Fiscal year 1975—the last for the old United States Tariff Commission; the first for the new United States International Trade Commission.

FY 1975—the Trade Act of 1974 becomes law, multilateral trade negotiations become a reality; the U.S. International Trade Commission becomes instrumental in the success of both.

FY 1975—the Commission goes to the people—over 1,200 in 21 different sections of the United States in just one investigation. The Government is listening to the governed.

FY 1975—preparation of a mammoth 66-volume, 22,000-page report to the President detailing the Commission’s advice on tariff concessions and preferences and reflecting facts and figures as well as people’s feelings.

FY 1975—the last cases under the old adjustment assistance law; the first cases under the new “escape clause.”

FY 1975—brand new antidumping and unfair trade practice provisions are tested; no Presidential requests are made under section 22 of the Agricultural Adjustment Act.

FY 1975—East-West trade is monitored and the possibility of relief from imports from nonmarket economy countries is established.

FY 1975—a major start on work on the comparability of U.S. trade statistics and harmonization of commodity descriptions among all trading nations.

FY 1975—the interests of U.S. consumers are expressly covered for the first time by the Trade Act, and the Commission aggressively seeks consumers’ and all other points of view in investigative hearings no longer confined to Washington but held where the problems are.

FY 1975—the Commission dedicates itself to anticipating, rather than reacting to, all facets of international trade—exports and imports, foreign and domestic, private and governmental.

FY 1975—a new Chairman and Vice Chairman take office; an old building is victimized by “subway progress.”

FY 1975—a pause to pay respect to the Tariff Commission’s past, but on with enthusiasm and new ideas for the U.S. International Trade Commission’s future.

FY 1975—the Commission renews its pledge to conduct independent and objective factfinding for the Congress, the President, and the people.

Ladies and gentlemen of the Congress—that is fiscal year 1975. The details follow as the Commission presents this, its annual report for fiscal year 1975.

Will E. Leonard
Chairman
Summary of year's activities/1
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  Trade Expansion Act of 1962/7
  Summary of activity under section 301/11
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  Tariff Act of 1930, as amended/12
  Litigation arising from investigations conducted under section 337/15
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  Litigation arising in connection with the Antidumping Act/16
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Appendix B. Reports submitted on proposed legislation/31
Investigations Completed

Trade Expansion Act of 1962:
- Sec. 301(c)(1) "firm" (adjustment-assistance) cases ----- 6
- Sec. 301(c)(2) "worker" (adjustment-assistance) cases ---- 30

Title II, Tariff Act of 1930:
- Sec. 332 investigations ----------------------------------- 1
- Sec. 337 investigations of alleged unfair practices in importation and sale of imported products ------- 8
- Antidumping Act, 1921, as amended ----------------------- 6

Total -------------------------------------------------------- 51

Other Activities

Publications issued (in addition to reports on investigations):
- Synthetic organic chemicals ---------------------------- 14
- Benzenoid chemicals ----------------------------------- 1
- Preliminary report on U.S. production of synthetic organic chemicals ------------------------------- 12

Responses to letters and telephone calls from—
- Members of Congress and congressional committees ---- 700
- Executive agencies of the Federal Government ---------- 300
- General public ---------------------------------------- 800

Import transactions analyzed by personnel in New York City and Suitland, Md., offices ------------------ 122,000

Library transactions:
- Volumes circulated ------------------------------------ 53,000
- Reference calls --------------------------------------- 4,700

Reports prepared on proposed legislation ------------------ 27
Reports prepared on U.S. consumption of specified commodities ------------------ 3
Reports prepared on East-West trade ---------------------- 3
NEW PROVISIONS

Negotiating authority.—The President is authorized to enter into trade agreements during the next 5 years. Prior to making such agreements, the President must seek the advice of the Commission as to the probable effect of any proposed tariff concessions. He may request the Commission’s advice with respect to non-tariff barriers.

Generalized System of Preferences.—The President is authorized to establish a Generalized System of Preferences whereby imports of certain commodities from designated developing countries are afforded duty-free treatment. Prior to establishing such a system, the President must seek the advice of the Commission as to the probable effect of the system’s implementation on U.S. industries.

Foreign import restrictions and export subsidies.—Trade-agreement concessions may be withheld and duties or other import restrictions may be imposed by the President to counteract foreign import restrictions and export subsidies. The Commission may be asked by the President for its views as to the probable impact on the U.S. economy of the taking of any such counteractive action. With respect to subsidized exports to the United States, the President can take action only if, among other things, the Commission finds that the practices of a foreign country have the effect of substantially reducing sales of the competitive U.S. products in the United States.

Market disruption.—The Commission is required to determine, with respect to imports of an article which is the product of a Communist country, whether market disruption exists with respect to an article produced by a domestic industry. If disruption exists, appropriate remedial action must be recommended to the President.

East-West trade.—The Commission is required to report, not less frequently than quarterly, to the Congress and the East-West Foreign Trade Board on significant developments in trade with nonmarket economy countries.

Statistical collection and reporting.—The Commission, together with the Departments of Commerce and the Treasury, is directed to establish a uniform system of coding commodities for statistical reporting of imports, exports, and production.

CHANGES IN EXISTING STATUTES

Trade Expansion Act of 1962
Criteria for finding injury in industry investigations are less stringent in the Trade Act of 1974.
Responsibility for firm investigations was transferred to the Department of Commerce, effective April 3, 1975.
Responsibility for worker investigations was transferred to the Department of Labor, effective April 3, 1975.
Tariff Act of 1930

Section 303 is amended so that a duty-free article will become subject to countervailing duties if the Department of the Treasury determines that a bounty or grant is bestowed upon it, and the Commission determines that an industry is being or is likely to be injured as a result thereof.

Section 337 is amended to authorize the issuance of cease-and-desist orders in cases of unfair practices in import trade, and to provide for Commission remedies to become effective unless overturned by the President for policy reasons.

Antidumping Act, 1921

Provision is made for referral to the Commission of cases in which the Secretary of the Treasury has substantial doubt that a finding of injury may be made. If the Commission determines that there is no reasonable indication of injury, the case is to be terminated.

The Commission

The name is changed to the United States International Trade Commission.1

The budget is no longer subject to change by the executive branch. Estimated expenditures and proposed appropriations for the Commission must be included by the President in the budget without revision.

The Commission is authorized to represent itself in legal proceedings; it is no longer mandatory that the Commission be represented by the Department of Justice.

The Commissioners

The terms of office of present Commissioners are extended, and the terms of office of new Commissioners are increased from 6 to 9 years.

A Commissioner who serves more than 5 years after January 3, 1975, is not eligible for reappointment.

Salaries are slightly increased.

The chairmanship and vice chairmanship are rotated among the Commissioners on the basis of length of service; they are no longer Presidential designations.

1 Throughout this report, whenever the Commission is referred to, such reference is to the agency, as it was at the time, either the U.S. Tariff Commission or the U.S. International Trade Commission.
The United States International Trade Commission is authorized by law to investigate all aspects of international trade. During fiscal 1975, investigations were conducted under provisions of the Trade Act of 1974, the Trade Expansion Act of 1962, the Tariff Act of 1930, as amended, and the Antidumping Act, 1921, as amended. The Commission sought to increase public interest and actual participation in investigations by conducting hearings throughout the country and soliciting views from all interested parties.

TRADE ACT OF 1974

Section 101 of the Trade Act of 1974 grants the President authority to enter into trade agreements in order to modify or continue existing duties or duty-free treatment. Prior to entering into such agreements the President is required, pursuant to section 131 of the Trade Act of 1974, to furnish the U.S. International Trade Commission with lists of articles on which the duty may be modified or continued. The Commission, in turn, must furnish the President, within 6 months, its advice as to the probable economic effect of such modifications or continuances.

On January 14, 1975, the Commission received from the President a list of articles for possible negotiation. The list included all articles in the Tariff Schedules of the United States except certain ball bearings, certain dinnerware, and certain petroleum products. The Commission instituted investigation No. TA-131(b)-1 and announced 21 regional public hearings to be held throughout the United States.

Section 503 of the Trade Act of 1974 requires that the President, from time to time, furnish the Commission with lists of articles which may be provided duty-free treatment under provisions of a Generalized System of Preferences. The Commission must then advise the President as to the probable economic effect of granting these preferences for each article listed if imported from countries designated by the President as beneficiary developing countries.

In an Executive order on March 24, 1975, the President furnished the Commission with a list of articles to be considered for inclusion in a Generalized System of Preferences (GSP). In a notice issued on April 2, 1975, the Commission announced institution of investigations Nos. TA-503(a)-1 (on the products imported from designated beneficiary countries) and 332-74 (on the products imported from both designated beneficiary countries and countries under consideration for designation as beneficiary countries).

During fiscal 1975 the conduct of investigations Nos. TA-131(b)-1, TA-503(a)-1, and 332-74 was the principal activity of the Commission and its staff. Never before has the Commission launched such an extensive effort to elicit views of U.S. businessmen, workers, consumers, educators, and the media. Nationwide public hearings—free
Cities in which regional hearings were held during investigations Nos. TA-131(b)-1, TA-503(a)-1, and 332-74, February-May 1975

of the usual cumbersome governmental formalities—were held in 21 regions from Augusta, Maine, to Portland, Oreg., and from Miami, Fla., to Los Angeles, Calif. Over 1,200 witnesses appeared, representing several million Americans. Testimony was heard on articles ranging from airplanes to zinc. More than 600 written submissions were received. Much of this information proved to be invaluable in the construction of the Commission's advice to the President.

Instead of two reports, a single report covering both the probable economic effects of changing or keeping the present duty treatment through multilateral trade negotiations and the probable economic effects of implementing the GSP was transmitted to the President on July 14, 1975 (2 months early for the GSP part of the report), by Chairman Will E. Leonard. The 66-volume, 22,000-page report is a concise, fact-filled analysis of the effects of imports of virtually all products used in the consumer, commercial, and military sectors of the economy. For each of more than 1,700 product groupings, the Commission looked at trends in imports, exports, and domestic production; assessed the technology of U.S. trading partners (potential, as well as present); and examined distortions in world trade brought about by disparities in tariff rates and nontariff barriers among all nations.

Section 201 of the Trade Act of 1974 provides means whereby relief may be sought for the purpose of alleviating adverse effects of import competition. Relief may be sought by a trade association, certified or recognized union, or group of workers, or other entity which is representative of an industry. When petitioned, the Commission is required to dete-
mme whether an article is being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or the threat thereof, to the domestic industry producing like or directly competitive articles with the imported article. If the Commission's determination is affirmative, it must find the amount of the increase in, or imposition of, any duty or restriction on such article which is necessary to prevent or remedy such injury, or to recommend the provision of adjustment assistance to firms, workers, or communities. Under section 203, if the President determines to provide import relief for the industry, he shall (1) proclaim an increase in, or imposition of, a duty on the article concerned; (2) proclaim a tariff rate quota; (3) modify or impose a quantitative restriction on imports; (4) negotiate orderly marketing agreements with foreign countries; or (5) take any combination of such actions.

During fiscal 1975, the Commission instituted three investigations under section 201, as shown in the following table. All were in progress at the close of the year. 9

### Summary of investigations pending on June 30, 1975, under sec. 201 of the Trade Act of 1974

<table>
<thead>
<tr>
<th>Investigation</th>
<th>Article</th>
<th>Petition received</th>
</tr>
</thead>
<tbody>
<tr>
<td>TA-201-1</td>
<td>Birch plywood door jams</td>
<td>4-18-75</td>
</tr>
<tr>
<td>TA-201-2</td>
<td>Bolts, nuts, and screws of iron or steel</td>
<td>5-22-75</td>
</tr>
<tr>
<td>TA-201-3</td>
<td>Wrapper tobacco</td>
<td>5-30-75</td>
</tr>
</tbody>
</table>

Section 410 of the Trade Act of 1974 requires the Commission to establish and maintain a program to manage trade between the United States and nonmarket economy countries, and to publish a detailed summary of the data collected under this program not less frequently than once every calendar quarter.

The Commission submitted three reports on East-West trade to the Congress and the East-West Foreign Trade Board in fiscal 1975, as shown in the following table.

### Reports submitted to the Congress and the East-West Foreign Trade Board pursuant to sec. 410 of the Trade Act of 1974

<table>
<thead>
<tr>
<th>Title</th>
<th>Date</th>
<th>USITC Publication No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Final Report to the Congress and the East-West Foreign Trade Board on Trade Between the United States and the Nonmarket Economy Countries</td>
<td>Mar. 31, 1975</td>
<td>732</td>
</tr>
<tr>
<td>Trade Board on Trade Between the United States and the Nonmarket Economy Countries</td>
<td>June 27, 1975</td>
<td>734</td>
</tr>
<tr>
<td>Trade Board on Import on U.S. Imports of Granite</td>
<td>June 30, 1975</td>
<td>735</td>
</tr>
<tr>
<td>Report to the Congress and the East-West Foreign Trade Board on Trade Between the United States and the Nonmarket Economy Countries</td>
<td>June 30, 1975</td>
<td>736</td>
</tr>
</tbody>
</table>

### TRADE EXPANSION ACT OF 1962

The Trade Expansion Act of 1962 (TEA) provides means whereby relief could be granted to industries and firms, seriously injured or threatened with serious injury and in groups of workers unemployed or underemployed because of increased imports resulting in major part from unfair competition. Following an industry investigation and an affirmative finding by the Commission, the President was able, under specified circumstances, to increase rates of duty or impose other restrictions, negotiate orderly marketing agreements with foreign countries, or provide the like. The number of investigations conducted by the U.S. International Trade Commission during fiscal 1975 under section 301 of the TEA was as follows:

<table>
<thead>
<tr>
<th>Type of investigation</th>
<th>In progress as of June 30, 1975</th>
<th>Number of cases filed as of June 30, 1975</th>
<th>Cases decided as of June 30, 1975</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industry</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Farm</td>
<td>0</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Workers</td>
<td>1</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td>Total</td>
<td>1</td>
<td>8</td>
<td>8</td>
</tr>
</tbody>
</table>

9 The Commission determined that articles were 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 like or directly competitive articles in investigations Nos. TA-201-1, TA-201-2, and TA-201-3 on Oct. 20, 1975, Nov. 24, 1975, and Nov. 5, 1975, respectively.

10 19 U.S.C. 2440.

11 The Department of Justice has determined that the President may break a tie vote and act on the findings of either group of Commissioners.

12 In Executive Order 11075, dated Jan. 15, 1963, the President delegated his authority to certify eligibility for adjustment assistance.
Authority under section 301 of the Trade Expansion Act of 1962 was terminated on January 3, 1975, with respect to industries and on April 3, 1975, with respect to firms and workers, when provisions of the Trade Act of 1974 became effective.

In firm investigations (conducted pursuant to sec. 301(c)(1) of the TEA), the Commission determined whether, as a result in major part of concessions granted under trade agreements, an article like or directly competitive with an article produced by a firm was being imported into the United States in such increased quantities as to cause, or threaten to cause, serious injury to that firm. The Commission was required to complete these investigations and report its findings to the President within 60 days after petitions were filed by firms or their representatives. A public hearing was required only if requested by the petitioner or other interested party. If the Commission's finding was affirmative, the Secretary of Commerce was able to certify the firm as eligible to apply for adjustment assistance.\(^\text{13}\)

In fiscal year 1975 the Commission completed six investigations concerning import injury to firms under section 301(c)(1) of the Trade Expansion Act. There were no investigations in progress at the close of fiscal year 1975. Of the six investigations completed, the Commission's findings were affirmative in four cases and negative in two cases. A tabular summary of the completed investigations appears below.

In worker investigations (conducted pursuant to sec. 301(c)(12) of the TEA), the Commission determined whether, as a result in major part of concessions granted under trade agreements, an article like or directly competitive with an article produced by the workers' firm, or an appropriate subdivision thereof, was being imported into the United States in such increased quantities as to cause, or threaten to cause, unemployment or underemployment of a significant number or proportion of the workers of such firm or subdivision. The Commission was required to complete these investigations and report its findings to the President within 60 days after petitions were filed. A public hearing was required only if requested by the petitioner or other interested party. If the Commission's

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\(^{13}\) 19 U.S.C. 1901(c)(1).

\(^{14}\) Executive Order 11075, dated Jan 15, 1963, delegated the President's authority to certify firms to the Secretary of Commerce.

\(^{15}\) 19 U.S.C. 1901(c)(2).

Summary of firm investigations completed under sec. 301(c)(1) of the Trade Expansion Act of 1962, July 1, 1974–June 30, 1975

<table>
<thead>
<tr>
<th>Investigator No</th>
<th>Firm and articles concerned</th>
<th>Petition filed</th>
<th>Public hearing</th>
<th>Finding of Commission</th>
<th>Commissions' votes</th>
<th>Commission's report</th>
</tr>
</thead>
<tbody>
<tr>
<td>TEA-F-64</td>
<td>Wang Shopper Corp., Gloversville, N.Y., footwear for women</td>
<td>7-1-74</td>
<td>None</td>
<td>Negative</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>TEA-F-65</td>
<td>Gettysburg Shoe Co., Gettysburg, Pa., footwear for women</td>
<td>8-5-74</td>
<td>do</td>
<td>do</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>TEA-F-66</td>
<td>Hadad Shoe Corp., Lancaster, Pa., footwear for men, youths, boys, women, meses, and children</td>
<td>10-4-74</td>
<td>do</td>
<td>do</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>TEA-F-68</td>
<td>Weiss Lawrence, Inc., Dover, N.H., footwear for women, meses, and children</td>
<td>2-21-74</td>
<td>None</td>
<td>do</td>
<td>---</td>
<td>---</td>
</tr>
</tbody>
</table>

1 Hearing canceled at request of petitioner
In fiscal year 1975, the Commission completed 30 investigations instituted upon petition of groups of workers under section 301(c)(2) of the Trade Expansion Act of 1962. Of the completed investigations, the Commission’s findings were affirmative in 11 cases and negative in 17 cases: the Commissioners’ votes were equally divided in 2 cases. In almost all cases in which the Commission made an affirmative decision or was equally divided, the petitioning workers were certified as eligible to apply for adjustment assistance. A tabular summary of these cases follows.

### Summary of worker investigations completed under sec. 301(c)(2) of the Trade Expansion Act of 1962, July 1, 1974–June 30, 1975

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>TEA-W-238</td>
<td>Champion Manufacturing Corp., Elmhurst, Ill. (Chicago, Ill., plants), remote control gauge door openers</td>
<td>7–23–74</td>
<td>do</td>
<td>do</td>
<td>--</td>
<td>--</td>
<td>8–7–74</td>
<td>685</td>
</tr>
<tr>
<td>TEA-W-242</td>
<td>Lessing Footwear, Inc., Norwalk, Conn., footwear for women</td>
<td>8–5–74</td>
<td>do</td>
<td>Negative</td>
<td>--</td>
<td>--</td>
<td>10–4–75</td>
<td>694</td>
</tr>
<tr>
<td>TEA-W-244</td>
<td>Blue Raster Shoe Co. (Salinas, Calif., plant), subsidiary of Metallic Shoe Corp., Whittier, Calif., footwear for men, boys, masses, children, and infants</td>
<td>8–7–74</td>
<td>do</td>
<td>do</td>
<td>--</td>
<td>--</td>
<td>10–7–74</td>
<td>697</td>
</tr>
</tbody>
</table>

See footnotes at end of table.
<table>
<thead>
<tr>
<th>Investigation No</th>
<th>Firm and articles concerned</th>
<th>Phase Msd</th>
<th>Public hearing</th>
<th>Finding of Commission</th>
<th>Alternative</th>
<th>Commissioner's vote</th>
<th>Door to Secretary of Labor</th>
<th>Public comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>TEA-W-247</td>
<td>Cara Mia Shoe Corp. and wholly owned subsidiary, Bob Wood Heel Corp., Hialeah, Fla.: footwear for women, misses, and children and wood flats for footwear</td>
<td>9-20-74 None</td>
<td>Negative</td>
<td>Bedell, Moore, Abelson</td>
<td>Bedell, Moore, Abelson</td>
<td>Parker, Minchew</td>
<td>11-19-74</td>
<td>701</td>
</tr>
<tr>
<td>TEA-W-248</td>
<td>Griswold Shoe Co., Griswold, Pa.: footwear for women and misses</td>
<td>9-27-74 do do</td>
<td>Negative</td>
<td>Bedell, Moore, Abelson</td>
<td>Bedell, Moore, Abelson</td>
<td>Parker, Minchew</td>
<td>11-26-74</td>
<td>702</td>
</tr>
<tr>
<td>TEA-W-251</td>
<td>Pantaloon, Inc., South Norwalk, Conn.: footwear for women</td>
<td>10-10-74 do do</td>
<td>Alternative</td>
<td>Bedell, Moore, Abelson</td>
<td>Bedell, Moore, Abelson</td>
<td>Parker, Minchew</td>
<td>12-9-74</td>
<td>704</td>
</tr>
<tr>
<td>TEA-W-253</td>
<td>El Rey of Hollywood, Inc., Los Angeles, Calif.: footwear for women</td>
<td>11-18-74 do do</td>
<td>Negative</td>
<td>Bedell, Moore, Abelson</td>
<td>Bedell, Moore, Abelson</td>
<td>Parker, Minchew</td>
<td>11-7-75</td>
<td>711</td>
</tr>
<tr>
<td>TEA-W-254</td>
<td>Bauer, Veenen, Inc. and Stratford Processing Corp., East Rochester, N.Y.: certain woven fabrics, including laminated fabrics, of wool</td>
<td>11-15-74 do do</td>
<td>Alternative</td>
<td>Bedell, Moore, Abelson</td>
<td>Bedell, Moore, Abelson</td>
<td>Parker, Minchew</td>
<td>12-17-75</td>
<td>712</td>
</tr>
<tr>
<td>TEA-W-255</td>
<td>General Electric Co., New York, N.Y. (Syracuse and Auburn, N.Y.; plan): transistors and tubes</td>
<td>12-9-74 None</td>
<td>Alternative</td>
<td>Bedell, Moore, Abelson</td>
<td>Bedell, Moore, Abelson</td>
<td>Parker, Minchew</td>
<td>2-7-75</td>
<td>715</td>
</tr>
<tr>
<td>TEA-W-256</td>
<td>Gardner Shoe Co., Inc., Lewiston, Maine: footwear for men</td>
<td>12-9-74 None</td>
<td>Alternative</td>
<td>Bedell, Moore, Abelson</td>
<td>Bedell, Moore, Abelson</td>
<td>Parker, Minchew</td>
<td>2-7-75</td>
<td>716</td>
</tr>
<tr>
<td>TEA-W-257</td>
<td>Andrew Manufacturing Corp., New York, N.Y.: footwear for women</td>
<td>12-9-74 do do</td>
<td>Alternative</td>
<td>Bedell, Moore, Abelson</td>
<td>Bedell, Moore, Abelson</td>
<td>Parker, Minchew</td>
<td>2-7-75</td>
<td>717</td>
</tr>
</tbody>
</table>

See footnotes at end of table.
Summary of worker investigations completed under sec. 301(c)(2) of the Trade Expansion Act of 1962, July 1, 1974–June 30, 1975—Continued

<table>
<thead>
<tr>
<th>Investigation No.</th>
<th>Firm and articles concerned</th>
<th>Petition filed</th>
<th>Public hearing</th>
<th>Finding of Commission</th>
<th>Commissioner votes</th>
<th>Commissioner's report</th>
</tr>
</thead>
<tbody>
<tr>
<td>TEA-W-258</td>
<td>Joseph Weiss &amp; Sons, Inc., Brooklyn, N.Y.; manufactured gowns</td>
<td>12-17-74</td>
<td>None</td>
<td>Alternative</td>
<td>Bedell, Parker, Moore, Minchew</td>
<td>—</td>
</tr>
<tr>
<td>TEA-W-260</td>
<td>Northland Shoe Corp., Manchester, N.H.; plants, footwear for women</td>
<td>1-14-75</td>
<td>de</td>
<td>Equally divided. 5</td>
<td>Bedell, Parker, Moore, Minchew</td>
<td>—</td>
</tr>
<tr>
<td>TEA-W-262</td>
<td>Sandtler-Elite Footwear Manufacturing Corp., New York, N.Y.; footwear for women, men, and children</td>
<td>1-20-75</td>
<td>de</td>
<td>Equally divided. 6</td>
<td>Bedell, Parker, Moore, Minchew</td>
<td>—</td>
</tr>
<tr>
<td>TEA-W-263</td>
<td>Northland Shoe Corp., Freeport, Maine; and Eastland Shoe Corp., Freeport, Maine; subsidiaries of Standard Prudential Corp., New York, N.Y.; footwear for women;</td>
<td>1-30-75</td>
<td>de</td>
<td>Negative</td>
<td>—</td>
<td>Bedell, Parker, Moore, Minchew</td>
</tr>
</tbody>
</table>

1 Commissioner Bedell did not participate because he was not present when the Commission considered this investigation.  
2 Commissioner Parker did not participate because he was not present when the Commission considered this investigation.  
3 Commissioner Moore did not participate because much of the investigation had been conducted prior to his entry on duty.  
4 Commissioner Minchew did not participate because he was not present when the Commission considered this investigation.  
5 Commissioner Moore found the affirmative regarding workers of Cara Mia Shoe Corp.  
6 The President accepted the affirmative finding as the finding of the Commission.  
7 The finding of Vice Chairman Parker was limited to Northland Shoe Corp.

Summary of Activity Under Section 301

The Trade Act of 1974 made significant changes in the mechanism whereby relief might be made available to industries, firms, and workers affected by imports. As of April 3, 1975, petitions on behalf of firms and workers are to be filed with the U.S. Departments of Commerce and Labor, respectively, rather than with the Commission, and the criteria to be met in industry cases were changed. Therefore, in this annual report the Commission summarizes the activity that took place under section 301 of the Trade Expansion Act of 1962 in the 12 years it was in effect.

The investigations completed, by fiscal years, are shown in the following table.

Investigations completed under sec. 301 of the Trade Expansion Act of 1962, fiscal years 1963–75

<table>
<thead>
<tr>
<th>Fiscal year</th>
<th>Industry cases</th>
<th>Petition filed</th>
<th>Completed cases</th>
</tr>
</thead>
<tbody>
<tr>
<td>1963</td>
<td>3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1964</td>
<td>4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1965</td>
<td>2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1966</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1967</td>
<td>3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1968</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1969</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1970</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1971</td>
<td>3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1972</td>
<td>5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1973</td>
<td>11</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1974</td>
<td>16</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1975</td>
<td>3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>72</td>
<td></td>
<td>275</td>
</tr>
</tbody>
</table>

The results of the Commission's determinations in these investigations during fiscal years 1963–75 are given in the following table.
During the life of the Trade Expansion Act of 1962, over 50,000 workers and 30 firms received benefits from the adjustment assistance programs of the U.S. Departments of Labor and Commerce.

Litigation Arising From Investigations Conducted Under Section 301

At the close of fiscal 1975, the Commission was involved in a lawsuit arising from its negative finding in an investigation on bicycle coaster brakes. In the case of International Union, United Automobile, Aerospace and Agricultural Implement Workers of America (UAW) v. Catherine Bedell, et al., D.D.C., C.A. 74-965, the union instituted suit for a declaratory judgment challenging the Commission's interpretation of the phrase "increased imports" under section 301(c)(2) of the Trade Expansion Act of 1962. A motion for summary judgment filed on behalf of the Commission on August 14, 1975, was granted on December 2, 1975.

TARIFF ACT OF 1930, AS AMENDED

The Tariff Act of 1930 empowers the Commission to investigate and report on many aspects of U.S. foreign trade. Studies made under section 332 of that act are usually broader in scope and focus than other statutory investigations conducted by the Commission. Investigations under section 337 of the 1930 Act concern unfair methods of competition and unfair acts in the importation of articles into the United States, or in the sale of imported articles.

Section 332 of the Tariff Act of 1930 sets forth the Commission’s authority to investigate, among other things:

- The administration and fiscal and industrial effects of the customs laws of the country.
- The relations between rates of duty on raw materials and finished or partly finished products.
- The effects of ad valorem and specific duties and of compound (specific and ad valorem) duties.
- All questions relative to the arrangement of schedules and classification of articles in the several schedules of the customs law.
- The operation of customs laws, including their relation to the Federal revenues and their effect upon the industries and labor of the country.
- The tariff relations between the United States and foreign countries, commercial treaties, preferential provisions, and economic alliances.
- The effect of export bounties and preferential transportation rates.
- The volume of imports compared with domestic production and consumption, and conditions, causes, and effects relating to competition of foreign industries with those of the United States.
- The Commission is required to make such reports as may be requested by the President, the House Committee on Ways and Means, the Senate Committee on Finance, or other House of Congress concerning such matters.

During fiscal year 1975, one investigation under section 332 of the Tariff Act of 1930 was completed. On September 30, 1974, the Commission forwarded its report on investigation No. 332-70—The Tariff Schedules of the United States Converted into the Format of the Brussels Tariff Nomenclature. This investigation was instituted in August 1972 following receipt of a request from the President. The report of the Commission was published by the President’s Special Representative for Trade Negotiations and is available for purchase from the U.S. Government Printing Office.

Several other long-range research studies and investigations were in progress at the close of fiscal 1975. They are summarized on the next page.


20 Stock number 041 007 00070 9, $27.90 per set of nine volumes.
Investigations and other research work under sec. 332 of the Tariff Act of 1930, as amended, pending on June 30, 1975

<table>
<thead>
<tr>
<th>Subject</th>
<th>Origin</th>
</tr>
</thead>
<tbody>
<tr>
<td>Temporary entry provisions of title 19 of the United States Code</td>
<td>Motion of Commission</td>
</tr>
<tr>
<td>Comparative position of U.S. industries</td>
<td>Request from the President</td>
</tr>
<tr>
<td>Participation by the United States International Trade Commission in the United States contribution to the technical work of the Harmonized System Committee</td>
<td>Sec. 608 of the Trade Act of 1974</td>
</tr>
<tr>
<td>President's list of articles which may be designated as eligible for purposes of a Generalized System of Preferences</td>
<td>Request from the President</td>
</tr>
<tr>
<td>International commodity agreements</td>
<td>Later dated June 17, 1973, from Senator Abraham Ribicoff, chairman of the Senate Committee on International Trade, Committee on Finance, U.S. Senate</td>
</tr>
</tbody>
</table>

1. The Commission conducted two other investigations concerning the probable economic effects of tariff concessions and the granting of a Generalized System of Preferences, under sec. 131(1) and (3) of the Trade Act of 1974.

Prior to the enactment of the Trade Act of 1974, section 337 of the Tariff Act of 1930 declared unlawful, and authorized the President to deal with, unfair methods of competition and unfair acts in the importation of articles into the United States. The Commission is authorized to investigate alleged violations of this section of the act and to transmit its final findings to the President. On receipt of a properly filed complaint, the Commission may make a preliminary inquiry to determine whether a full investigation is needed, and whether it should recommend that the President exclude the articles concerned from entry, if the complaint so requests. Under the statute, a full hearing could be granted by the Commission after a decision in a full investigation, and an appeal could be taken by importers to the Court of Customs and Patent Appeals. If violation was established to the President's satisfaction, he could direct that the articles concerned be excluded from entry.

The Trade Act of 1974 made several significant changes with respect to section 337. As revised, the Commission has the power to issue either an order excluding imports from entry into the United States or a cease-and-desist order, subject to disapproval by the President for policy reasons within 60 days of the Commission's issuance of its finding. A statutory limit of 12 months (18 months for unusually complicated cases) has been imposed for disposition of cases by the Commission. Finally, proceedings under section 337 now come within the provisions of the Administrative Procedure Act.

At the beginning of fiscal 1975 the Commission had 16 cases before it under section 337. During the year 11 new cases were initiated and 11 were concluded, leaving 16 pending at the close of the year. These cases are summarized in the following table.

### Investigations under sec. 337 of the Tariff Act of 1930, as amended, during fiscal 1975

<table>
<thead>
<tr>
<th>Complainant</th>
<th>Articles concerned</th>
<th>Preliminary inquiry</th>
<th>Full investigation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Venus Estlerbrook Corp., New York, N.Y.</td>
<td>Certain writing instruments and tabs therefor</td>
<td>11-23-73, 12-7-71, 337-L-147</td>
<td>Completed, 3-14-73, 337-L-147</td>
</tr>
<tr>
<td>Westler Co., Chicago, Ill.</td>
<td>Certain electronic pianos</td>
<td>3-6-72, 3-30-72, 337-L-49</td>
<td>1-30-73, 337-L-31, 337-L-14-1</td>
</tr>
<tr>
<td>Ebonite Corp. (formerly A.I. Recreation, Inc.), Miami Lakes, Fla.</td>
<td>Convertible game tables</td>
<td>10-26-72, 11-13-72, 337-L-56</td>
<td>3-30-73, 337-L-34, 337-L-17-17</td>
</tr>
<tr>
<td>Honeywell, Inc., Minneapolis, Minn.</td>
<td>Electronic flash devices</td>
<td>1-24-73, 2-20-73, 337-L-57</td>
<td>3-11-73, 337-L-40</td>
</tr>
</tbody>
</table>

1. Commissioner Parker dissented in part.
<table>
<thead>
<tr>
<th>Complainant</th>
<th>Articles concerned</th>
<th>Complainant Instigated (date and No.)</th>
<th>Preliminary inquiry</th>
<th>Full investigation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Venisonor Corp., Bedford, Ohio</td>
<td>Piezoelectric ceramic 10.7 MV, electric wave filters ..........</td>
<td>7-20-73 11-20-73 337-L-68 337-TA-8</td>
<td>In progress</td>
<td>—</td>
</tr>
<tr>
<td>Alliance Manufacturing Co., Inc., Alliance, Ohio</td>
<td>Antenna rotator systems ..........</td>
<td>10-1-73 1-30-74 337-L-70</td>
<td>Dismissed 19-1-74</td>
<td>—</td>
</tr>
<tr>
<td>Gorton Industries, Inc., Akron, Ohio</td>
<td>Certain balance weights ..........</td>
<td>3-7-74 4-4-74 337-L-72</td>
<td>Dismissed 9-3-74</td>
<td>—</td>
</tr>
<tr>
<td>Eaton Corp., Cleveland, Ohio</td>
<td>Certain hydraulic tappets ..........</td>
<td>6-18-74 7-9-74 337-L-73 337-TA-9</td>
<td>In progress</td>
<td>—</td>
</tr>
<tr>
<td>Schue Products Co., Upland, Calif</td>
<td>Liquid propane heaters ..........</td>
<td>8-12-74 10-4-74 337-L-77 337-TA-13</td>
<td>do</td>
<td>—</td>
</tr>
</tbody>
</table>
Litigation Arising From Investigations Conducted Under Section 337

On July 26, 1974, the U.S. Court of Appeals for the Eighth Circuit dissolved the order of the U.S. District Court for the District of Minnesota enjoining Pfizer, Inc., complainant in investigation No. 337–36 (now 337–TA–3) on doxycycline, from participating in that investigation. In dissolving the order for lack of establishment of irreparable harm, the court of appeals noted that the Commission had represented that it would consider a request to suspend the investigation if such a request was made within 45 days of the decision of the court.

On August 21, 1974, International Rectifier Corp. and USV Pharmaceutical Corp., respondents in the investigation, filed a request that the Commission stay its proceedings during the pendency of two parallel federal court actions—International Rectifier Corp. v. American Cyanamid Co., Pfizer, Inc., et al., D. Minn. 4–74–372 and Pfizer, Inc. v. International Rectifier Corp. and USV Pharmaceutical Corp., D. Minn. 4–73 Civ. 188. A hearing was held on this request on September 23, 1974. On January 15, 1975, the Commission advised all interested parties that the request was denied and that the Commission was resuming its investigation.

On January 16, 1975, International Rectifier Corp. and USV Pharmaceutical Corp. again moved that the District Court for the District of Minnesota enjoin Pfizer, Inc., from participating in the investigation. The order was granted orally on January 20, 1975, and entered as a written order on February 4, 1975. The order was again appealed by Pfizer, Inc., to the U.S. Court of Appeals for the Eighth Circuit. The Commission entered as amicus curiae and filed its brief on February 14, 1975. A hearing was held before the court on March 17, 1975; the Commission participated in the oral argument. On March 26, the court of appeals upheld the order of the district court, finding that the district court had not abused its discretion in issuing the order pending termination of summary judgment proceedings below it as to the patent on doxycycline (U.S. Patent No. 3,200,149). The court indicated that if such proceedings did not terminate on or before May 5, 1975, Pfizer, Inc., might reapply for relief from the order.22

ANTIDUMPING ACT, 1921, AS AMENDED

Section 201(a)24 of the Antidumping Act, 1921, provides that whenever the Secretary of the Treasury advises the Commission that a class or kind of foreign merchandise is being, or is likely to be, sold in the United States or elsewhere at less than its fair value, the Commission shall determine within 3 months whether an industry in the United States is being or is likely to be injured, or is prevented from being established, by reason of the importation of such merchandise. At the conclusion of its investigation, the Commission notifies the Secretary of the Treasury of its determination. If the Commission determines in the affirmative, the Secretary of the Treasury issues a finding of dumping.

During fiscal 1975, the Commission completed six investigations under section 201(a) of the Antidumping Act; two others were in progress at the end of the year. The Commission's determinations were affirmative in one case25 and negative in four cases. One investigation was terminated without a determination having been made. Whenever the Commission made affirmative decisions, the Treasury Department was required to issue formal findings of dumping, and the described imports became subject to special dumping duties. The investigations are summarized in the following table.

The Trade Act of 1974 amended the Antidumping Act, 1921, in a number of respects. The Secretary of the Treasury is now authorized to forward to the Commission any investigations of alleged sales at less than fair value in which he believes there is substantial doubt that an industry in the United States is being or is likely to be injured, or is prevented from being established, by reason of the importation of the subject merchandise. The Commission determines, within 30 days, whether there is no reasonable indication that an

25 Under the Antidumping Act, decisions in which the Commissioners voting are evenly divided are deemed to be in the affirmative.
Antidumping investigations completed, July 1, 1974–June 30, 1975

<table>
<thead>
<tr>
<th>Investigation No.</th>
<th>Articles concerned</th>
<th>Person</th>
<th>Public hearing</th>
<th>Finding of Commission</th>
<th>Commissioners votes</th>
<th>Commission's report</th>
</tr>
</thead>
<tbody>
<tr>
<td>AA1921-1054</td>
<td>Northern bleached hardwood kraft pulp from Canada</td>
<td>6–26-74</td>
<td>8- 6-74</td>
<td>Negative</td>
<td>Bedell</td>
<td>v-72-74</td>
</tr>
<tr>
<td>AA1921-141</td>
<td>Wrenches, pliers, screwdrivers, metal-cutting snips and shears from Japan</td>
<td>7-19-74</td>
<td>8-20-74</td>
<td>do</td>
<td>Bedell</td>
<td>10-21-74</td>
</tr>
<tr>
<td>AA1921-142</td>
<td>Tapered roller bearings from Japan</td>
<td>9- 4-74</td>
<td>None</td>
<td>None</td>
<td>—</td>
<td>Terminated</td>
</tr>
<tr>
<td>AA1921-143</td>
<td>Tapered roller bearings and certain components thereof from Japan</td>
<td>10-23-74</td>
<td>12- 3-74</td>
<td>Affirmative</td>
<td>Bedell</td>
<td>1-23-75</td>
</tr>
<tr>
<td>AA1921-144</td>
<td>Welt work shoes from Romania</td>
<td>3-13-75</td>
<td>5- 6-75</td>
<td>Negative</td>
<td>—</td>
<td>6-13-75</td>
</tr>
<tr>
<td>AA1921-145</td>
<td>Portable electric typewriters from Japan</td>
<td>3-19-75</td>
<td>5-13-75</td>
<td>do</td>
<td>Moore</td>
<td>6-19-75</td>
</tr>
</tbody>
</table>

1 Commissioner: Minchew did not participate because much of the investigation had been conducted prior to his entry on duty.
2 Commissioner: Minchew did not participate for the reasons set forth in the report of the investigation.

Industry is being or is likely to be injured, or is prevented from being established. If the Commission finds no reasonable indication, it is required to so advise the Secretary, and the ongoing investigation shall be terminated.

During fiscal 1975 one such investigation was referred to the Commission:

Investigation No.: AA1921
Product: Butyl rubber
Date advice received from Treasury: Mar 24, 1975
Hearing: Apr 11, 1975
Notice of determination issued: Apr 23, 1975, ITC Publication 727
Determination: Chairman Bedell, Vice Chairman Parker, and Commissioners Leonard and Moore.26 did not determine that there was no reasonable indication that an industry in the United States was being or was likely to be injured, or was prevented from being established, by reason of the subject imports. Commissioners Minchew and Ablondi dissented.

Litigation Arising in Connection With the Antidumping Act

In a complaint filed with the Customs Court on October 17, 1974,27 and now pending before that court, Pasco Terminals, Inc., Tampa, Fla., asserted inter alia that the injury determination of the Commission in investigation No. AA1921-92 (elemental sulfur from Mexico) was not supported by substantial evidence on the record; that it was arbitrary, capricious, and constituted an abuse of discretion; and that the Commission denied due process of law to the Mexican interested party in not allowing confrontation and cross-examination of material evidence introduced by domestic producers to support an injury determination. The Department of Justice filed a motion for dismissal that is still pending.

26 Commissioner Moore determined that there was a reasonable indication that an industry in the United States was likely to be injured.
27 Pasco Terminals, Inc. v United States (N.Y., Customs No. 745 01357).
In addition to its statutory obligations to conduct public investigations, the Commission assists the legislative and executive branches of Government and also answers many inquiries from the public (about 800 this year). As the international economic research arm of the Government, it maintains a 65,000-volume library, which subscribes to about 1,200 periodicals. This facility houses both publications on international trade and U.S. tariff and commercial policy, and many business and technical journals. In addition, the Commission’s Office of the General Counsel maintains a law library and a comprehensive file of documents on legislation affecting U.S. trade.

TRADE AGREEMENTS PROGRAM

The Commission regularly assists the executive branch of the Government in work connected with the trade agreements program. Assistance is provided to the President primarily through the office of the President’s Special Representative for Trade Negotiations (STR), the executive branch center for many trade-agreement activities. Substantial Commission assistance is also given directly to particular executive departments, such as the Departments of State, Commerce, Labor, Agriculture, and Treasury, which have responsibilities in the program, and to other White House offices, such as the Council on International Economic Policy and the National Security Council.

Assistance to the Legislative and Executive Branches

The Commission’s work as it related to the trade agreements program during fiscal 1975 fell into three major areas. The first consisted of assembling tariff, commodity, and other statistical information needed for the new round of multilateral trade negotiations or for the program’s daily operation. The second involved the preparation of trade data and other information required by the House Ways and Means Committee, the Senate Finance Committee, and by the executive branch for use in connection with congressional consideration of the Trade Act of 1974, which authorizes the President to enter into negotiations to reduce tariffs, eliminate or modify nontariff trade barriers, and grant preferential tariff treatment to imports from developing countries. The third involved providing technical assistance to the STR in work related to implementation of the Generalized System of Preferences.

1 The Special Trade Representative is a chief representative of the United States at trade-agreement negotiations, to whom the President has delegated most of his functions under the Trade Act of 1974 (Executive Order 11816, May 27, 1975). A member of his staff serves as Chairman of the Trade Policy Staff Committee, which obtains information and advice from Government agencies and other sources and recommends policies and actions to the Special Representative. The U.S. International Trade Commission is represented on the Trade Policy Staff Committee, but does not vote and does not participate in decisions on policy matters; because it is the policy research and factfinding agency for both Congress and the executive branch.
The Contracting Parties to the General Agreement on Tariffs and Trade (GATT) opened a seventh round of comprehensive multilateral trade negotiations in September 1973. By midsummer 1974, the international discussions and domestic preparatory work had largely progressed as far as possible in the absence of the delegation of authority by the Congress to the President necessary to carry on the negotiations. After the President was given the necessary authority with passage of the Trade Act of 1974, he moved forward on the negotiations. An important initial step required under the Trade Act was the issuance of a public notice identifying articles to be considered in the negotiations. The Commission provided technical assistance to the STR in the large volume of work required to prepare the notice, which was issued on January 14, 1975, and at the same time transmitted to the Commission with a formal request from the President for the Commission’s advice as required by section 131 of the Trade Act. As the negotiations have proceeded, the Commission has participated on a regular basis in the various interagency activities dealing with their conduct.

The Commission continued to supply the GATT Secretariat in Geneva with compilations of data on U.S. imports, tariffs, and trade-agreement obligations. Most of this was part of a continuing compilation of trade and tariff information which will provide basic data for the multilateral trade negotiations. Since virtually all international tariff and trade work is conducted in terms of the classification of the Brussels Tariff Nomenclature (BTN), the Commission regularly provides the GATT Secretariat with information on the concordance between the Tariff Schedules of the United States (TSUS) and the BTN.

The Commission supervised the preparation of numerous computer tabulations of U.S. import and tariff data needed during the year for the trade agreements program as part of an interagency computer data bank operation. In addition to the regular annual tabulations, a special arrangement of U.S. import, export, and domestic production data was made part of the basic data file for use by the President. Considerable progress was made during the year on the program to put many of the computer-generated tabulations and the ever-increasing volume of documents pertaining to trade agreements on microfiche or microfilm.

To supplement the report submitted to the President in 1970 on trade under items 807.00 and 806.30 of the TSUS, the Commission supplied the STR with updated statistical and trade information on imports under these items in 1974. Some additional work was done on updating information which the Commission had supplied to the President on products subject to the American-selling-price system of customs valuation (benzenoid chemicals, canned clams, certain footwear of rubber or plastics, and certain gloves).

Part of the work required for the regular operation of the trade agreements program in fiscal 1975 consisted of assembly of a large amount of information detailing the interest of Japan in U.S. imports of products on which the United States has taken escape-clause or other actions to limit imports. The information was principally for use in consultations with Japan on compensation which may be due that country for escape-clause actions by the United States increasing duties on certain ball bearings and certain ceramic tableware.

Throughout the first half of fiscal 1975 there was pending before the Congress major trade legislation which had been proposed by the President in April 1973, primarily to seek the basic authority required for trade negotiations. The proposed legislation also dealt, inter alia, with relief to domestic producers and workers from disruptions caused by import competition, relief from disruptions caused by unfair practices in international trade, international-trade-policy management, trade relations with Communist countries, and tariff preferences for products of developing countries. The legislation was enacted by the Congress as the Trade Act of 1974; it became effective January 3, 1975. As in the past, the Commission was requested to supply substantial technical assistance to both the Congress and the executive branch through the preparation of special statistical and other factual information on various aspects of the subjects covered in the legislation.

With the passage of the Trade Act, work was
also resumed on a U.S. system of tariff preferences authorized by the act for products of developing countries. The Commission assisted the White House in preparation of the public notice required by the act identifying articles to be considered for the GSP, did computer work to identify those countries which would not be eligible for preferences on particular products as a result of the "competitive need" limitations in the act, and began work on a statistical monitoring system to be used in the operation of the GSP after it is implemented.

Report on the Operation of the Trade Agreements Program

Under section 402(b) of the Trade Expansion Act, the Commission had to submit a yearly report to Congress on the operation of the trade agreements program. The 24th report, covering calendar year 1972, and the 25th report, covering calendar year 1973, were issued in FY 1975.

UNIFORM STATISTICAL DATA ON IMPORTS, EXPORTS, AND PRODUCTION

The enactment of the Trade Act of 1974 significantly enhanced the Commission's activities and responsibilities for developing methods to provide improved statistics. The act seeks to promote the achievement of comparability of statistics on domestic production, imports, and exports published by the Federal Government and used by the Commission in its analyses of international trade matters. It also provides that active consideration be given to the formulation of an international statistical reporting system.

Activities Under Section 484(e) of the Tariff Act of 1930

Section 608(a) of the Trade Act of 1974 amends section 484(e) of the Tariff Act of 1930 by providing for comparability of U.S. import, production, and export data, as follows:

(e) Statistical Enumeration.—The Secretary of the Treasury, the Secretary of Commerce, and the United States International Trade Commission are authorized and directed to establish, from time to time, for statistical purposes an enumeration of articles in such detail as in their judgment may be necessary, comprehending all merchandise imported into the United States and exported from the United States, and shall seek, in conjunction with statistical programs for domestic production, to establish the comparability thereof with such enumeration of articles. All import entries and export declarations shall include or have attached thereto an accurate statement specifying, in terms of such detailed enumeration, the kinds and quantities of all merchandise imported and exported and the value of the total quantity of each kind of article.

Section 608(b) of the Trade Act of 1974 provides as follows:

(b) In carrying out the responsibilities under section 484(e), Tariff Act of 1930 and other pertinent statutes, the Secretary of Commerce and the United States International Trade Commission shall conduct, jointly a study of existing commodity classification systems with a view to identifying the appropriate principles and concepts which should guide the organization and development of an enumeration of articles which would result in comparability of United States import, production, and export data. The Secretary and the United States International Trade Commission shall submit a report to both Houses of Congress and to the President with respect to such study no later than August 1, 1975.

During the latter part of fiscal year 1975 the Commission was actively engaged in the preparation of the above-mentioned joint report to the Senate, the House of Representatives, and the President.

Also in fiscal year 1975, proceedings were initiated to include activities of the so-called 484(e) Committee under the Administrative Procedure Act. The Commission forwarded for comment to the Department of Treasury and Commerce draft rules of practice and procedure to effectuate section 484(e) of the Tariff Act of 1930, which included the recent changes reflected in section 608(a) of the Trade Act of 1974.

Harmonized Commodity Code

Pursuant to section 608(c) of the Trade Act of 1974, the Commission in fiscal 1975 undertook an investigation under section 332(g) of the Tariff Act of 1930 which would provide the basis for—

\[2\text{ 19 U.S.C. 1332(g)}\]
(1) a report on the appropriate concepts and principles which should underlie the formulation of an international commodity code adaptable for modernized tariff nomenclature purposes and for recording, handling, and reporting of transactions in national and international trade, taking into account how such a code could meet the needs of sound customs and trade reporting practices reflecting the interests of United States and other countries. Such report to be submitted to both Houses of Congress and to the President as soon as feasible, but in any event, no later than June 1, 1975.3 and

(2) full and immediate participation by the United States International Trade Commission in the United States contribution to technical work of the Harmonized Systems Committee under the Customs Cooperation Council to assure the recognition of the needs of the United States business community in the development of a Harmonized Code reflecting sound principles of commodity identification and specification and modern producing methods and trading practices.

The Commission is participating in the technical work of the Harmonized System Committee to achieve that goal.

Statistical Data

The Commission consulted with the U.S. Bureau of the Census and staffs of congressional committees regarding implementation of section 609 of the Trade Act of 1974, which requires new statistical data to be collected and reported on import values and on import transactions of related and nonrelated parties, as well as additional information on exports.

A program to collect and maintain a sample of about one percent of the customs entry documents filed at each U.S. port was continued in cooperation with the U.S. Customs Service. This information was used particularly in studies of the Commission related to trade agreements and in the initial work by the staff on comparability of import, export, and production data.

The Commission staff continued its efforts toward improvement of accuracy of import statistics through consultation with the Bureau of the Census on matters of statistical reporting and comparability of United States-Canadian trade statistics. The ultimate aim of this effort is an improved level of quality control.

Regular programs continued for the analysis of individual import transactions based on entry documents for the Port of New York and statistical documents at Suitland, Md. More than 120,000 transactions were included in the analyses. Plans were made to expand these programs to include analysis of export transactions, and in April an agreement allowing the Commission to obtain copies of export documents for examination and analysis was made with the Department of Commerce.

PREPARATION OF THE TARIFF SCHEDULES OF THE UNITED STATES ANNOTATED

The Tariff Schedules of the United States Annotated (TSUSA) is published periodically by the Commission. The TSUSA contains the classifications used for reporting import data by commodity and by supplying countries. The schedules delineate some 11,000 commodity classifications for which import statistics are collected. At appropriate intervals the TSUSA is updated to reflect the effects of legislation, Presidential proclamations carrying out trade-agreement concessions, and other modifications of the schedules.

During the first half of fiscal 1975, the Commission issued supplement 9 to the 1972 TSUSA. In January 1975 the Commission published the eighth (1975) edition of the TSUSA, which reflects (1) supplements 1-9 to the seventh edition (1972); (2) Presidential Proclamations 4317, 4334, and 4335; (3) Public Laws 93-470, 93-480, 93-482, 93-483, 93-484, 93-490, 93-497, and 93-499; (4) statistical annotations, effective January 1, 1975 (formulated pursuant to sec. 484(e), Tariff Act of 1930); and (5) Bureau of the Census changes in schedules C and D— classifications of country designations and U.S. customs districts and ports for U.S. foreign-trade statistics.

By the close of fiscal year 1975, supplement 1 to the 1975 TSUSA had been issued, and preparation of supplement 2 was underway.
PERIODIC REPORTS ON COMMODITIES

Synthetic Organic Chemicals

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

Annual reports.—The Commission released its 56th annual report on U.S. production and sales of synthetic organic chemicals, covering calendar year 1972, on August 22, 1974. The 57th annual report, covering calendar year 1973, was released on May 6, 1975. Fourteen groups of chemicals were involved in each of these reports:

- Tar and tar crudes
- Crude products from petroleum and natural gas for chemical conversion
- Cyclic intermediates
- Dyes
- Organic pigments
- Medicinal chemicals
- Flavor and perfume materials
- Plastics and resin materials
- Rubber-processing chemicals
- Elastomers (synthetic rubbers)
- Plasticizers
- Surface-active agents
- Pesticides and related products
- Miscellaneous cyclic and acyclic organic chemicals

These annual reports were each prepared from separate preliminary reports for each of the 14 groups. The 56th annual report includes updated and combined preliminary reports issued during the period October 1973 through April 1974, while the 57th annual report includes preliminary reports issued from June 1974 through January 1975.

Statistics used in the annual reports are based on data from approximately 800 manufacturers, covering some 8,000 chemical products. Also included is a directory of manufacturers for each chemical group. Both the 56th and 57th annual reports include a summary of imports of related products (i.e., benzenoid intermediates, dyes, medicinal chemicals, and other finished coal-tar products). This summary was prepared from another annual report, which was issued by the Commission in September 1974 and covered calendar year 1973. This report included data on imports of benzenoid intermediates, dyes, organic pigments, medicinals and pharmaceuticals, flavor and perfume materials, and other benzenoid products, entered under schedule 4, parts 1B and 1C, of the TSUS. The data were obtained by analyzing invoices covering most of the general imports of benzenoid chemicals and products entered during 1973.

Monthly reports.—To add timeliness to the Commission's statistics, the Series C.P (monthly) reports summarize production of selected synthetic organic chemicals, plastics, and resin materials. These reports, issued about 5 weeks after the close of each month, give production data for the leading chemical products and the principal chemical intermediates (which are the source of hundreds of additional derivative products).

Quantitative Determinations

As required by statute, Executive order, or Presidential proclamation, the Commission submitted annual reports during fiscal 1975 on U.S. consumption of watch movements, brooms, and knives, forks, and spoons with stainless steel handles.

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* The Commission determined to discontinue the publication of these reports after receiving a report from the Comptroller General recommending that the Commission "reconsider the value of gathering the data for monthly and annual chemical reports in light of its own uses and needs."


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

* Presidential Proclamation 4876 implements Executive Order 2(c) to pt. 2, subpt. D of the appendix to the TSUS

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ASSISTANCE TO THE CONGRESS

In fiscal year 1975 a substantial part of the Commission's activity continued to involve responses to requests from the Congress on tariff and trade matters.

In July 1974 the Senate Finance Committee began holding executive sessions for the markup of H.R. 10710 (the bill ultimately enacted as the Trade Act of 1974). The Commission's General Counsel, an international economist, and a staff attorney attended those executive sessions and provided information and advice to the Senators, as required, and to the Finance Committee staff. The Commission provided staff papers and memoranda on the Generalized System of Preferences, community adjustment assistance, and estimated oil import revenues. The assigned Commission staff, working in drafting sessions headed by the Senate's legislative counsel, provided needed technical and analytical assistance concerning the details of this comprehensive and complex trade legislation.

The designated Commission personnel also helped prepare the Finance Committee's report on the trade bill to the whole Senate and assisted with the incorporation into the bill of the various amendments adopted on the Senate floor in early December. They also participated in the conference committee's reconciliation of the House and the Senate versions and helped prepare the conference committee's report, accepted by both Houses of Congress on December 20, 1974.

During fiscal year 1975 the Commission submitted 27 reports on proposed legislation involving tariffs and international trade (see app. B). Attorneys and commodity analysts furnished technical information at a number of congressional hearings and provided special assistance to the Ways and Means Committee in drafting reports on tariff bills. The Commission also responded to almost 600 requests for information from individual Members of Congress. Such activities required many hours of research and the preparation of a considerable number of technical reports.

ASSISTANCE TO EXECUTIVE DEPARTMENTS AND AGENCIES

Pursuant to section 334 of the Tariff Act of 1930, the Commission cooperated with other Government agencies on matters of common interest concerning international trade and customs and tariff policy. During fiscal 1975 the Commission worked extensively with established committees in the Bureau of the Census and the Customs Service. Commission staff members also served on the following permanent interdepartmental committees (in addition to other committees previously mentioned in this report):

- Technical Committee on Standard Indusrial Classification
- Interagency Committee on Automatic Data Processing
- Federal Committee on International Statistics
- U.S. Metric Study Commission
- Interagency Committee to Identify and Classify Cheeses and Other Dairy Products Offered for Importation
- Commodity Advisory Committees under the Office of Emergency Preparedness
- Interagency Advisory Committee on Customs Cooperation Council Matters

The Commission supplied statistics, background information, and analyses on various commodities to many different Federal departments and agencies, including the Departments of State, Defense, Agriculture, Commerce, Labor, Justice, Health, Education, and Welfare, and Interior, and the Environmental Protection Agency. In addition, the Commission worked with the Federal Energy Administration in the area of petroleum and petrochemicals. During the period of shortages resulting from the Middle East oil embargo, the Commission assisted the Federal Energy Administration by providing requested data.

ASSISTANCE TO THE PUBLIC

Over the years, industry, the press, technical societies, business men and women, lawyers, representatives of consumer interests, unions, State and local legislators, students, teachers, and others have consistently turned to the Commission for factual and technical information and data on a broad range of subjects involving
international trade. Fiscal year 1975 saw a sizable growth in requests. The Commissioners and the professional staff members—commodity-industry analysts, lawyers, international economists, accountants, and librarians—replied to numerous requests. Commissioners or staff members often responded orally or informally to inquiries at meetings of trade associations and other professional groups. During fieldwork to gather data required for the work of the Commission, especially at the regional hearings, Commissioners and staff members often received requests for information, which they supplied orally or by mail after returning to Washington. The Commission also periodically publishes trade data used by private trade groups. The Commission strongly believes that the public, as well as the executive and legislative branches, is entitled to access to as much information compiled by the Commission as possible.

Freedom of Information Act Litigation

On February 19, 1975, the Commission promulgated subsection 201.20(a) of its Rules of Practice and Procedure, providing for a fee schedule for searches conducted pursuant to requests under the Freedom of Information Act. That subsection read "(a) Search for records—$10.00 per hour for actual time spent; provided that no charge will be made for any search of only one-half hour or less."

On April 1, 1975, suit was brought in the U.S. District Court for the District of Columbia (Civil Action No. 75-0465) seeking declaratory judgment to set aside the search fee provision in subsection 201.20(a) for violation of section 552(a)(4)(A) of the Freedom of Information Act. On July 21, 1975, the Commission promulgated in final form an amended subsection 201.20(a) of its Rules of Practice and Procedure (40 F.R. 31211) after providing for public comment in a notice of proposed rulemaking (40 F.R. 23478). The amendment deleted paragraph (a) of section 201.20, as published in the Federal Register of February 27, 1975 (40 F.R. 8328), and substituted therefor:

(a) Search for records.—(1) The charge will be computed at the rate of $5.35 per hour for actual search time spent by agency personnel in salary grades GS-2 through GS-10 and at the rate of $11.65 per hour for actual search time by agency personnel in salary grades GS-11 through GS-18, provided, however, that no charge will be made for any search of only one-half hour or less. (2) When no specific fee has been established for a service performed for a requester, other than searches provided for above, the Secretary is authorized to charge the fee actual costs to the agency within the meaning of 5 U.S.C. 552(a)(4)(A). An example of a service covered by this latter provision is when the search involves computer time.

On the basis of the amendment, which overcame the basis of the suit, the Government moved that the court dismiss the subject suit for mootness.
ORGANIZATION OF THE COMMISSION

On June 30, 1975, the U.S. International Trade Commission was composed of 6 Commissioners and 375 staff members. The chart on page 24 depicts the Commission's organization at the end of fiscal 1975.

Membership of the Commission

As provided in the Tariff Act of 1930, as amended, the six Commissioners of the U.S. International Trade Commission are Presidential appointees who are confirmed by the Senate. Commissioners' terms are 9 years in length; one term expires each 18 months. Not more than three Commissioners may belong to the same political party. Prior to enactment of the Trade Act of 1974, the statute provided that the President would annually designate one Commissioner as Chairman and one as Vice Chairman. During most of fiscal 1975 Catherine Bedell served as Chairman, and Joseph O. Parker served as Vice Chairman. The statute was amended by the Trade Act of 1974 to provide that the Commissioner whose term is next to expire shall serve as Chairman during the final 18 months of his term, and the Commissioner whose term is second to expire shall serve as Vice Chairman. Accordingly, on June 17, 1975, Will E. Leonard assumed the office of Chairman, and Daniel Minchew, the office of Vice Chairman.

The following Commissioners served during fiscal year 1975:


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

Commissioner George M. Moore, Republican of Maryland. Mr. Moore's term expires December 16, 1982.


Commissioner Joseph O. Parker, Republican of Virginia. Mr. Parker's term expires December 16, 1979.


Executive Staff of the Commission

Office of Executive Director
Irving I. Raines, Executive Director

Office of Investigation
G. Patrick Henry, Director
Edward E. Martin, Deputy Director

* Temporary employees not included.
1 Mr. Henry retired Jan. 3, 1976
2 Mr. Martin retired July 31, 1975.
Office of Economic Research
George N. Ecklund, Director
Robert A. Cornell, Deputy Director
Office of the General Counsel
Russell N. Shewmaker, General Counsel
Office of Trade and Industry
Albert F. Parks, Director
Vacant, Deputy Director
Support Division
Joseph L. Williams, Chief
Accounting Division
Victor R. Christensen, Chief
Commodity Divisions:
Agriculture
Vacant
Ceramics
William E. Wright, Chief
Chemicals
Aimison Jonnard, Chief
Lumber and Paper
Edward P. Furlow, Chief
Metals
Charles W. Daiker, Chief
Sundries
Selma L. Coble, Chief
Textiles
Vacant
Office of the Secretary
Kenneth R. Mason, Secretary
Special Adviser for Trade Agreements
William T. Hart, Special Adviser
Office of Automatic Data Processing
Vacant
Financial Management
Edward C. Wallington, Jr., Chief
Personnel and Management Systems
James A. Antonellis, Director
Services
Robert A. Kliefoth, Chief

The Executive Director is the chief executive official reporting to the Commission. He is responsible for insuring the implementation of policies adopted by the Commission.

The Secretary serves the Commission in the general conduct of its business and is an official point of contact, in general, with other Government agencies and the public. The Special Adviser for Trade Agreements acts as the Commission’s liaison with the President’s Special Representative for Trade Negotiations and advises the Commission on trade agreements. The General Counsel acts as liaison officer with the Senate and the House of Representatives on legal matters.

The Director of Investigation, the General Counsel, and the Directors of the Office of Economic Research and the Office of Trade and Industry serve as the Staff Coordinating Committee to assist in the execution of the Commission’s day-to-day activities involving legal, investigative, and general research duties. The Office of Automatic Data Processing provides support to the Commission’s staff by increasing the utility of available data.

EMPLOYMENT AND APPROPRIATIONS

People are the Commission’s greatest resource. In fiscal year 1975, average employment in terms of man-years was 368, an increase of about 13 percent over 1974. The added manpower was necessary to meet the large and growing demands for Commission services and in particular to meet the new responsibilities placed on the Commission by the Trade Act of 1974. Virtually every office, for example, was called upon to contribute to the Commission’s investigation on the probable economic effects of granting concessions in multilateral trade negotiations.

The tabulation on the following page shows the number of permanent full-time officers and employees of the U.S. International Trade Commission, by organization, at the end of fiscal years 1975 and 1974.

Within the Office of Trade and Industry there are seven divisions which specialize in commodity groups. During the conduct of an investigation, it is Commission practice to form a team consisting of a commodity-industry analyst from the Office of Trade and Industry and an economist from the Office of Economic Re-

3 Mr. Parks retired Sept. 9, 1975
4 Mr. Antonellis resigned Nov 2, 1975.
search. This team may then draw support as required from the legal, accounting, data processing, or other sections.

The U.S. International Trade Commission submits its budget to the President for review and transmittal to the Congress. During fiscal year 1975, appropriated funds made available to the Commission amounted to $8,900,000. Reimbursements received totaled $28,904, making available a grand total of $8,928,904. Obligations for fiscal years 1975 and 1974 follow.

<table>
<thead>
<tr>
<th>Item</th>
<th>Fiscal year 1975</th>
<th>Fiscal year 1974</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and personnel benefits</td>
<td>$6,606,133</td>
<td>$6,101,065</td>
</tr>
<tr>
<td>Travel and transportation</td>
<td>104,357</td>
<td>100,473</td>
</tr>
<tr>
<td>Rentals and communications service</td>
<td>617,311</td>
<td>159,807</td>
</tr>
<tr>
<td>Other services</td>
<td>106,671</td>
<td>267,471</td>
</tr>
<tr>
<td>Printing and reproduction</td>
<td>122,352</td>
<td>20,729</td>
</tr>
<tr>
<td>Equipment, supplies, and materials</td>
<td>400,135</td>
<td>263,607</td>
</tr>
<tr>
<td>Total</td>
<td>$8,648,830</td>
<td>$6,567,316</td>
</tr>
</tbody>
</table>

RELOCATION OF A PORTION OF THE COMMISSION STAFF

On February 25, 1975, Commission employees who had offices in the east wing of the building were surprised to find plaster falling from the ceiling. The next day large cracks appeared, apparently the result of settling caused by the construction of a subway tunnel under 7th Street, and the General Services Administration declared the entire wing unsafe. Accordingly, the Office of Economic Research, the Office of the Special Adviser for Trade Agreements, the Office of Automatic Data Processing, the Accounting, Agriculture, Chemicals, and Sundries Divisions, and the Office of Personnel Management Systems were moved from the Commission building to the Federal Triangle Building on 9th Street NW. The move was made by 217 people. The Office of Commissioner Leonard, the Office of the General Counsel, including the law library, and Office of the Director, Office of Trade and Industry, were relocated within the Commission building.

At the conclusion of fiscal 1975, preparations were underway to return limited portions of the staff to those small parts of the Commission building recently declared to be safe. Major work was still contemplated with respect to repairing the remainder of the building, and there was no indication of when reoccupation could occur.

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6 The Trade Act of 1974 requires that the President now submit the Commission's budget to Congress without revision.
SUMMARY OF PRINCIPAL ACTIVITIES OF THE UNITED STATES INTERNATIONAL TRADE COMMISSION, FISCAL YEARS 1972-75

Percentage distribution of employee compensation

Executive direction and administration

Basic research; trade agreements activities, reports on production and imports of chemical products; summaries of trade and tariff information; tariff classification and enumeration.

Furnishing information and technical assistance to the Congress, other agencies, and the public.

Investigating unfair import practices under section 337 of the Tariff Act of 1930; miscellaneous studies.

Investigations under the Antidumping Act, 1921, as amended.

Investigations under section 332 of the Tariff Act of 1930; special studies.


Investigation on the probable economic effects of granting concessions during multilateral trade negotiations or granting duty-free treatment through implementation of the Generalized System of Preferences.
REPORTS SUBMITTED ON PROPOSED LEGISLATION

1. Report on S. 3526 (Mr. Dale) - To prohibit the importation into the United States of certain meat and meat products. Approved June 6, 1974.

2-4. Report on H.R. 10710 (Mr. O'Neill and Mr. Schneck). To promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes.
   Amendment 1614 - September 10, 1974
   Amendment 1781 - September 12, 1974
   Amendment 1933 - December 11, 1974

5. Report on H.R. 10855 (Mr. Conable and Mr. Horn). To suspend for a 3-year period the duty on mustard seeds. Approved September 24, 1974.


7. Report on H.R. 16419 (Mr. Archer and Mr. Conable) - To amend the TSUS with respect to the rate of duty on baled wool for processing, and for other purposes. Approved November 15, 1974.


9. Report on H.R. 17165 (Mr. Walsh). - To suspend the duty on railroad and railway rolling stock imported for repairs or alterations on or before June 30, 1975. Approved December 18, 1974.

10. Report on H.R. 1248 (Mr. Carney). - To limit the quantity of iron and steel scrap which may be exported from the United States to six million tons annually during the next 3-year period. March 31, 1975.

11. Report on H.R. 1672 (Mr. Conable and Mr. Horn). - To suspend for a 3-year period the duty on mustard seeds. Approved April 15, 1975.


15. Report on H.R. 1794 (Mr. Borenson, Mr. Pingeon, and Mr. Dain). - To suspend the duty on natural graphite for five years. Approved April 15, 1975.


23. Report on H.R. 6124 (Mr. Sikes). - To provide for an additional temporary period the existing suspension of duties on certain classifications of yarns of silk. Approved May 12, 1975.


25. Report on H.R. 6254 (Mr. Schneck, Mr. Archer, and Mr. Conable). - To provide for the temporary suspension of duty on the importation of burlap. Approved June 17, 1975.

26. Report on H.R. 5509 (Mr. deLago). - To provide duty-free treatment to articles manufactured in any country producing the United States. Approved June 16, 1975.

27. Report on H.R. 3361 (Mr. Walsh). - To temporarily suspend the duty on certain hopper cars exported for repairs or alterations on or before June 30, 1975. Approved April 15, 1975.