***	***	***	***	**
Buildings and leasehold improvements-----	***	***	***	***	***	**
Machinery, equipment, and fixtures-----	***	***	***	***	***	**
Total-----	***	***	***	***	***	**
Research and development expenses-----	***	***	***	***	***	**
Fixed assets <u>1/</u> employed in the production of all products produced in the establishments in which stainless steel table flatware is produced:						
Original Cost-----	***	***	***	***	***	**
Book value-----	***	***	***	***	***	**

1/ As of the end of the accounting year.

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

The Question of the Causal Relationship Between Increased  
Imports and the Alleged Serious Injury

Market penetration of imports

Imports of stainless steel table flatware, between 1978 and 1983, have supplied a large and increasing share of the U.S. market. In the aggregate, the share of U.S. consumption supplied by imports increased irregularly, from \* \* \* percent in 1978 to \* \* \* percent in 1982 and \* \* \* percent in 1983. The share of the market supplied from domestic production increased slightly, from \* \* \* percent in 1978 to \* \* \* percent in 1979, but declined irregularly thereafter to \* \* \* percent in 1983 (table 29). Table 30 shows the share of the U.S. market supplied by each U.S. producer of stainless steel table flatware during 1978-83.

Table 29.--Stainless steel table flatware: Shares of U.S. consumption supplied by U.S. production and by imports, by principal sources, 1978-83

(In percent)						
Item	1978	1979	1980	1981	1982	1983
Share of U.S. consumption supplied by--						
U.S. production-----	***	***	***	***	***	***
Imports from:						
Japan-----	***	***	***	***	***	***
Korea-----	***	***	***	***	***	***
Taiwan-----	***	***	***	***	***	***
China-----	***	***	***	***	***	***
Hong Kong-----	***	***	***	***	***	***
West Germany-----	***	***	***	***	***	***
Italy-----	***	***	***	***	***	***
Brazil-----	***	***	***	***	***	***
All others-----	***	***	***	***	***	***
Total, all imports-----	***	***	***	***	***	***
Total-----	100.0	100.0	100.0	100.0	100.0	100.0

1/ \* \* \*.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission and from official statistics of the U.S. Department of Commerce.

Table 30.--Stainless steel table flatware: U.S. producers' market shares, by firms, and market shares of importers that did not manufacture stainless steel table flatware in the United States, 1978-83

		(In percent)					
Firm and type of stainless steel flatware		1978	1979	1980	1981	1982	1983
Calder:							
Domestic	-----	***	***	***	***	***	***
Imported	-----	***	***	***	***	***	***
Total	-----	***	***	***	***	***	***
National:							
Domestic	-----	***	***	***	***	***	***
Imported	-----	***	***	***	***	***	***
Total	-----	***	***	***	***	***	***
Oneida:							
Domestic	-----	***	***	***	***	***	***
Imported	-----	***	***	***	***	***	***
Total	-----	***	***	***	***	***	***
Royal:							
Domestic	-----	***	***	***	***	***	***
Imported	-----	***	***	***	***	***	***
Total	-----	***	***	***	***	***	***
Utica:							
Domestic	-----	***	***	***	***	***	***
Imported	-----	***	***	***	***	***	***
Total	-----	***	***	***	***	***	***
Ekco:							
Domestic	-----	***	***	***	***	***	***
Imported	-----	***	***	***	***	***	***
Total	-----	***	***	***	***	***	***
Gorham:							
Domestic	-----	***	***	***	***	***	***
Imported	-----	***	***	***	***	***	***
Total	-----	***	***	***	***	***	***
Reed & Barton:							
Domestic	-----	***	***	***	***	***	***
Imported	-----	***	***	***	***	***	***
Total	-----	***	***	***	***	***	***
Total:							
Domestic	-----	***	***	***	***	***	***
Imported	-----	***	***	***	***	***	***
Total	-----	***	***	***	***	***	***
Other importers							
Total	-----	100.0	100.0	100.0	100.0	100.0	100.0

1/ Not available.

2/ Less than 0.05 percent.

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

## Prices

The method of arriving at transaction prices for stainless steel flatware varies in the different markets for this product. Prices paid by retailers and wholesalers are generally determined by informal negotiations between buyers and sellers. However, prices paid by some institutional buyers including certain hotel chains and public sector customers are determined by a formal bidding process. Producers and importers both generally quote prices on an f.o.b. basis from their point of shipment in the United States.

Price information was requested from producers and importers on sales of their leading patterns of stainless steel flatware to institutional customers, wholesalers, the premium market, and retail customers on a quarterly basis for January 1981 through December 1983. Importers were also asked to provide separate price data on sales from each of the individual countries that were sources of these imports. Price information was supplied by \* \* \* of the nine U.S. producers and 17 of the 27 importers which provided questionnaire responses to the Commission.

Although responses varied greatly in completeness and detail, the information was adequate for examining trends in average prices, and in comparing domestic and import prices in three of the four flatware markets. However, because of differences in finishes, quality, and design, the data do not reflect comparisons between identical goods. The data show that prices of domestic flatware have generally increased between 1981 and 1983; whereas prices of imports have declined sharply during the period. Prices of imports from all three of the leading sources, Japan, Korea, and Taiwan have consistently been below domestic prices in the institutional and wholesale markets during 1981-83, and the differential has widened, as domestic prices have increased and import prices have fallen. Limited data also show that imports are priced well below the domestic product in the premium market. Because of the extreme variability in prices charged by both U.S. producers and importers, satisfactory comparisons between domestic and import prices could not be developed for the retail market.

The institutional market.--Prices received by U.S. producers and importers on sales of dinner knives, forks, and teaspoons in the institutional market are presented in table 31. Domestic prices of all three of these items increased during most quarters between January 1981 and December 1983. The price of knives rose steadily from \* \* \* per dozen pieces in January-March 1981, to \* \* \* per dozen pieces in October-December 1983, representing an increase of nearly \* \* \* percent. During this period the domestic price of teaspoons increased by \* \* \* percent, from \* \* \* to \* \* \* per dozen pieces, and the price of forks rose by \* \* \* percent, from \* \* \* to \* \* \* per dozen pieces. In contrast, prices of imported knives, forks, and spoons, which come mainly from Japan, Korea, and Taiwan, declined sharply during this period. The average price of imported knives declined by 31 percent, from \$4.53 in January-March 1981 to \$3.12 per dozen pieces in October-December 1983, the price of forks decreased from \$2.32 to \$1.70 per dozen pieces, and the price of teaspoons fell from \$1.65 to \$1.18 per dozen pieces.

Table 31.--Stainless steel table flatware: Weighted-average prices received by U.S. producers and importers on sales of leading patterns in the institutional market, by quarters, 1981-83

(Per dozen pieces)						
Period	Dinner knives		Dinner forks		Teaspoons	
	Domestic	Imported	Domestic	Imported	Domestic	Imported
1981:						
January-March-----	***	\$4.53	***	\$2.32	***	\$1.65
April-June-----	***	4.29	***	2.22	***	1.63
July-September----	***	4.42	***	2.27	***	1.66
October-December--	***	4.45	***	2.28	***	1.67
1982:						
January-March-----	***	3.76	***	2.04	***	1.40
April-June-----	***	3.49	***	1.86	***	1.30
July-September----	***	3.66	***	1.90	***	1.32
October-December--	***	3.49	***	1.87	***	1.31
1983:						
January-March-----	***	3.19	***	1.68	***	1.20
April-June-----	***	3.14	***	1.68	***	1.21
July-September----	***	3.07	***	1.65	***	1.19
October-December--	***	3.12	***	1.70	***	1.18

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

Domestic prices have consistently been well above import prices in the institutional market, and the gap has widened significantly in recent periods. During October-December 1983, domestic forks were being sold at an average price of \* \* \* per dozen pieces; whereas imports were selling at only \$1.70 per dozen pieces. Similarly, prices of U.S.-produced knives and teaspoons were priced at more than \* \* \* the level of imports.

Since several major importers were unable to provide separate price data for each import source, only a limited amount of data was available on a country-by-country basis. The data in tables 32 and 33 show that prices of imports from Japan and Taiwan have decreased between 1981 and 1983 and Korean prices have remained fairly stable. Prices of imports from all three of these countries were far below U.S. prices throughout 1981-83.

Table 32.--Stainless steel table flatware: Weighted-average prices received by U.S. producers and importers on sales of the Windsor pattern, by quarters, 1981-83

(Per dozen pieces)							
Period	Dinner knives		Dinner forks		Teaspoons		
	Domestic	Imported	Domestic	Imported	Domestic	Imported	
1981:							
January-March-----	***	\$4.07	***	\$2.15	***	\$1.52	
April-June-----	***	4.08	***	2.15	***	1.52	
July-September-----	***	4.07	***	2.15	***	1.52	
October-December----	***	4.07	***	2.15	***	1.52	
1982:							
January-March-----	***	3.20	***	1.67	***	1.18	
April-June-----	***	3.28	***	1.71	***	1.20	
July-September-----	***	3.47	***	1.73	***	1.21	
October-December----	***	3.19	***	1.65	***	1.17	
1983:							
January-March-----	***	2.85	***	1.51	***	1.06	
April-June-----	***	2.81	***	1.52	***	1.05	
July-September-----	***	2.80	***	1.51	***	1.05	
October-December----	***	2.93	***	1.57	***	1.06	

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

Table 33.--Stainless steel table flatware: Weighted-average prices received by U.S. producers and importers on sales of leading patterns in the institutional market, by quarters, 1981-83

(Per dozen pieces)

Period	Dinner knives			
	Domestic	Imported from Japan	Imported from Korea	Imported from Taiwan
1981:				
January-March-----	***	\$4.31	\$4.10	\$4.20
April-June-----	***	4.31	3.64	4.20
July-September----	***	4.31	3.74	4.20
October-December--	***	4.31	3.74	4.20
1982:				
January-March-----	***	3.25	4.00	3.10
April-June-----	***	3.25	3.95	3.10
July-September----	***	3.25	3.90	3.10
October-December--	***	3.25	3.91	3.10
1983:				
January-March-----	***	3.21	4.28	3.10
April-June-----	***	3.21	3.98	3.10
July-September----	***	3.21	3.84	3.10
October-December--	***	3.21	3.84	3.10

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

A limitation of the price comparisons shown in tables 31 and 33 is that they were developed for products with a wide range of different patterns. In order to obtain greater comparability between imported and domestic flatware, price information was also requested on sales of the Windsor pattern, a popular design that is commonly sold to institutional customers. <sup>1/</sup> Trends in domestic and import prices for this pattern, which are presented in table 32, are similar to those which are evident in table 33. Domestic prices have increased between 1981 and 1983, whereas prices of imports have decreased significantly. Throughout the period, the price of domestic knives in the Windsor pattern was substantially higher than the price of imported knives. In 1981, domestic teaspoons were priced slightly below imported teaspoons for the Windsor pattern and domestic forks were only moderately higher than imported forks for the Windsor pattern. However, during the past two years, domestic prices for both items have risen well above import prices. In October-December 1983, the domestic price of forks averaged \* \* \* per dozen

<sup>1/</sup> Because of differences in the grades of steel used in producing the flatware and in the types of finishes, the products being compared are not exactly identical, even though they have the same design.



pieces compared with an average of \$1.57 for imports, and the U.S. price of teaspoons was \* \* \* per dozen pieces, and import prices were only \$1.06.

Wholesale market.-- Domestic and import prices of flatware in the low end and the high end of the wholesale market are provided in tables 34 and 35. Trends in prices in the low-end of this market are comparable to those in the institutional market. The data in table 34 reveal an upward trend in domestic prices and a downward trend in import prices throughout 1981-83. Prices of domestic knives, forks, and spoons have been substantially higher than import prices in all quarters, and the gap has been steadily growing. However, the data in table 36, which are only available for 1983, indicate that domestic and import prices have been roughly comparable during much of the year. The only exception occurred in April-June when import prices were well below the domestic price, perhaps as a result of a special promotion. During this period, the price of imported knives amounted to only \$35 per dozen pieces compared with a domestic average of \* \* \* per dozen pieces. The data show similar sharp differentials for domestic and imported forks and teaspoons. However, during July-December, prices of domestic knives were slightly lower than imported knives, slightly higher than imported forks, and the same as imported teaspoons.

Premium market.--The very limited data which are available for the premium market indicate that domestically produced flatware is priced far above imported flatware. During 1983, \* \* \*. One importing firm was selling knives, forks, and spoons at a price of only \* \* \* per dozen pieces. In contrast, \* \* \*.

Retail Market.--Because of the extreme variability in the prices charged on sales of flatware to retailers, meaningful comparisons between domestic and import prices were not possible for this market. Prices charged for both domestically produced and imported flatware ranged from about \* \* \* for a 50-piece set to nearly \* \* \* for a 50-piece set. The extent of this variability is illustrated in table 37 which shows prices charged by \* \* \* U.S. producers, \* \* \* on sales of their best selling domestically produced and imported patterns to retailers. \* \* \*, which is at the low end of this market consistently priced its imported and domestic flatware at \* \* \* to \* \* \* for a 50-piece set. In contrast, \* \* \* offered its domestic and imported Japanese 50-piece sets at prices ranging from \* \* \* per set to \* \* \* during 1981-83. \* \* \* sold its \* \* \* about \* \* \* per set throughout this period, and offered a 50-piece imported set for less than \* \* \* this price.

Prices of imports for 50-piece sets from different countries covered a wide range. Japanese prices ranged from a low of \$9 per set to a high of \$270 during 1983 and prices of such imports from Korea ranged from \$11 to \$96 per set. Two importers reported that they sold flatware from Taiwan at a price of \* \* \* per set in 1983, and one importer indicated that it sold flatware from

Table 34.--Stainless steel table flatware: Weighted-average prices received from Japan, Korea, and Taiwan on sales of leading patterns to the institutional market, by quarters, 1981-83

Period	(Per dozen pieces)							
	Dinner forks				Teaspoons			
	Domestic	Imported			Domestic	Imported		
	Japan	Korea	Taiwan		Japan	Korea	Taiwan	
1981:								
January-March---	***	\$2.26	\$2.47	\$1.90	***	\$1.59	\$1.76	\$1.00
April-June-----	***	2.26	2.12	1.90	***	1.59	1.63	1.00
July-								
September-----	***	2.26	2.20	1.90	***	1.59	1.66	1.00
October-								
December-----	***	2.26	2.20	1.90	***	1.59	1.66	1.00
1982:								
January-March---	***	1.73	2.22	2.03	***	1.21	1.67	1.00
April-June-----	***	1.73	2.20	2.02	***	1.21	1.66	1.00
July-								
September-----	***	1.73	2.17	2.03	***	1.21	1.65	1.00
October-								
December-----	***	1.73	2.17	2.02	***	1.21	1.65	1.00
1983:								
January-March---	***	1.70	2.42	1.57	***	1.20	1.76	.91
April-June-----	***	1.70	2.22	1.56	***	1.20	1.68	.91
July-								
September-----	***	1.70	2.14	1.55	***	1.20	1.65	.90
October-								
December-----	***	1.70	2.14	1.55	***	1.20	1.65	.90

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

Table 35.--Stainless steel table flatware: Weighted-average prices received by U.S. producers and importers on sales in the wholesale market, by quarters, 1981-83

(Per dozen pieces)						
Period	Dinner knives		Dinner forks		Teaspoons	
	Domestic	Imported	Domestic	Imported	Domestic	Imported
1981:						
January-March-----	***	\$4.45	***	\$2.70	***	\$1.40
April-June-----	***	4.62	***	2.76	***	1.44
July-September-----	***	4.73	***	2.94	***	1.51
October-December----	***	4.63	***	2.96	***	1.47
1982:						
January-March-----	***	5.38	***	3.27	***	1.76
April-June-----	***	4.34	***	2.53	***	1.32
July-September-----	***	3.69	***	2.23	***	1.24
October-December----	***	3.64	***	2.28	***	1.25
1983:						
January-March-----	***	3.45	***	1.89	***	1.15
April-June-----	***	3.37	***	1.83	***	1.13
July-September-----	***	3.09	***	1.76	***	1.02
October-December----	***	3.27	***	1.76	***	.97

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

Table 36.--Stainless steel table flatware: Price received by \* \* \* and by importers on sales of leading patterns in the high-priced segment of the wholesale market, by quarters, 1983

(Per dozen pieces)						
Period	Dinner knives		Dinner forks		Teaspoons	
	Domestic	Imported	Domestic	Imported	Domestic	Imported
1983:						
January-March-----	***	\$52.00	***	\$39.00	***	\$29.00
April-June-----	***	35.00	***	26.00	***	19.00
July-September-----	***	53.00	***	39.00	***	29.00
October-December----	***	52.00	***	38.00	***	29.00

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

Table 37.--Stainless steel table flatware: Prices received by U.S. firms on sales of sets of their leading patterns of domestic and imported products to the retail market, by quarters, 1981-83

Period	(Per dozen pieces)					
	Dinner knives		Dinner forks		Teaspoons	
	Domestic	Imported	Domestic	Imported	Domestic	Imported
1983:	:	:	:	:	:	:
January-March-----:	***	***	***	***	***	***
April-June-----:	***	***	***	***	***	***
July-September-----:	***	***	***	***	***	***
October-December---:	***	***	***	***	***	***
1982:	:	:	:	:	:	:
January-March-----:	***	***	***	***	***	***
April-June-----:	***	***	***	***	***	***
July-September-----:	***	***	***	***	***	***
October-December---:	***	***	***	***	***	***
1983:	:	:	:	:	:	:
January-March-----:	***	***	***	***	***	***
April-June-----:	***	***	***	***	***	***
July-September-----:	***	***	***	***	***	***
October-December---:	***	***	***	***	***	***

1/ \* \* \*'s domestic prices are for sales of a 40-piece set. All other prices in the table are for sales of 50-piece sets.

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

China at a price of \$10 for a 50-piece set in that year. Prices of imports from West Germany ranged from \$138 to \$151 in 1983 and prices for flatware from Austria and Spain ranged from \$80 to \$126 per set.

Importance of price in purchasing decisions.--In order to determine how important prices are when compared with other factors in buying decisions, questionnaires were sent to 25 firms that purchase flatware. Twelve firms responded to the questionnaires. The responding companies, which included wholesalers, retailers, mail-order operations, and \* \* \*, purchase flatware that ranges in price from as little as \$2 per dozen pieces to over \$12 per dozen pieces. The majority of these firms buy flatware from both domestic and import sources. The combined annual purchases of domestic flatware by these firms remained at about \* \* \* dozen pieces annually between 1981 and 1983. Purchases of imported flatware by these firms declined from 2.2 million dozen pieces in 1981 to 2.1 million dozen pieces in 1982 and then rose sharply to 2.8 million dozen pieces in 1983. \* \* \*. Several firms also reported

purchases of flatware from \* \* \*. Practically all of the purchases of imported flatware came from Japan or Korea.

The firms were asked to rank price, quality, reliability of vending firms, service availability, and timeliness of delivery in terms of their order of importance in purchasing decisions. Ten firms responded to this section of the questionnaires. The results indicate that quality is by far the most important consideration, followed by price and reliability of the vending firm. Eight of ten firms gave quality a first place rating, and two firms ranked it second. Only one purchaser, \* \* \*, ranked price as paramount in importance. All of \* \* \*'s purchases consist of imported flatware from Korea and Japan that is valued at less than \$2.00 per dozen pieces. Five other firms ranked price in second place. <sup>1/</sup> The reliability of the vending firm is a major consideration for some purchasers. However, timeliness of delivery and service availability seem to be less important than the other three factors in purchases of flatware, as shown in the tabulation:

	<u>Quality</u>	<u>Price</u>	<u>Reliability</u> <u>of</u> <u>vendor</u>	<u>Timeliness</u> <u>of</u> <u>delivery</u>	<u>Service</u> <u>availability</u>
First place-----	8	1	1	0	0
Second place-----	2	5	3	0	0
Third place-----	0	2	3	3	2
Fourth place-----	0	1	3	4	2
Fifth place-----	0	1	0	3	6

The firms were also asked to compare domestic flatware with imported flatware in terms of each of the five purchasing factors. Seven companies that buy domestic and imported flatware completed this part of the questionnaire. The very limited results show that buyers are happier with the price paid for imported flatware than for domestically produced flatware. However, domestic flatware was considered superior in all other respects. Four out of seven buyers were more satisfied with import prices than with domestic prices, and three were equally satisfied. Five out of seven buyers considered U.S.-produced flatware to be superior in quality to imports, and five out of seven also rated U.S. firms higher than importers in reliability and in servicing. U.S. producers also received higher marks than importers for timeliness of delivery, as shown in the following tabulation:

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<sup>1/</sup> An econometric analysis of the effects of price on the demand for imports of low-valued flatware is provided in app. H.

	<u>Domestic industry superior</u>	<u>Importers superior</u>	<u>Domestic industry and importers about the same</u>
Quality-----	5	0	2
Price-----	0	4	3
Reliability of vendor---	5	1	1
Timeliness of delivery--	4	1	2
Service Availability-----	5	0	2

### Other possible causes of injury

According to the May 1981 study for the U.S. Department of Commerce prepared by the University of Kansas Center for Research, <sup>1/</sup> stainless steel table flatware producers in both the United States and the Far East purchase much of their 400-series stainless steel strip and sheet requirements from Japanese speciality steel mills. The study indicates that the Far Eastern stainless steel table flatware producers pay less for the stainless steel required to produce their flatware than do U.S. flatware producers. The factors affecting the price of stainless steel sold to Far Eastern and U.S. manufacturers by the Japanese speciality steel industry are related to economic, political, and trade conditions. The combined result is that Japanese stainless steel producers do not sell type 400-series stainless steel to their U.S. customers at the same prices as those applicable to Far Eastern customers. A brief discussion of these factors follows:

Raw-material costs.--During testimony, the domestic producers raised the issue of differing raw-material cost between U.S. and foreign producers. <sup>2/</sup> According to confidential invoices submitted to the Commission, it does appear that Japanese stainless steel manufacturers sell series 400 steel for less to Korean and Taiwan producers than they do to U.S. producers. The lowest price per metric ton for one type of 430-2B steel, the type the U.S. industry usually purchases, to a Taiwan firm in August 1983, was \* \* \* (\* \* \* when converted to net tons). The price per hundredweight was \* \* \*. An invoice submitted on a quote from the U.S. office of a Japanese trading firm to a U.S. firm was \* \* \* a net ton, or \* \* \* per hundredweight. The cost of the same raw material from a domestic steel company was \* \* \*, or \* \* \* a hundred-weight. Thus the cost of the 430-2B steel in the Far East was about half of what it sold for in the United States.

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<sup>1/</sup> The information presented in this section of the report was taken from the Final Report to the U.S. Department of Commerce, Economic Development Administration, from the University of Kansas Center for Research, Inc., May 1981 (Grant Number 99-09898-10).

<sup>2/</sup> Transcript of hearing, p. 21.

An additional factor which places the domestic stainless steel flatware manufacturers at a disadvantage is the type of steel they use. As pointed out by counsel for the Koreans, Far Eastern manufacturers use grade 410 and 420. The domestic manufacturers use grade 430 more often. Grades 410 and 420 are cheaper to purchase than grade 430. 1/ According to confidential invoices submitted, a Japanese mill charged \* \* \* a metric ton (\* \* \* when converted to net tons) or \* \* \* per hundredweight for these grades of stainless steel in September 1983. The Far Eastern manufacturers thus have a cost advantage right from the start, although the domestic manufacturers point out that grades 410 and 420 require more finishing and do not have as polished an appearance.

It is evident from the prices quoted on the invoices and from testimony of both domestic producers and importers, that the raw-material cost is an important disadvantage faced by low-end U.S. flatware manufacturers; (this does not hold true for flatware manufactured from 18/8 stainless steel). According to testimony of one domestic producer, ". . ., if we were able to buy steel at that price, we would not be here today, because our production lines are automated to the point where if we are able to buy raw material at the same price as our competition, we would be able to compete with any manufacturer regardless of where they are located." 2/

Post-hearing briefs submitted by the West German counsel provided information on raw-material costs to the West German flatware producers that manufacture only the high-end products. Market prices for stainless steel similar to grade 304 18/8 were submitted. Conflicting prices were given by the two West German counsel. The price of 18/8 or 18/10 (chrome/nickel) in West Germany during April 1984 when converted from DM to dollars was \* \* \* per short ton or \* \* \* cents a pound. 3/ However, in the other brief, 4/ the average price of similar grades of steel during 1983 was \* \* \* per ton or \* \* \* a pound. The average U.S. price for grade 304-2B 16 gage stainless steel in coil form from July to December 1983 was \* \* \* a ton or \* \* \* cents a pound. 5/ Thus, depending on when the prices are quoted, the West German raw-material cost for 18/8 type of stainless steel has been as expensive or more so than that paid by the U.S. flatware industry.

Economic factors.--In general, stainless steel producers do not consider stainless steel for use in manufacturing stainless steel table flatware to be as attractive to produce as other stainless steel products. The 400-series stainless steel provides lower profits than most other products that are produced in specialty steel mills. The lighter gages of stainless steel required for table flatware production require more rolling effort, and the

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1/ Posthearing brief of Counsel for Korea, pp. 4 and 5.

2/ Transcript of hearing, p. 21.

3/ WMF post-hearing brief at p. 1.

4/ German American Chamber of Commerce and the German Flatware Manufacturers Association brief, at p. 1.

5/ Quarterly Survey on Certain Stainless Steel and Alloy Tool Steel; (covering the fourth quarter of 1983). Report to the President on Investigation No. 332-167 Confidential.



surface finish quality requirements are higher than they are for products for other industries. According to the University of Kansas study, representatives of the larger specialty steel mills stated that the stainless steel table flatware producers in Japan and the United States do not consume enough stainless steel for the mills to make special efforts or concessions in meeting their requirements.

Political factors.--According to the study, the difference between costs of stainless steel purchased by Japanese stainless steel table flatware manufacturers, other Far Eastern manufacturers, and by the U.S. manufacturers, is affected at various times by actions by the Japanese Government. On several occasions, prices of stainless steel sold to Japanese stainless steel table flatware producers have reportedly been discounted to assist Japanese stainless steel table flatware producers in becoming more competitive in world markets.

Trade barrier factors.--According to the study, the primary factors causing Japanese specialty steel mills to sell 400-series stainless steel to stainless steel table flatware manufacturers in the United States at higher prices than they sell to buyers in Japan, Korea, and Taiwan, are the result, at least in part, of U.S. trade barriers. These trade barriers include the previous voluntary restraint agreements (VRA's), import relief in the form of quotas and additional tariffs, and the threat of additional dumping complaints by the U.S. speciality steel industry. All of these trade restrictions were designed to limit the tonnage of speciality steel imported into the United States.

U.S. imports of stainless steel products have been subject to a variety of trade restrictions since 1969. VRA's were negotiated in 1968, at the request of the President, with Japan and the European Community, which are the primary sources of U.S. imports of stainless steel, on a number of stainless steel products. The agreements, which took effect January 1, 1969, provided for specific tonnage limits on shipments to the United States. The VRA's, which were to last 3 years were extended through 1974. The second set of restrictions on imports of stainless steel were the result of a 201 investigation on stainless steel and alloy tool steel 1/ conducted by the Commission, an affirmative finding by the Commission, and a decision by the President to impose quotas for a period of 3 years. The restrictions took effect on June 14, 1976, and were due to expire 3 years later. Relief was extended, however, to February 13, 1980, upon the Commission's recommendation. Japan was the only country to negotiate an Orderly Marketing Agreement; the quotas for the other affected countries fell into a basket category. The specialty steel industry again received relief from imports beginning July 5, 1983, as a result of another 201 investigation 2/ instituted at the request of the Office of the U.S. Trade Representative. Import relief on stainless steel sheet and strip was imposed for a period of 4 years, in the form of additional tariffs which were to decrease by 2 percent per year.

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1/ Stainless Steel and Alloy Tool Steel: Report to the President on Investigation NO. TA-201-5 Under Section 201 of the Trade Act of 1974, USITC Publication 756, January 1976.

2/ Stainless Steel and Alloy Tool Steel: Report to the President on Investigation No. TA-201-48 under section 201 of the Trade Act of 1974, . . . , USITC Publication 1377, May 1983.

This relief is scheduled to terminate on July 5, 1987. Japan, as well as several other countries, has again negotiated Orderly Marketing Agreements in order to maintain its share of the U.S. market.

It is more economically attractive, therefore, for Japanese stainless steel producers to reach their quota tonnage limit with more expensive, higher profit-yielding stainless steel than 400-series stainless steel. Further, by selling too much 400-series stainless steel at world market prices to U.S. buyers, the Japanese mills might lower the average price of sheet and strip enough to result in a dumping complaint by U.S. producers of stainless steel.

Another possible cause of injury could be an increase in the use of table flatware of materials other than stainless steel. Data are not available on U.S. consumption of these types of flatware but data are available on U.S. imports of this merchandise. Such imports of flatware of materials other than stainless steel increased irregularly from 4.6 million dozen pieces in 1979 to 6.1 million dozen pieces in 1983, representing an increase of 33.6 percent. The increased imports were accounted for by flatware of rubber, plastic, wood, or base metal, and also of flatware with plastic or wooden handles (table 38).

#### Exchange Rates

Tables 39 through 41 provide indexes of the rates of exchange between the U.S. dollar and the currencies of Japan, Korea, and Taiwan. As noted in other sections of this report, these three countries together accounted for about 95 percent, in terms of quantity, of the stainless steel table flatware imported by the United States in 1983. The real exchange-rate index listed in the last column of the three tables represents the nominal exchange-rate index adjusted for the difference in relative inflation rates between the United States and the foreign country dealt with in the tables. <sup>1/</sup>

As the tables indicate, each of these Far Eastern currencies have depreciated against the U.S. dollar since 1981 (and since 1982 for Taiwan's currency). The real (inflation-adjusted) exchange-rate index for the dollar/yen indicates a 19-percent depreciation by the Japanese yen against the U.S. dollar from January-March 1981 to October-December 1983. For the U.S. dollar/Korean won, the real exchange-rate index shows that the won depreciated by 13 percent, from January-March 1981 to October-December 1983, although the won actually appreciated marginally against the U.S. dollar in 1981. Finally, for the U.S. dollar/Taiwan dollar, a real 13-percent depreciation by the Taiwan dollar against the U.S. dollar occurred between January-March 1982 and October-December 1983.

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<sup>1/</sup> For all countries, producer price indexes were used to measure actual inflation rates.

Table 38.--U.S. imports of flatware having other than stainless steel handles, by types, 1979-83.

Type of flatware	1979	1980	1981	1982	1983
Quantity (1,000 dozen pieces)					
Silver and silver: plated-----	454	625	456	329	416
Animal horn, ivory, bone, etc-----	8	8	12	7	8
Rubber, plastic, wood, or base metal-----	1,558	1,332	2,033	1,978	2,036
Plastic or wooden: handles-----	2,545	2,223	2,842	2,837	3,638
Total-----	4,565	4,188	5,343	5,151	6,098
Value (1,000 dollars)					
Silver and silver: plated-----	7,025	13,205	9,036	6,462	8,084
Animal horn, ivory, bone, etc-----	315	349	320	325	386
Rubber, plastic, wood, or base metal-----	6,035	6,213	6,558	6,301	7,078
Plastic or wooden: handles-----	8,497	9,032	11,554	10,495	13,122
Total-----	27,970	28,799	27,465	23,583	28,670
Unit value (per dozen pieces)					
Silver and silver: plated-----	\$15.47	\$21.13	\$19.82	\$19.64	\$19.4
Animal horn, ivory, bone, etc-----	39.38	43.63	26.67	46.43	48.25
Rubber, plastic, wood, or base metal-----	3.87	4.66	3.23	3.19	3.48
Plastic or wooden: handles-----	3.34	4.06	4.07	3.70	3.61
Total-----	6.09	6.88	5.14	4.58	4.70

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

Table 39.--U.S.-Japanese exchange rates: Indexes of the nominal and real exchange rates between the U.S. dollar and the Japanese yen; by quarters, January 1981-December 1983. 1/

(January-March 1981=100)		
Period	Nominal exchange-rate index <u>1/</u>	Real exchange-rate index <u>1/</u>
	<u>\$/Yen</u>	<u>\$/Yen</u>
1981:		
January-March-----:	100 :	100
April-June-----:	93 :	91.8
July-September----:	89 :	88.2
October-December--:	91 :	90.0
1982:		
January-March-----:	88 :	86.7
April-June-----:	84 :	82.8
July-September----:	79 :	78.2
October-December--:	79 :	78.1
1983:		
January-March-----:	87 :	84.3
April-June-----:	86 :	82.3
July-September----:	84 :	79.7
October-December--:	87 :	81.8

1/ Based on exchange rates expressed in U.S. dollars per units of yen.

Source: Compiled from data reported by the International Monetary Fund in the January 1984 issue and earlier issues of International Financial Statistics.

Table 40.—U.S.—Korean exchange rates: Indexes of the nominal and real exchange rates between the U.S. dollar and the Korean won, by quarters, January 1981–December 1983. 1/

(January–March 1981=100)

Period	Nominal exchange-rate index <u>1/</u>	Real exchange-rate index <u>1/</u>
	<u>\$/Won</u>	<u>\$/Won</u>
1981:		
January–March-----:	100 :	100
April–June-----:	98 :	101.3
July–September----:	97 :	101.6
October–December--:	97 :	101.8
1982:		
January–March-----:	94 :	99.4
April–June-----:	92 :	97.5
July–September----:	90 :	95.2
October–December--:	90 :	95.4
1983:		
January–March-----:	89 :	94.7
April–June-----:	87 :	91.5
July–September----:	85 :	90.4
October–December--:	84 :	86.8

1/ Based on exchange rates expressed in U.S. dollars per units of won.

Source: Compiled from data reported by the International Monetary Fund in the January 1984 issue and earlier issues of International Financial Statistics.

Table 41.--U.S.-Taiwan exchange rates: Indexes of the nominal and real exchange rates between the U.S. dollar and the new Taiwan dollar, by quarters, January 1982-December 1983. <sup>1/</sup>

(January-March 1982=100)		
Period	Nominal exchange-rate index <sup>1/</sup>	Real exchange-rate index <sup>1/</sup>
	<u>US\$/NT\$</u>	<u>US\$/NT\$</u>
1982:		
January-March-----:	100	100
April-June-----:	97	97.2
July-September-----:	95	94.2
October-December--:	95	94.0
1983:		
January-March-----:	95	93.0
April-June-----:	95	92.6
July-September-----:	93	89.1
October-December--:	91	87.8

<sup>1/</sup> Based on exchange rates expressed in dollars per units of new Taiwan dollar.

Source: Republic of China Directorate-General of Budget, Accounting, and Statistics, Commodity-Price Statistics Monthly, Taiwan Area, July 1983; Republic of China Coordinating Council for North American Affairs; Far Eastern Economic Review, October 20, 1983, October 27, 1983, November 17, 1983, November 24, 1983, December 8, 1983, and December 22, 1983.

Nominal exchange rates were also surveyed for the period of March 20, 1984, to April 4, 1984. 1/ The survey indicated that the Japanese yen appreciated by almost 5 percent against the U.S. dollar from its October-December 1983 position. The Korean won exhibited no change against the dollar. The Taiwan dollar appreciated by over 4 percent against the U.S. dollar from its October-December 1983 nominal level. 2/

Oneida's position in the U.S. market.--Questionnaire responses indicate that Oneida has had a major effect on nearly all of the other U.S producers in the market. The stainless steel table flatware market in the United States is a mature market with the only real growth potential in the quality products at the high end of the price structure. The smaller firms, \* \* \*, have traditionally supplied only the low end of the market. 3/ Oneida, which enjoys a strong brand name, competes heavily with the small U.S. producers at the low end of the market \* \* \*.

\* \* \* \* \*

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1/ As with the tables, the survey examined exchange rates that are expressed in U.S. dollars per units of the foreign currency.

2/ Using the same index bases as the tables above, the average nominal exchange rate between the U.S. dollar and the Japanese yen for this 2-week period translates into an index rating of 91. The U.S. dollar/Korean won is indexed at 84, and the U.S. dollar/Taiwan dollar is indexed at 95. The survey was based upon foreign exchange rates that were listed in The Wall Street Journal between March 20, 1984, and April 4, 1984.

3/ \* \* \*.

Price range per dozen pieces	Oneida			* * *
	Domestic	Imported	Total	
1981				
0-\$1.99-----	***	***	***	***
2-\$4.99-----	***	***	***	***
5-\$5.99-----	***	***	***	***
Total-----	***	***	***	***
1982				
0-\$1.99-----	***	***	***	***
2-\$4.99-----	***	***	***	***
5-\$5.99-----	***	***	***	***
Total-----	***	***	***	***
1983				
0-\$1.99-----	***	***	***	***
2-\$4.99-----	***	***	***	***
5-\$5.99-----	***	***	***	***
Total-----	***	***	***	***

Petitioners' efforts to compete with imports if the Commission's determination in this investigation is affirmative and import relief is granted

U.S. producers were asked to provide information on new investments their firms plan to make during the relief period requested by the industry. They were also asked to provide a description of each proposed project, its estimated costs, and an explanation of how it will enhance the firm's competitiveness with other domestic firms and with imports. \* \* \*

\* \* \* \* \*



APPENDIX A

LETTERS TO THE COMMISSION REQUESTING THAT GORHAM, REED & BARTON, AND  
WASHINGTON FORGE BE REMOVED FROM THE LIST OF REPRESENTED PRODUCERS

A-82

LAW OFFICES

# HOLLAND & KNIGHT

P O Box 1088  
245 SOUTH CENTRAL AVENUE  
BARTON, FLORIDA 33830  
(813) 833-1181

P. O. Box 1688  
406 THIRTEENTH STREET W  
BRADENTON, FLORIDA 3380  
(813) 746-7107

ONE CORPORATE PLAZA  
110 EAST BROWARD BLVD.  
FORT LAUDERDALE, FLORIDA 33301  
(305) 525-1000

P. O. DRAWER 8 W  
92 LARE WIRE DRIVE  
LAKELAND, FLORIDA 33802  
(813) 682-1181

P. O. Box 015441  
1200 BRICKELL AVENUE  
MIAMI, FLORIDA 33101  
(305) 374-8500

P. O. Box 3076  
1100 SOUTH TAMiami TRAIL  
SARASOTA, FLORIDA 33578  
(813) 365-3321

P O DRAWER 810  
BARNETT BANK BLDG.  
TALLAHASSEE, FLORIDA 32301  
(904) 224-7000

P. O. Box 1288  
EXCHANGE BANK BLDG  
TAMPA, FLORIDA 33601  
(813) 223-1621

PLEASE REPLY TO:

Washington

600 MARYLAND AVENUE, S.W  
WASHINGTON, D. C. 20024  
(202) 484-9090  
TWX 710-822-8775

CABLE ADDRESS  
HND KNIGHT TRS  
M&K MIA  
TELEX 5-2830-TAMPA  
TELEX 52-2233-MIAMI

024530

January 13, 1984

Kenneth R. Mason, Secretary  
U.S. International Trade Commission  
701 E Street, N.W.  
Washington, D.C. 20436

Re: TA-201-49  
Stainless Steel Table Flatware

Dear Mr. Mason:

On behalf of the Gorham Corporation I request that the petition filed by the Stainless Steel Flatware Manufacturers Association in this investigation be amended to show this producer of stainless steel table flatware as an Unrepresented rather than a Represented producer.

Best regards.

Sincerely,

Lew B. Martin  
Counsel for Stainless Steel  
Flatware Manufacturers Association

LBM/cc  
cc: James Thomas  
Gorham Corporation

NY HOLLAND & KNIGHT

CAPITAL GALLERY

100 MARYLAND AVENUE, S.W.

WASHINGTON, D.C. 20024

(202) 464-9090

FLORIDA OFFICES:  
BRADENTON  
FORT LAUDERDALE  
LAKELAND  
MIAMI  
ORLANDO  
SARASOTA  
TALLAHASSEE  
TAMPA

Office of the  
Secretary

TWX 710-822-9775  
TELECOPIER:  
(202) 484-4077

MARYLAND OFFICE:  
22 W. JEFFERSON STREET  
ROCKVILLE, MARYLAND 20850  
(301) 424-4210

March 1, 1984

Kenneth R. Mason, Secretary  
U.S. International Trade Commission  
701 E Street, N.W.  
Washington, D.C. 20436

Re: TA-201-49  
Stainless Steel Table Flatware

Dear Mr. Mason:

On behalf of the Reed & Barton Corporation I request that the petition filed by the Stainless Steel Flatware Manufacturers Association in this investigation be amended to show this producer of stainless steel table flatware as an Unrepresented rather than a Represented producer.

Best regards.

Sincerely,

*Lewe B. Martin*

Lewe B. Martin  
Counsel for Stainless Steel  
Flatware Manufacturers Association

LBM/cc  
cc: Sinclair Weeks, Jr.  
Reed & Barton

033090

OFFICE OF THE SECRETARY  
JUDICIAL BRANCH

1984 MAR - 1 PM 5:12

RECORDED

INV

HOLLAND & KNIGHT

CAPITAL GALLERY

600 MARYLAND AVENUE, S.W.

WASHINGTON, D. C. 20024

(202) 484-9090

TWX 710-822-9775

TELECOPIER:  
(202) 484-4077

FLORIDA OFFICES  
BRADENTON  
FORT LAUDERDALE  
LAKELAND  
MIAMI  
ORLANDO  
SARASOTA  
TALLAHASSEE  
TAMPA

MARYLAND OFFICE:  
22 W. JEFFERSON STREET  
ROCKVILLE, MARYLAND 20850  
(301) 424-4210

March 1, 1984

Kenneth R. Mason, Secretary  
U.S. International Trade Commission  
701 E Street, N.W.  
Washington, D.C. 20436

Re: TA-201-49  
Stainless Steel Table Flatware

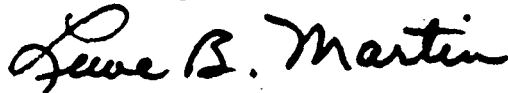
Dear Mr. Mason:

On behalf of the Stainless Steel Flatware Manufacturers Association may I correct the record in the above investigation. Please delete Washington Forge, Inc., as a domestic producer of the certain stainless steel table flatware which is the subject of this investigation.

There was a misunderstanding between the Association and Washington Forge at the time the petition was filed. It was believed by petitioner that Washington Forge manufactured knives, forks and spoons with stainless steel handles whereas petitioner is now advised Washington Forge only produces flatware with wooden handles.

Best regards.

Sincerely,



Lew B. Martin  
Counsel for Stainless Steel  
Flatware Manufacturers Association

LBM/cc

cc: James Barnett  
Washington Forge, Inc.

033091

OFFICE  
1984 MAR 1 PM 1:55

PETITION FOR  
ACTION

A-85

NO. 84-15  
TO INV

**REED & BARTON**

SILVERSMITHS



Office of the  
Secretary  
Int'l. Trade Commission

SINCLAIR WEEKS, JR.  
PRESIDENT &  
CHIEF EXECUTIVE OFFICER

March 2, 1984

The Secretary  
U. S. International Trade Commission  
701 E Street NW  
Washington, D.C. 20436

033966

Dear Sir:

This letter refers to the investigation under Section 201 (b) of the 1974 Trade Act that has been initiated by a petition from the Stainless Steel Flatware Manufacturers Association.

Notwithstanding the fact that I wrote to Lew B. Martin, Esq., Counsel for the SSFMA, on January 20, 1984, requesting that the name of Reed and Barton Corporation be removed as a party to this petition, we find that this action was not taken. Accordingly, would you kindly remove the company's name as a party thereto. We were included before we knew the contents of the petition and now that we have studied it we find that the actions requested would be quite contrary to the best interests of this company.

Thank you for your attention in this matter.

Very sincerely yours,

*Sinclair Weeks, Jr.*  
Sinclair Weeks, Jr.

SWjr k



APPENDIX B

LETTER TO THE COMMISSION REQUESTING THAT THE PETITION BE AMENDED  
TO PROVIDE A REMEDY APPLICABLE ONLY TO FLATWARE VALUED AT  
LESS THAN 60 CENTS EACH

FLORIDA OFFICES:  
BRADENTON  
FORT LAUDERDALE  
LAKELAND  
MIAMI  
ORLANDO  
SARASOTA  
TALLAHASSEE  
TAMPA

REQUEST FOR ACTION

NO. 84-17

TO INV & GC

Office of the Secretary  
Intl. Trade Commission

HOLLAND & KNIGHT

CAPITAL GALLERY  
600 MARYLAND AVENUE, S.W.  
WASHINGTON, D. C. 20024  
(202) 484-9090

March 13, 1984

TWX 710-822-9775  
TELECOPIER:  
(202) 484-4077

MARYLAND OFFICE:  
22 W. JEFFERSON STREET  
ROCKVILLE, MARYLAND 20850  
(301) 424-4210

Mr. Kenneth R. Mason  
Secretary  
United States International  
Trade Commission  
701 E Street, N.W.  
Washington, D.C. 20436

45471

BY HAND

Re: TA 201-49 Stainless Steel Table Flatware  
REQUEST TO AMEND PETITION

Dear Mr. Mason:

Section 206.9 of the Rules of Practice and Procedure of the United States International Trade Commission provides for the contents of petitions filed pursuant to Section 201 of the Trade Act of 1974. Subsection (h) thereof provides for information as to relief sought and purpose therefor.

Petitioner in this investigation included this information on pages 9 and 10 and Attachment C of its petition. In an attempt to be helpful to the Commission, petitioner described a system of relief which included a break point of 90 cents per piece for the assessment of increased duties on imports of stainless steel table flatware. Information now available to petitioner indicates that the increase in imports, which are a substantial cause of serious injury to the domestic industry, are valued at under 60 cents each.

While petitioner recognizes that the question of remedy will arise only if the Commission injury vote is affirmative, it requests that the record be amended to reflect a change in the recommended value break point. Therefore, on behalf of petitioner, I respectfully request that the recommended break point as to remedy be amended from 90 cents each to 60 cents each.

Respectfully submitted,

*Lewe B. Martin*

Lewe B. Martin  
Counsel for Petitioner  
Stainless Steel Flatware  
Manufacturers Association

OFFICE OF THE SECRETARY  
DOCKET  
1984 MAR 26 11 12 AM '84



**APPENDIX C**

**COMMISSION'S NOTICE OF INVESTIGATION  
AND SCHEDULING OF HEARING**

Albuquerque, *Chavez, Juan de Dios, House*, (Albuquerque North Valley MRA), 205 Griegos Rd., NW

Albuquerque, *Chavez, Juan House* (Albuquerque North Valley MRA), 7809 4th St., NW

Albuquerque, *Dietz, Robert, Farmhouse* (Albuquerque North Valley MRA), 4117 Rio Grande Blvd., NW

Albuquerque, *Duranes Chapel* (Albuquerque North Valley MRA), 2601 Indian School Rd., NW,

Albuquerque, *Foraker, C. M., Farmhouse* (Albuquerque North Valley MRA), 905 Menaul Blvd., NW

Albuquerque, *Gomez, Refugio, House* (Albuquerque North Valley MRA), 7604 Guadalupe Trail, NW

Albuquerque, *Grande, Charles, House* (Albuquerque North Valley MRA), 4317 Grande St., NW

Albuquerque, *Los Greigos Historic District* (Albuquerque North Valley MRA), Griegos Rd. and Rio Grande Blvd.

Albuquerque, *Los Tomases Chapel* (Albuquerque North Valley MRA), 3101 Los Tomases, NW

Albuquerque, *Lucero y Montoya, Francisco, House* (Albuquerque North Valley MRA), 9742 4th St., NW

Albuquerque, *Nordhaus, Robert, House* (Albuquerque North Valley MRA), 6900 Rio Grande Blvd., NW

Albuquerque, *Our Lady of Mt. Carmel Church* (Albuquerque North Valley MRA), 7813 Edith Blvd., NE

Albuquerque, *Romero, Felipe, House* (Albuquerque North Valley MRA), 7522 Edith Blvd., NE

Albuquerque, *Shalit, Samuel, House* (Albuquerque North Valley MRA), 5209 4th St., NW

Albuquerque, *Zeiger, Charles, House* (Albuquerque North Valley MRA), 3200 Edith Blvd., NE

**PENNSYLVANIA***Venango County*

Franklin, *Franklin Historic District*, Roughly bounded by Miller Ave., Otter, 8th, Buffalo, and 16th Sts.

**PUERTO RICO***Aguadilla County*

Camuy, *Antigua Casino Camuyano*, Estrella and Munoz Rivera Sts.

**RHODE ISLAND***Providence County*

Providence, *Downtown Providence Historic District*, Roughly bounded by Washington, Westminster, Empire and Weybosset Sts.

**VERMONT***Bennington County*

Manchester, *Manchester Village Historic District*, US 7A, Union St., and Taconic Ave.

[FR Doc. 84-629 Filed 1-9-84; 8:45 am]

BILLING CODE 4310-70-M

**INTERNATIONAL TRADE COMMISSION**

[Investigation No. 337-TA-143]

**Certain Amorphous Metal Alloys and Amorphous Metal Articles; Change of the Commission Investigative Attorney**

Notice is hereby given that, as of this date, Stephen L. Sulzer, Esq., of the Unfair Import Investigations Division will be the Commission investigative attorney in the above-cited investigation instead of Lynn I. Levine, Esq.

The Secretary is requested to publish this Notice in the Federal Register.

Dated: December 23, 1983.

David I. Wilson,

Chief, Unfair Import Investigations Division.

[FR Doc. 84-258 Filed 1-9-84; 8:45 am]

BILLING CODE 7020-02-M

[Investigation No. TA-201-49]

**Stainless Steel Table Flatware**

**AGENCY:** United States International Trade Commission.

**ACTION:** Institution of investigation and scheduling of a hearing to be held in connection with the investigation.

**EFFECTIVE DATE:** December 13, 1983.

**SUMMARY:** Following receipt of a petition on December 13, 1983, from counsel on behalf of the Stainless Steel Flatware Manufacturers Association for an investigation under section 201 of the Trade Act of 1974 of certain imported stainless steel flatware, the United States International Trade Commission hereby gives notice of the institution of investigation No. TA-201-49 under section 201(b)(1) of the act (19 U.S.C 2251) to determine whether knives, forks, spoons, and ladles, with stainless steel handlers, provided for in items 650.08, 650.09, 650.10, 650.12, 650.38, 650.39, 650.40, 650.42, 650.54, 650.55, and, if included in sets, 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 articles like or directly competitive with the imported articles. The Commission must report its determination to the President by June 13, 1984.

**FOR FURTHER INFORMATION CONTACT:** John MacHatton, Supervisory

Investigator (202/523-0439), Office of Investigations, U.S. International Trade Commission, Washington, D.C. 20436.

**SUPPLEMENTARY INFORMATION:**

Participation in the investigation.—Persons wishing to participate in this investigation as parties must file an entry of appearance with the Secretary to the Commission, as provided in § 201.11 of the Commission's Rules of Practice and Procedure (19 CFR 201.11, as amended by 47 FR 6189, Feb. 10, 1982), not later than 21 days after the publication of this notice in the Federal Register. Any entry of appearance filed after this date will be referred to the Chairman, who shall determine whether to accept the late entry for good cause shown by the person desiring to file the entry.

Upon the expiration of the period for filing entries of appearance, the Secretary shall prepare a service list containing the names and addresses of all persons, or their representatives, who are parties to the investigation, pursuant to § 201.11(d) of the Commission's rules (19 CFR 201.11(d), as amended by 47 FR 6189, Feb. 10, 1982). Each document filed by a party to this investigation must be served on all other parties to the investigation (as identified by the service list), and a certificate of service must accompany the document. The Secretary will not accept a document for filing without a certificate of service (19 CFR 201.16(c), amended by 47 FR 33682, Aug. 4, 1982).

Public hearing.—The Commission will hold a public hearing in connection with this investigation beginning at 10:00 a.m., on March 29, 1984, at the U.S. International Trade Commission Building, 701 E Street, NW., Washington, D.C. 20436 (19 CFR 201.13). Requests to appear at the hearing should be filed in writing with the Secretary to the Commission not later than the close of business (5:15 p.m.) on March 20, 1984.

Prehearing procedures.—To facilitate the hearing process, it is requested that persons wishing to appear at the hearing submit prehearing briefs enumerating and discussing the issues which they wish to raise at the hearing. An original and fourteen copies of such prehearing briefs should be submitted to the Secretary no later than the close of business on March 23, 1984 (19 CFR 201.8). Confidential submissions should be in accordance with the requirements of section 201.6 of the Commission's rules (19 CFR 201.6). Copies of any prehearing briefs submitted will be made available for public inspection in the Office of the Secretary. Any

prepared statements submitted will be made a part of the transcript. Oral presentations at the hearing should, to the extent possible, be limited to issues raised in the prehearing briefs.

A prehearing conference will be held on March 23, 1984, at 10:00 a.m., in Room 117 of the U.S. International Trade Commission Building.

**Written submissions.**—As mentioned, parties to this investigation may file prehearing briefs by the date shown above. Posthearing briefs must be submitted no later than close of business on April 6, 1984. In addition, any person who has not entered an appearance as a party to the investigation may submit a written statement of information pertinent to the subject of the investigation on or before April 6, 1984. A signed original and fourteen copies of each submission must be filed with the Secretary to the Commission. All written submissions, except for confidential business information, will be available for public inspection during regular business hours (8:45 a.m. to 5:15 p.m.) in the Office of the Secretary to the Commission.

Any business information for which confidential treatment is desired shall be submitted separately. The envelope and all pages of such submissions must be clearly labeled "Confidential Business Information." Confidential submissions and requests for confidential treatment must conform with the requirements of § 201.6 of the Commission's rules (19 CFR 201.6).

**Remedy briefs.**—In the event that the Commission makes an affirmative injury determination in this investigation (a determination on the issue of injury will be made by the Commission in a meeting scheduled for early in the week beginning April 29, 1984), posthearing briefs on remedy will be due to the Secretary of the Commission no later than the close of business May 8, 1984, and must conform with the requirements of §§ 201.6 and 201.8 of the Commission's rules.

**Inspection of petition.**—The petition filed in this case is available for public inspection at the Office of the Secretary, U.S. International Trade Commission.

For further information concerning the conduct of the investigation, hearing process, and rules of general application, consult the Commission's Rule of Practice and Procedure, 19 CFR 201, as amended by 47 FR 6188, Feb. 10, 1982; 47 FR 13791, Apr. 1, 1982; and 47 FR 33662, Aug. 4, 1982, and Part 206, Subparts A and B (19 CFR 206, Subparts A and B).

By order of the Commission.

Issued: January 5, 1984.

Kenneth R. Mason,  
Secretary.

[FR Doc. 84-004 Filed 1-9-84; 8:45 am]  
BILLING CODE 7020-02-M

## INTERSTATE COMMERCE COMMISSION

(Finance Docket No. 30356)

### Providence and Worcester Railroad Co.; Securities Exemption

**AGENCY:** Interstate Commerce  
Commission.

**ACTION:** Notice of Exemption.

**SUMMARY:** The Interstate Commerce Commission exempts from the requirements of prior approval under 49 U.S.C. 11301 the issuance of 899,300 shares of common stock by Providence and Worcester Railroad Company to its current shareholders.

**DATES:** This exemption will be effective on February 9, 1984. Petitions to stay must be filed by January 20, 1984, and petitions for reconsideration must be filed by January 30, 1984.

**ADDRESSES:** Send pleadings referring to Finance Docket No. 30356 to:

- (1) Office of the Secretary, Case Control Branch, Interstate Commerce Commission, Washington, D.C. 20423
- (2) Petitioner's representatives: Thomas E. Avey, Jr., Verner, Liipfert, Bernhard and McPherson, 1660 L Street, NW., Washington, D.C. 20036

**FOR FURTHER INFORMATION CONTACT:**  
Louis E. Gitomer, (202) 275-7245.

**SUPPLEMENTARY INFORMATION:** Additional information is contained in the Commission's decision. To purchase a copy of the full decision, write to T. S. InfoSystem, Inc., Room 2227, Interstate Commerce Commission, Washington, D.C. 20423, or call 289-4357 (DC Metropolitan Area) or toll-free (800) 424-5403.

Decided: December 29, 1983.

By the Commission, Chairman Taylor, Vice Chairman Sterrett, Commissioners Andre and Gradison.

James H. Bayne,  
Acting Secretary.

[FR Doc. 84-586 Filed 1-9-84; 8:45 am]  
BILLING CODE 7035-01-M

## DEPARTMENT OF JUSTICE

### Information Collections Under Review by OMB

January 5, 1984.

OMB has been sent for review the following proposals for the collection of

information under the provisions of the Paperwork Reduction Act (44 U.S.C. Chapter 35) since the last list was published. The list has all the entries grouped into new forms, revisions, or extensions. Each entry contains the following information:

(1) The name and telephone number of the Agency Clearance Officer (from whom a copy of the form and supporting documents is available); (2) The office of the agency issuing this form; (3) The title of the form; (4) The agency form number, if applicable; (5) How often the form must be filled out; (6) Who will be required or asked to report; (7) An estimate of the number of responses; (8) An estimate of the total number of hours needed to fill out the form; (9) An indication of whether Section 3504(H) of Pub. L. 96-511 applies; (10) The name and telephone number of the person or office responsible for OMB review. Copies of the proposed forms and supporting documents may be obtained from the Agency Clearance Officer whose name and telephone number appear under the agency name. Comments and questions about the items on this list should be directed to the reviewer listed at the end of each entry and to the Agency Clearance Officer. If you anticipate commenting on a form but find that time to prepare will prevent you from submitting comments promptly, you should advise the reviewer and the Agency Clearance Officer of your intent as early as possible.

## DEPARTMENT OF JUSTICE

Agency Clearance Officer Larry E.  
Miese—202-633-4312

*Extension of the Expiration Date of a Currently Approved Collection Without Any Change in the Substance or in the Method of Collection*

- Immigration and Naturalization Service, Department of Justice  
Application to extend time of temporary stay (I-539)

One Time  
Individuals or households  
Form is used by non-immigrant alien in the United States to apply for an extension of temporary stay and by the INS to determine eligibility for such extension: 125,000 respondents; 41,000 hours; not applicable under 3504(h).

Rob Veeder—395-4814

- Immigration and Naturalization Service, Department of Justice  
Application to file for petition for naturalization (N-400)

One Time  
Individuals or households



**APPENDIX D**  
**CALENDAR OF WITNESSES**

TENTATIVE CALENDAR OF PUBLIC HEARING

Those listed below appeared as witnesses at the United States International Trade Commission's hearing:

Subject : Stainless Steel Table Flatware

Inv. No. : TA-201-49

Date and time: March 29, 1984 - 10:00 a.m.

Sessions were held in the Hearing Room of the United States International Trade Commission, 701 E Street, N.W., in Washington.

In support of the petition:

~~Holland & Knight~~--Counsel  
Washington, D.C.  
on behalf of

The Stainless Steel Flatware Manufacturers Association

John L. Marcellus, Jr., Chairman, CEO and President,  
Oneida Ltd., Oneida, New York

A. Edward Allen, President, Utica Cutlery Company,  
Utica, New York

Lewe B. Martin)--OF COUNSEL  
David H. Baker)

In opposition to the petition:

Weil, Gotshal & Manges--Counsel  
New York, N.Y.  
on behalf of

The Stainless Steel Flatware Marketing Guild ("SFMG"),  
an ad hoc association whose members are U.S. companies  
engaged in the importation and sale of stainless steel  
table flatware

ICF Incorporated, Washington, D.C.

John G. Reilly, Principal

A. Reed Hayes, President, World Table Ware International, Inc.

Stuart M. Rosen )  
Thomas A. Ehrgood, Jr. }--OF COUNSEL

Daniels, Houlihan & Palmeter, P.C.--Counsel  
Washington, D.C.  
on behalf of

The Korea Metal Flatware Exporter's Association

N. David Palmeter)  
Jeffrey Neeley )--OF COUNSEL

Tanaka, Walders & Ritger--Counsel  
Washington, D.C.  
on behalf of

The Japan General Merchandise Exporters Association and  
The Japan Export Metal Flatware Industry Association

H. William Tanaka)  
James Davenport )--OF COUNSEL

German American Chamber of Commerce, Washington, D.C.  
on behalf of

The "Industrieverband Schneidwaren und Bestecke e.V., the  
German Flatware Manufacturers Association

Dr. Lothar Griessbach

Barnes, Richardson & Colburn--Counsel  
Washington, D.C.  
on behalf of

WMF of America, Inc., Farmingdale, L.I., N.Y.  
and  
Wuerttembergische Metallwarenfabrik AG

Paul Brenna, President, WMF of America, Inc.

Matthew T. McGrath--OF COUNSEL

Reed & Barton, Taunton, Massachusetts

Sinclair Weeks, Jr., President & Chief Executive Officer

George M. Gregory, Vice President, International

William W. Robinson, Vice President, Scientific Silver  
Service Corporation





**APPENDIX E**

**PREVIOUS INVESTIGATIONS AND IMPORT RELIEF  
RESULTING FROM SUCH INVESTIGATIONS**

Brief History of Commission investigations on Stainless Steel  
Table Flatware and relief granted since 1955

On April 11, 1957, the Stainless Steel Flatware Manufacturers Association petitioned the Tariff Commission for relief under section 7 of the Trade Agreements Extension Act of 1951. Following a unanimous finding of serious injury (TC Report No. 7-61, January 1958), the Commission recommended withdrawal of trade-agreement concessions. In view of Japan's voluntary limitation of exports to the United States, however, the President deferred action on the Commission's recommendation and asked the Commission to report again in 1959. Accordingly, in July 1959, the Commission submitted a supplementary report to the President (TC Report No. 7-61 supp.).

On November 1, 1959, consequent to the Commission's reports, the President proclaimed a tariff-rate quota on stainless steel table flatware (Proclamation No. 3323) under section 350 of the Tariff Act of 1930, as amended, section 7(a) of the Trade Agreements Extension Act of 1951, as amended, and article XIX of the GATT. To comply with Executive Order 10401 and section 351(d)(1) of the Trade Expansion Act of 1962 (TEA), which prescribed procedures for periodic review of escape-clause actions, the Commission submitted annual reports to the President between 1961 and 1963 (TC Publications 73 and 113).

In June 1964, the President requested an investigation under section 351(d)(2) of the TEA and in April 1965 the Commission submitted its report (TC Publication 152). In accordance with the Commission's recommendations, the President proclaimed an increase in the tariff-rate quota retroactive to November 1965 and reduced the over-quota rate on certain knives and forks (Proclamation No. 113).

As the tariff-rate quota neared the limit of its statutory time period, the domestic stainless steel table flatware industry petitioned the Commission again in February 1967. Two of the Commissioners participating in the resulting investigation suggested that the "degree of dislocation in the domestic industry likely to follow the termination of escape-clause restrictions is sufficient to warrant consideration of their continuance" (TC Publication 217). The other participating Commissioner dissented, suggesting that "the remaining escape-clause restrictions ... can be allowed to terminate without materially impairing the vigor of the domestic industry .... The President took no action, allowing the tariff-rate quota to expire on October 11, 1967.

In a letter dated April 10, 1969, the Stainless Steel Flatware Manufacturers Association requested the President to reimpose the tariff-rate quota and over-quota rates of duty that had been in effect from November 1, 1965, to October 11, 1967. On September 30 the United States reserved its rights under article XXVIII of the GATT to modify or withdraw the tariff concessions on the stainless steel table flatware provided for in TSUS items 650.08, 650.10, 650.38, 650.40, 650.54, and 650.75. Shortly thereafter, the Commission instituted a section 332 investigation on its own motion to assist the President in determining whether the trend of imports warranted the use of article XXVIII. The report was completed in December 1969, concluding (with two Commissioners dissenting) 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 ..." (TC Publication 305). On the basis of this report, the United States renegotiated its concessions on flatware under the GATT, and on August 21, 1971, the President established a tariff-rate quota of 16.2 million dozen pieces to be effective October 1, 1971 (Proclamation No. 4076). In October 1974 the tariff-rate quota was increased by 6 percent.

Again, in an effort to obtain renewal of the tariff-rate quota as its expiration date neared, the Stainless Steel Flatware Manufacturers Association petitioned the Commission. Accordingly, on March 1, 1976, the Commission instituted investigation No. TA-201-8 under section 201(b) of the Trade Act of 1974, to determine whether stainless steel flatware and other types of flatware provided for in 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, 650.56, and, if included in sets, 650.75, were 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 articles like or directly competitive with the imported articles (USITC Publication 759). The Commission issued an affirmative (5-1) determination and recommended import relief in the form of a modification and extension of the then existing tariff-rate quota. Since the President took no action, the second tariff-rate quota duly expired on September 30, 1976.

The most recent investigation (Inv. No. TA-201-30) was instituted by the Commission on December 16, 1977, following receipt of a petition on behalf of the Stainless Steel Flatware Manufacturers Association. On May 8, 1978, the Commission reported its affirmative determination (by a 3 to 2 vote) to the President. The President again did not provide relief so there have been no special restrictions on imports since September 30, 1976.

Relief to the U.S. stainless-steel table flatware industry in the form of tariff-rate quotas was in effect, off and on, for a total of 13 years during the 17-year period, October 1959 through October 1976. Specifically, the first tariff-rate quota extended for eight years, from November 1, 1959 to November 1, 1967, and the second tariff-rate quota was in effect for 5 years, from October 1, 1971 to October 1, 1976.

#### The first tariff-rate quota

The establishment of the first tariff-rate quota (TRQ) led to a significant reduction in U.S. imports of stainless steel table flatware. During each quota year an import quantity equal to roughly two-thirds of average annual imports from 1956 to 1958 was allowed to enter "within quota" at normal trade-agreement tariff rates, and substantially increased duties were applied to imports entered in excess of that amount. During most of the years in which the TRQ was in effect, imports by quota year failed to exceed measurably the within-quota allotment.

Evaluation of the effectiveness of the first TRQ was complicated, however, by the existence of official Japanese controls on stainless steel table flatware exports to the United States during the entire period of the TRQ. The Japanese Government instituted export quotas when it became clear

that the United States Government was about to enact some form of import restraint. Stainless steel table flatware exports from Japan remained within Japan's export quotas throughout the first TRQ, and these quotas never exceeded the (overall) U.S. tariff-rate quota. Hence the observed reduction in imports to the United States within the quota limit was insufficient evidence to infer that the over-quota tariff rates shut out over-quota imports from Japan via direct price effects.

Analysis of comparative price data indicated that the over-quota rates were not high enough to make over-quota imports from Japan prohibitively expensive in the U.S. market. What was needed for that result was roughly a 100 percent increase in the duty-inclusive cost of such over-quota imports. In fact, the over-quota rates tended to raise the duty-inclusive cost by about 60 percent for knives and forks and 40 percent for spoons.

Taken by themselves, these cost increases probably would have been sufficient to prevent imports from capturing an increased share of the U.S. market, and possibly would have caused some decline in the absolute volume of imports as well. Further reductions in imports to the within-quota limit should properly be viewed as an indirect effect of the first TRQ, that is, as the result of Japanese voluntary export restraints.

#### The second tariff-quota

Although the second TRQ presumably held imports below the levels that otherwise would have occurred, the second TRQ apparently did not have a strong, restraining effect on imports. Substantial quantities of stainless steel table flatware were entered over-quota throughout the TRQ, and in many calendar quarters the volume of over-quota tariff rates in relation to U.S. producer prices would demonstrate that the over-quota rates of the second TRQ - which were significantly lower than those of the first - were not nearly high enough to make over-quota imports from the Far East prohibitively expensive in the U.S. market.

A basic deficiency of the 1971-76 TRQ was that it failed to allow for the tremendous potential for growth in imports from Korea and Taiwan. Quota allotments for Taiwan and Korea were less than a fifth of Japan's quota. Japan seldom exceeded its quota and then only by an average of about 13 percent for the period. Taiwan and Korea tended to exceed their quotas from three to four times over, and sometimes by more.

APPENDIX F  
SUPPLEMENTARY STATISTICAL TABLES

Table F-1.--Stainless steel table flatware: Number of production and related workers employed in establishments in which stainless steel table flatware was produced, shipments by U.S. producers, imports for consumption, and apparent consumption, 1953-83 1/

\* \* \* \* \*

Table F-2.--Stainless steel table flatware: The value of U.S. producers' shipments of domestic merchandise, the estimated value of importers' shipments, the value of U.S. consumption, and the value of \* \* \* shipments 1/ 1978-83

\* \* \* \* \*

Table F-3.--Knives with stainless steel handles: U.S. imports for consumption, by categories, by TSUSA items, and by specified sources, 1978-83

Source and Year	With handles not containing nickel and not over 10 percent manganese							
	Valued under 25 cents each, not over 10.2 inches in length 1/				Other 2/			
	Quantity (dozen pieces)	Value 3/ (\$1,000)	Percent of total quantity	Unit value (per dozen pieces)	Quantity (dozen pieces)	Value 3/ (\$1,000)	Percent of total quantity	Unit value (per dozen pieces)
Japan:								
1978-----	1,235,958	2,560	25.6	\$2.07	422,783	2,247	50.2	\$5.32
1979-----	1,671,887	3,842	38.7	2.30	535,571	2,347	37.7	4.38
1980-----	1,891,580	4,124	46.1	2.18	1,038,234	4,512	40.5	4.35
1981-----	1,669,234	3,519	52.7	2.11	1,169,773	5,629	29.1	4.81
1982-----	1,845,072	3,499	54.1	1.90	644,667	3,001	24.1	4.66
1983-----	1,721,747	3,086	43.1	1.79	578,367	2,835	31.7	4.90
Korea:								
1978-----	2,538,499	5,197	52.6	2.05	245,416	1,077	29.1	4.39
1979-----	2,066,649	4,520	47.8	2.19	541,196	2,285	38.1	4.22
1980-----	1,712,682	4,039	41.8	2.36	1,062,637	4,865	41.5	4.58
1981-----	781,934	1,830	24.7	2.34	2,145,199	9,196	53.3	4.29
1982-----	1,036,027	2,321	30.4	2.24	1,412,142	6,105	52.9	4.32
1983-----	1,385,840	2,922	34.7	2.11	880,707	3,911	48.2	4.44
Taiwan:								
1978-----	1,009,719	2,220	20.9	2.20	165,322	570	19.6	3.45
1979-----	538,515	1,252	12.5	2.32	335,543	1,197	23.6	3.57
1980-----	316,053	670	7.7	2.12	448,805	1,649	17.5	3.67
1981-----	274,609	636	8.7	2.32	689,905	2,902	17.1	4.21
1982-----	150,355	327	4.4	2.17	588,548	2,819	22.0	4.79
1983-----	581,149	726	14.5	1.25	339,130	1,809	18.6	5.33
China:								
1978-----	0	-	-	-	67	1	4/	19.44
1979-----	0	-	-	-	58	1	4/	20.97
1980-----	112,470	215	2.7	1.91	0	-	-	-
1981-----	376,818	798	11.9	2.12	827	3	4/	3.53
1982-----	319,844	748	9.4	2.34	15,159	49	.6	3.21
1983-----	244,798	504	6.1	2.06	2,359	21	.1	9.05
Hong Kong:								
1978-----	19,740	31	.4	1.59	1,962	13	.2	6.43
1979-----	29,563	63	.7	2.13	3,604	13	.3	3.67
1980-----	62,587	130	1.5	2.08	1,724	6	.1	3.76
1981-----	51,458	117	1.6	2.26	3,789	16	.1	4.27
1982-----	58,365	136	1.7	2.33	4,356	13	.2	3.02
1983-----	39,204	81	1.0	2.07	3,499	24	.2	6.84
Other:								
1978-----	23,476	53	.5	2.26	6,562	127	.8	19.35
1979-----	17,679	41	.4	2.32	4,433	105	.3	23.68
1980-----	6,478	21	.2	3.24	10,199	206	.4	20.20
1981-----	11,603	19	.4	1.64	15,209	150	.4	9.86
1982-----	197	1	4/	5.08	5,044	152	.2	30.13
1983-----	21,924	35	.5	1.60	22,638	344	1.2	15.20
Total:								
1978-----	4,827,392	10,061	100.0	2.08	842,113	4,035	100.0	4.79
1979-----	4,324,293	9,718	100.0	2.25	1,420,405	5,948	100.0	4.19
1980-----	4,101,850	9,199	100.0	2.24	2,561,599	11,238	100.0	4.39
1981-----	3,165,656	6,919	100.0	2.19	4,024,702	17,896	100.0	4.45
1982-----	3,409,860	7,032	100.0	2.06	2,669,916	12,139	100.0	4.55
1983-----	3,994,662	7,354	100.0	1.84	1,826,700	8,944	100.0	4.90

1/ TSUSA item No. 650.0820.

2/ TSUSA item No. 650.0925.

3/ Customs value.

4/ Less than .05 percent.

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

Note.--Numbers may not add to totals shown due to rounding.

Table F-3.--Knives with stainless steel handles: U.S. imports for consumption, by categories, by TSUSA items, and by specified sources, 1978-83--Continued

Source and Year	With handles containing nickel or over 10 percent manganese							
	Valued under 25 cents each, not over 10.2 inches in length 1/				Other 2/			
	Quantity (dozen pieces)	Value 3/ (\$1,000)	Percent of total quantity	Unit value (per dozen pieces)	Quantity (dozen pieces)	Value 3/ (\$1,000)	Percent of total quantity	Unit value (per dozen pieces)
<b>Japan:</b>								
1978-----	23,745	54	25.5	\$2.29	52,293	579	49.3	\$11.08
1979-----	8,225	19	75.2	2.29	57,391	462	67.6	8.05
1980-----	7,351	18	80.0	2.50	107,635	1,120	52.2	10.41
1981-----	10,150	25	33.6	2.42	234,535	2,251	71.1	9.60
1982-----	7,780	19	25.1	2.39	117,060	1,991	54.3	17.00
1983-----	600	1	71.2	2.40	143,313	2,257	59.3	15.75
<b>Korea:</b>								
1978-----	67,305	162	72.4	2.40	9,483	36	8.9	3.84
1979-----	0	-	-	-	3,200	17	3.8	5.38
1980-----	1,500	4	16.3	2.83	40,520	244	19.6	6.02
1981-----	11,000	27	36.4	2.49	30,542	506	9.3	16.56
1982-----	6,358	14	20.5	2.28	72,596	684	33.7	9.43
1983-----	0	-	-	-	70,800	588	29.3	8.30
<b>Taiwan:</b>								
1978-----	960	2	1.0	2.45	3,231	11	3.0	3.30
1979-----	2,005	5	18.3	2.61	2,936	8	3.5	2.84
1980-----	334	1	3.6	1.92	795	4	.4	4.64
1981-----	0	-	-	-	17,088	123	5.2	7.17
1982-----	12,150	35	39.1	2.89	3,545	53	1.6	14.93
1983-----	0	-	-	-	972	7	.4	7.20
<b>China:</b>								
1978-----	0	-	-	-	0	-	-	-
1979-----	0	-	-	-	0	-	-	-
1980-----	0	-	-	-	226	3	.1	13.74
1981-----	0	-	-	-	68	1	5/	18.59
1982-----	0	-	-	-	.1	1	.7	8.24
1983-----	0	-	-	-	48	1	5/	20.25
<b>Hong Kong:</b>								
1978-----	219	4/	.2	1.76	882	2	.8	1.91
1979-----	704	1	6.4	1.86	210	1	.2	5.22
1980-----	0	-	-	-	0	-	-	-
1981-----	7,200	19	23.9	2.65	1,144	3	.3	2.64
1982-----	4,752	10	15.3	2.06	0	-	-	-
1983-----	0	-	-	-	0	-	-	-
<b>Other:</b>								
1978-----	766	2	.8	2.61	40,153	785	38.7	19.55
1979-----	0	-	-	-	21,125	628	24.9	29.73
1980-----	0	-	-	-	57,053	1,662	27.7	29.13
1981-----	1,834	5	6.1	2.73	46,367	1,437	14.1	30.99
1982-----	0	-	-	-	22,130	640	10.3	28.92
1983-----	243	2	28.8	8.23	26,628	810	11.0	30.42
<b>Total:</b>								
1978-----	92,995	221	100.0	2.37	106,042	1,413	100.0	13.33
1979-----	10,934	25	100.0	2.32	84,862	1,116	100.0	13.15
1980-----	9,185	23	100.0	2.53	206,228	3,033	100.0	14.71
1981-----	30,184	77	100.0	2.54	329,745	4,321	100.0	13.10
1982-----	31,040	78	100.0	2.51	215,473	3,369	100.0	15.63
1983-----	843	4	100.0	4.37	241,761	3,663	100.0	15.15

1/ TSUSA item No. 650.1020.

2/ TSUSA item No. 650.1220.

3/ Customs value.

4/ Less than \$500.

5/ Less than .05 percent.

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

Note: Numbers may not add to totals shown due to rounding.



Table F-4.--Forks with stainless steel handles: U.S. imports for consumption, by categories, by TSUSA items, and by specified sources, 1978-83

Source and Year	With handles not containing nickel and not over 10 percent manganese							
	Valued under 25 cents each, not over 10.2 inches in length 1/				Other 2/			
	Quantity (dozen pieces)	Value 3/ (\$1,000)	Percent of total quantity	Unit value (per dozen pieces)	Quantity (dozen pieces)	Value 3/ (\$1,000)	Percent of total quantity	Unit value (per dozen pieces)
<b>Japan:</b>								
1978-----	2,169,191	2,916	22.8	\$1.34	185,448	768	68.9	\$4.14
1979-----	3,681,352	4,577	38.2	1.24	130,891	553	46.5	4.22
1980-----	4,937,799	6,331	46.4	1.28	155,063	665	54.9	4.29
1981-----	4,334,360	6,049	38.9	1.40	232,350	1,035	40.9	4.46
1982-----	4,219,796	5,173	43.3	1.23	155,229	584	30.4	3.76
1983-----	4,603,344	5,206	45.1	1.13	130,442	474	34.2	3.63
<b>Korea:</b>								
1978-----	4,148,168	4,673	43.6	1.13	72,999	233	27.1	3.20
1979-----	3,485,772	4,472	36.1	1.28	141,509	501	50.3	3.54
1980-----	3,419,284	4,830	32.1	1.41	75,726	307	26.8	4.05
1981-----	3,870,796	6,172	34.7	1.59	173,888	652	30.6	3.75
1982-----	3,264,155	4,902	33.5	1.50	169,944	623	33.3	3.66
1983-----	3,657,720	5,114	35.8	1.40	145,162	539	38.0	3.71
<b>Taiwan:</b>								
1978-----	3,110,409	3,167	32.7	1.02	5,803	11	2.2	1.90
1979-----	2,410,431	2,864	25.0	1.19	3,222	15	1.1	4.68
1980-----	2,052,926	2,601	19.3	1.27	42,941	176	15.2	4.09
1981-----	2,209,695	3,099	19.8	1.40	156,827	533	27.6	3.40
1982-----	1,740,780	2,527	17.9	1.45	176,671	605	34.6	3.43
1983-----	1,404,411	1,718	13.8	1.22	100,060	434	26.2	4.34
<b>China:</b>								
1978-----	0	-	-	-	0	-	-	-
1979-----	0	-	-	-	100	1	4/	5.80
1980-----	155,366	150	1.5	.96	0	-	-	-
1981-----	570,508	661	5.1	1.16	0	-	-	-
1982-----	442,926	567	4.5	1.28	0	-	-	-
1983-----	454,078	522	4.4	1.15	0	-	-	-
<b>Hong Kong:</b>								
1978-----	37,602	36	.4	0.96	1,840	2	.7	1.29
1979-----	35,234	37	.4	1.06	551	4	.2	6.92
1980-----	60,537	66	.6	1.09	300	1	.1	3.62
1981-----	102,150	124	.9	1.22	491	3	.1	6.59
1982-----	66,744	90	.7	1.35	17	5/	4/	16.80
1983-----	80,279	97	.8	1.20	200	1	.1	4.50
<b>Other:</b>								
1978-----	40,340	42	.4	1.04	2,953	33	1.1	11.17
1979-----	33,622	37	.3	1.10	4,914	44	1.7	9.0
1980-----	12,506	13	.1	1.04	8,594	83	3.0	9.66
1981-----	55,755	68	.5	1.22	4,509	54	.8	11.98
1982-----	1,924	8	4/	4.16	8,748	72	1.7	8.24
1983-----	8,084	11	.1	1.36	5,759	66	1.5	11.46
<b>Total:</b>								
1978-----	9,505,710	10,834	100.0	1.14	269,043	1,047	100.0	3.89
1979-----	9,646,411	11,987	100.0	1.24	281,187	1,118	100.0	3.98
1980-----	10,638,418	13,991	100.0	1.32	282,625	1,232	100.0	4.36
1981-----	11,143,263	16,173	100.0	1.45	568,065	2,277	100.0	4.01
1982-----	9,736,325	13,267	100.0	1.36	510,609	1,884	100.0	3.69
1983-----	10,207,916	12,668	100.0	1.24	381,623	1,514	100.0	3.97

1/ TSUSA item 650.3820.

2/ TSUSA item 650.3925

3/ Customs value.

4/ Less than .05 percent.

5/ Less than \$500.

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

Note: Numbers may not add to totals shown due to rounding.

Table F-4.--Forks with stainless steel handles: U.S. imports for consumption, by categories, by TSUSA items, and by specified sources, 1978-83--Continued

Source and Year	With handles containing nickel or over 10 percent manganese							
	Valued under 25 cents each, not over 10.2 inches in length 1/				Other 2/			
	Quantity (dozen pieces)	Value 3/ (\$1,000)	Percent of total quantity	Unit value (per dozen pieces)	Quantity (dozen pieces)	Value 3/ (\$1,000)	Percent of total quantity	Unit value (per dozen pieces)
<b>Japan:</b>								
1978-----	20,172	47	12.8	\$2.31	76,497	713	51.7	\$9.32
1979-----	3,061	4	47.0	1.46	47,554	454	57.2	9.55
1980-----	13,783	24	45.5	1.72	103,736	1,007	48.4	9.71
1981-----	24,584	38	49.7	1.56	188,387	2,161	52.1	11.47
1982-----	16,102	25	12.9	1.57	172,575	2,027	34.0	11.75
1983-----	59,158	78	73.7	1.32	180,052	1,874	59.2	10.41
<b>Korea:</b>								
1978-----	134,317	173	85.4	1.29	14,238	33	9.6	2.34
1979-----	448	1	6.9	1.35	500	2	.6	4.39
1980-----	15,002	25	49.5	1.68	32,654	150	15.2	4.61
1981-----	18,941	29	38.3	1.52	80,832	432	22.4	5.34
1982-----	94,363	157	75.8	1.66	297,712	1,086	58.6	3.65
1983-----	15,730	33	19.6	2.11	79,328	362	26.1	4.56
<b>Taiwan:</b>								
1978-----	0	-	-	-	4,696	25	3.2	5.30
1979-----	3,000	4	46.1	1.31	401	4	.5	8.97
1980-----	0	-	-	-	1,716	9	.8	5.12
1981-----	500	1	1.0	1.86	6,966	70	1.9	10.10
1982-----	13,800	19	11.1	1.40	6,438	40	1.3	6.16
1983-----	1,161	2	1.4	1.48	1,663	5	.5	2.74
<b>China:</b>								
1978-----	2,000	2	1.3	.96	0	-	-	-
1979-----	0	-	-	-	0	-	-	-
1980-----	0	-	-	-	0	-	-	-
1981-----	5,000	5	10.1	1.01	500	5	.1	10.15
1982-----	200	5/	.2	1.62	0	-	-	-
1983-----	0	-	-	-	0	-	-	-
<b>Hong Kong:</b>								
1978-----	0	-	-	-	517	4	.3	7.10
1979-----	0	-	-	-	1,732	17	2.1	9.72
1980-----	0	-	-	-	433	5	.2	10.54
1981-----	400	1	.8	2.68	7,581	13	2.1	1.71
1982-----	0	-	-	-	0	-	-	-
1983-----	0	-	-	-	160	1	4/	5.83
<b>Other:</b>								
1978-----	720	1	.4	1.39	52,111	760	35.2	14.58
1979-----	0	-	-	-	32,949	567	39.6	17.21
1980-----	1,527	2	5.0	1.31	75,600	1,281	35.3	16.90
1981-----	0	-	-	-	77,374	1,205	21.4	15.57
1982-----	0	-	-	-	31,404	576	6.2	18.34
1983-----	4,258	8	5.3	1.88	42,947	629	14.1	14.64
<b>Total:</b>								
1978-----	157,208	222	100.0	1.41	148,059	1,535	100.0	10.37
1979-----	6,509	9	100.0	1.38	83,136	1,044	100.0	12.56
1980-----	30,311	51	100.0	1.69	214,199	2,452	100.0	11.45
1981-----	49,425	74	100.0	1.50	361,640	3,886	100.0	10.75
1982-----	124,465	202	100.0	1.62	508,129	3,729	100.0	7.34
1983-----	80,307	121	100.0	1.51	304,150	2,871	100.0	9.44

1/ TSUSA item No. 650.4020.

2/ TSUSA item No. 650.4220.

3/ Customs value.

4/ Less than .05 percent.

5/ Less than \$500.

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

Note: Numbers may not add to totals shown due to rounding.

Table F-5.--Spoons with stainless steel handles: U.S. imports for consumption, by categories, by TSUSA items, and by specified sources, 1978-83

Source and Year	Valued under 25 cents each, not over 10.2 inches in length <sup>1/</sup>				Other <sup>2/</sup>			
	Quantity (dozen pieces)	Value <sup>3/</sup> (\$1,000)	Percent of total quantity	Unit value (per dozen pieces)	Quantity (dozen pieces)	Value <sup>3/</sup> (\$1,000)	Percent of total quantity	Unit value (per dozen pieces)
Japan:								
1978-----	3,287,740	3,975	23.4	1.21	465,915	2,868	66.3	6.16
1979-----	5,656,124	6,117	37.4	1.08	457,673	2,570	64.5	5.62
1980-----	6,600,404	7,535	43.4	1.14	567,182	3,558	53.6	6.27
1981-----	5,831,612	7,301	37.3	1.25	809,024	5,866	49.7	7.25
1982-----	5,873,472	6,387	40.7	1.09	677,419	6,794	40.8	10.03
1983-----	6,517,356	6,650	43.2	1.02	711,576	4,528	57.1	6.36
Korea:								
1978-----	6,477,382	6,397	46.1	.99	115,704	402	16.5	3.48
1979-----	5,690,887	6,436	37.6	1.13	159,880	638	22.5	3.99
1980-----	5,185,767	6,591	34.1	1.27	218,909	923	20.7	4.22
1981-----	5,753,362	8,314	36.8	1.45	418,917	1,758	25.7	4.20
1982-----	4,823,461	6,566	33.4	1.36	645,807	2,629	38.9	4.07
1983-----	5,595,983	6,812	37.1	1.22	291,456	1,302	23.4	4.47
Taiwan:								
1978-----	4,091,125	3,406	29.1	.83	32,617	82	4.6	2.51
1979-----	3,638,825	3,394	24.1	.93	27,962	94	3.9	3.36
1980-----	2,852,599	3,005	18.8	1.05	150,234	303	14.2	2.02
1981-----	3,183,487	4,108	20.4	1.29	243,774	787	15.0	3.23
1982-----	3,063,361	3,437	21.2	1.12	261,829	1,029	15.8	3.93
1983-----	2,325,976	2,537	15.4	1.09	151,480	744	12.2	4.91
China:								
1978-----	0	-	-	-	2,000	2	.3	.96
1979-----	0	-	-	-	600	4	.1	6.85
1980-----	260,892	205	1.7	.79	110	1	<u>4/</u>	8.39
1981-----	630,710	617	4.0	.98	15,396	120	.9	7.81
1982-----	570,820	627	4.0	1.10	200	1	<u>4/</u>	5.30
1983-----	520,908	493	3.5	.95	4,274	41	.3	9.64
Hong Kong:								
1978-----	64,420	60	.5	.92	8,003	49	1.1	6.12
1979-----	57,044	53	.4	.93	9,453	49	1.3	5.17
1980-----	258,927	223	1.7	.86	13,273	83	1.3	6.22
1981-----	118,064	113	.8	.96	50,268	75	3.1	1.48
1982-----	73,148	75	.5	1.02	17,452	63	1.1	3.59
1983-----	103,098	101	.7	.98	14,130	78	1.1	5.52
Other:								
1978-----	139,114	173	1.0	1.24	78,017	999	11.1	12.80
1979-----	80,116	100	.5	1.25	53,983	791	7.6	14.65
1980-----	47,221	54	.3	1.14	107,632	1,575	10.2	14.63
1981-----	99,699	148	.6	1.48	89,869	1,311	5.5	14.59
1982-----	34,480	95	.2	2.75	58,708	821	3.5	13.98
1983-----	11,377	20	.1	1.76	72,430	981	5.8	13.54
Total:								
1978-----	14,059,781	14,011	100.0	1.00	702,256	4,402	100.0	6.27
1979-----	15,122,997	16,100	100.0	1.06	709,551	4,146	100.0	5.84
1980-----	15,205,810	17,613	100.0	1.16	1,057,340	6,444	100.0	6.09
1981-----	15,616,936	20,601	100.0	1.32	1,627,247	9,917	100.0	6.09
1982-----	14,438,742	17,187	100.0	1.19	1,661,415	11,337	100.0	6.82
1983-----	15,074,698	16,613	100.0	1.10	1,245,346	7,674	100.0	6.16

1/ TSUSA item No. 650.5420.

2/ TSUSA item No. 650.5525.

3/ Customs value.

4/ Less than .05 percent.

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

Note.--Numbers may not add to totals shown due to rounding.

Table F-6.--Table flatware sets which include two or more knives, forks, or spoons with stainless steel handles: U.S. imports for consumption, by TSUSA items, and by specified sources, 1978-83

Source and Year	Sets containing any of the knives, forks or spoons in TSUSA items 650.08, 650.09, 650.10, 650.12, 650.38, 650.39, 650.40, 650.42, 650.54, and 650.55 1/			
	Quantity (dozen pieces)	Value <u>2/</u> (\$1,000)	Percent of total quantity	Unit value (per dozen pieces)
<b>Japan:</b>				
1978-----	7,513,266	14,277	49.3	\$1.90
1979-----	6,681,109	11,786	72.0	1.76
1980-----	4,254,263	10,974	41.2	2.58
1981-----	4,636,919	15,628	52.4	3.37
1982-----	4,072,746	12,286	50.7	3.02
1983-----	6,973,372	17,196	57.9	2.47
<b>Korea:</b>				
1978-----	6,672,926	9,161	43.8	1.37
1979-----	1,949,694	3,454	21.0	1.77
1980-----	4,634,526	8,659	44.8	1.87
1981-----	3,186,984	7,862	36.0	2.47
1982-----	2,386,627	6,430	29.7	2.69
1983-----	4,165,644	8,807	34.6	2.11
<b>Taiwan:</b>				
1978-----	881,185	1,171	5.8	1.33
1979-----	583,235	1,098	6.3	1.88
1980-----	727,241	1,397	7.0	1.92
1981-----	666,784	1,675	7.5	2.51
1982-----	903,901	1,887	11.3	2.09
1983-----	662,444	1,277	5.5	1.93
<b>China:</b>				
1978-----	18,750	25	.1	1.36
1979-----	163	<u>4/</u>	<u>3/</u>	2.41
1980-----	590,760	689	5.7	1.17
1981-----	137,603	190	1.6	1.38
1982-----	618,973	880	7.7	1.42
1983-----	90,453	137	.8	1.51
<b>Hong Kong:</b>				
1978-----	2,857	16	<u>3/</u>	5.46
1979-----	3,238	12	<u>3/</u>	3.68
1980-----	33,393	77	.3	2.31
1981-----	91,375	259	1.0	2.83
1982-----	12,588	50	.2	3.98
1983-----	90,535	249	.8	2.75

See footnote at end of table.

Table F-6.--Table flatware sets which include two or more knives, forks, or spoons with stainless steel handles: U.S. imports for consumption, by TSUSA items, and by specified sources, 1978-1983--Continued

Source and Year	Sets containing any of the knives, forks or spoons in TSUSA items 650.08, 650.09, 650.10, 650.12, 650.38, 650.39 650.40, 650.42, 650.54, and 650.55 1/			
	Quantity (dozen pieces)	Value 2/ (\$1,000)	Percent of total quantity	Unit value (per dozen pieces)
Other:				
1978-----	157,563	621	1.0	3.94
1979-----	63,893	814	.7	12.74
1980-----	98,221	784	1.0	7.98
1981-----	124,191	976	1.4	7.86
1982-----	36,758	522	.5	14.20
1983-----	56,158	1,331	.5	23.70
Total:				
1978-----	15,246,547	25,271	100.0	1.66
1979-----	9,281,332	17,164	100.0	1.85
1980-----	10,338,404	22,580	100.0	2.18
1981-----	8,843,857	26,590	100.0	3.01
1982-----	8,031,594	22,055	100.0	2.75
1983-----	12,038,606	28,997	100.0	2.41

1/ TSUSA item No. 651.7505.

2/ Customs value.

3/ Less than .05 percent.

4/ Less than \$500.

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

Note.--Numbers may not add to totals shown due to rounding.

Table F-7.--Stainless steel table flatware: U.S. producers' imports from Japan, by value brackets and by firms, 1981-83.

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Table F-8.--Stainless steel table flatware: U.S. imports from Korea, by firms that did not manufacture flatware in the United States, by value brackets, 1981-83

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Table F-9.--Stainless steel table flatware: U.S. producers' imports from Korea, by value brackets and by firms, 1981-83

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Table F-10.--Income-and-loss experience of U.S. producers on the overall operations of their establishments in which stainless steel table flatware is produced, accounting years 1978-83 1/

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Table F-11.--Income-and-loss experience of U.S. producers on their operations producing stainless steel table flatware (including imports,) accounting years 1978-83 1/

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Table F-12.--Income-and-loss experience of U.S. producers on their operations importing stainless steel table flatware, accounting years 1978-83 1/ 2/

\* \* \* \* \*

Table F-13.--Income-and-loss experience of U.S. producers on their U.S. operations making domestically produced stainless steel table flatware, 1978-83 1/

\* \* \* \* \*

APPENDIX G

SUPPLEMENTARY FIGURES

Figure G-1.--Stainless steel table flatware: Apparent U.S. consumption,  
1969-83

\* \* \* \* \*

Figure G-2.--Stainless steel table flatware: Apparent U.S. consumption,  
1953-83

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**APPENDIX H**  
**ECONOMETRIC ESTIMATES OF THE EFFECTS OF PRICES**  
**ON THE DEMAND FOR LOW-VALUED STAINLESS STEEL FLATWARE**

\* \* \* \* \*



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