

Explaining the Rise in U.S. Antidumping Activity

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Abstract: Recent empirical studies of U.S. antidumping activity focus almost exclusively on the period since 1980. This paper puts this recent experience in historical context by examining the determinants of antidumping filings over the past half century. The conventional view that few antidumping cases existed prior to 1980 is not correct, although most did not result in the imposition of duties. The rise in antidumping activity is related to the increase in import penetration (closely related to the decline in the average rate of protection) and the shift of antidumping authority from the Treasury to the Commerce Department in 1980. Exchange rate fluctuations also influence the number of antidumping cases filed in any given year.

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Explaining the Rise in U.S. Antidumping Activity

Introduction

Antidumping provisions have been a part of U.S. trade law for over eighty years, but have been prominent only in the past two decades. Antidumping was such an obscure part of U.S. trade policy that there was virtually no economic research on it until the pioneering paper of Finger, Hall and Nelson (1982). Since then, research on U.S. antidumping practice has focused almost exclusively on the period since 1980.¹ As a result, we know very little about the use of antidumping laws prior to 1980 and the degree to which there has been a shift toward more intensive use of antidumping remedies over time.

The purpose of this paper is to put the recent antidumping experience in historical perspective by examining antidumping since 1922, focusing in particular on the period since World War II. This will enable us to answer several questions. Is it true that few antidumping petitions were filed prior to 1980? If so, what explains the low level of antidumping activity, given that it is now considered to be an “easy” way for import-competing firms to gain protection? And what economic and political factors explain the shift toward a more intensive use of antidumping remedies over time? Only by looking at the historical experience with antidumping can we shed light on these questions.

An examination of the entire history of U.S. antidumping policy reveals the following:

- the number of antidumping investigations conducted in the late 1930s and the late 1950s and early 1960s is surprisingly large and comparable to the post-1980s levels of activity;
- most antidumping investigations prior to the 1970s were dismissed by the Treasury

¹ See Blonigen and Prusa (2003) for an excellent survey of the economic literature on antidumping measures.

Department as lacking evidence of less-than-fair-value (LTFV) sales;

- the proximate determinants of the rise in antidumping filings over time is the rise in import penetration in the United States since the early 1970s (and the related decline in the average tariff) and the shift of antidumping authority to the Commerce Department in 1980.
- exchange rate fluctuations also play a role in the number of antidumping cases filed, but not the change in real GDP.

This paper is organized into three sections. First, the paper examines some of the legal and administrative changes in antidumping policy since its inception. Second, the paper performs the simple service of presenting data on the annual number of antidumping investigations over time. Third, a simple econometric model is used to examine the importance of various determinants of the annual number of AD investigations.

The Evolution of U.S. Antidumping Law

The precursors to U.S. antidumping legislation emerged in the late nineteenth century from the antitrust movement and the concerns about the role of unfair competition in fostering the growth of monopolies. The Sherman Antitrust Act of 1890 declared illegal any effort to combine or conspire to monopolize a particular market. The Clayton Act of 1914 made price discrimination an illegal practice if it reduced competition or tended to create a monopoly.

Legislation enacted shortly thereafter extended these principles to international trade. The Wilson Tariff of 1894 made it unlawful for foreign producers to combine or conspire to

monopolize the U.S. market.² Similarly, the Antidumping Act of 1916 (formally Sections 800-801 of the Revenue Act of 1916) made it illegal to sell imported goods at prices substantially lower than the market value in the exporting country “with the intent of destroying or injuring an industry in the United States, or of prevent the establishment of an industry in the United States, or of restraining or monopolizing any part of trade and commerce in such articles in the United States.”³ This 1916 antidumping law is a criminal statute with criminal punishments. The remedy is not higher import duties but rather fines (triple damages) and possible imprisonment for those found guilty. The law is rarely invoked because the exporter must be shown to have had “predatory intent” with the aim of limiting or restraining competition and proving such intent is difficult for the plaintiff. The law is still on the books, but it was recently ruled as inconsistent with WTO obligations.⁴

U.S. antidumping law as it stands today really began with the Antidumping Act of 1921 (Title II of the Emergency Tariff Act of 1921). According to this law, “Whenever the Secretary of the Treasury finds that an industry in the United States is likely to be injured, or is prevented from being established, by reason of the importation into the United States of foreign merchandise, and that merchandise of such class or kind is being sold or is likely to be sold in the United States or elsewhere at less than its fair value, he shall make such finding public. . . . [I]f

² Viner (1923, p. 241) judges this part of the Wilson tariff to be “without practical significance.”

³ Quoted in Congressional Budget Office (1994), p. 20.

⁴ The EU and Japan have challenged this law as inconsistent with GATT 1994 since it does not have a material injury test as required by the Uruguay Round’s Antidumping Agreement. In 2000, the WTO Appellate Body affirmed a panel ruling against the United States on this matter.

the purchase price or the exporter's sales price is less than the foreign market value (or, in the absence of such value, than the cost of production), there shall be levied, collected, and paid a special dumping duty in an amount equal to such difference."⁵

The Antidumping Act of 1921 created antidumping as we currently know it.⁶ This statute contains all the elements of what we now recognize as antidumping: that duties may be imposed if the exporter's sales price is less than the foreign market value, that foreign costs of production may be calculated if the foreign market value is not ascertainable, that the dumping must be related to injury suffered by the domestic industry, that higher import duties are the appropriate remedy, etc.

The 1921 law differs markedly from the 1916 legislation. The 1916 law focuses on the intent of the exporter, whereas the 1921 law hinges on a finding of price discrimination and injury. The 1916 law is enforced in legal proceedings in the court system, whereas the 1921 law is administrated by executive agencies. In the 1916 law, dumping is related to some vague notion of predatory pricing, but in the 1921 law dumping occurs simply if foreign firms charge lower prices on products sold in the United States than in their home market, regardless of whether predation is an issue. The remedy in the 1916 law is fines and possible imprisonment, whereas the remedy in the 1921 law is higher import duties (if injury to domestic producers is found).

⁵ Quoted in CBO (1994), p. 21.

⁶ Thus, the United State was slow in following the example of Canada, which enacted the first antidumping law in 1904. It is ironic that Canada developed antidumping laws to block steel imports from the United States (particularly from the U.S. Steel Corporation) and now, a century later, the U.S. steel industry is among the major users of the law to stop steel imports.

Thus, the 1921 law set the stage for antidumping filings in a way that the 1916 law could not. As Finger (1993, p. 24) noted: “Under the softer standard of interpretation and proof, administration of the law could follow changing political pressures for protection much more quickly than a more rigorous, rule-of-law standard would allow. Thus it prepared the way for the eventual emergence of antidumping as the main vehicle for import-competing interests to press for protection – and for governments to respond to those pressures.”

Despite this, antidumping was not a critical component of U.S. trade policy during the 1920s and 1930s, nor in the period immediately following World War II. Average tariffs were high through the 1920s and early 1930s. Although these tariffs began to fall after the early 1930s, due in part to the trade agreements reached under the Reciprocal Trade Agreements Act of 1934, domestic producers could invoke various trade laws to obtain protection from foreign competition.⁷ But antidumping was not an easy avenue for obtaining import relief, as statistics discussed in the next section will indicate.

Yet policymakers did not forget about the antidumping law. The United States was the main proponent of including antidumping procedures in Article VI of the General Agreement on

⁷ The Tariff Commission helped enforce several different trade laws. For example, Section 337 of Tariff Act of 1930 authorized the Tariff Commission to investigate alleged unfair methods of competition relating to imports when the effect or tendency of such methods or acts is to destroy or substantially injure a domestic industry, or to prevent the establishment of an industry, or to restrain or monopolize the trade and commerce of the United States. Section 336 of the Tariff Act of 1930 - the so-called flexible tariff provision - sets forth a procedure under which an import duty may be changed by proclamation of the president after an investigation and report by the TC on the differences between the cost of production in the United State and in its principal foreign supplier. In addition, Section 22 of the Agricultural Adjustment Act of authorizes the president to restrict imports of a commodity that render ineffective or interfere materially with U.S. agricultural programs (notably price supports). Finally, there were escape clause procedures (later codified as Section 201 of the Trade Act of 1974) included in all of the reciprocal trade agreements.

Tariffs and Trade in 1947. Indeed, the 1921 legislation formed the basis for Article VI. By the 1970s, Congressional legislation changed various features of the antidumping law and made import duties to be a more likely outcome. Title I of the Trade Agreements Act of 1979 repealed the Antidumping Act of 1921 and added a new title VII to the Tariff Act of 1930. This substantively changed U.S. antidumping law. [more description]

Furthermore, important administrative changes to the antidumping process were made in 1954 and 1979. (See Table 1.) Originally, the Treasury Department had full responsibility for both determining if foreign merchandise had been imported at less than fair value (LTFV) and investigating whether the domestic industry was injured as a result of such imports. Effective October 1, 1954, Congress shifted the injury investigation from Treasury to the U.S. Tariff Commission (now the International Trade Commission). Since the Tariff Commission routinely conducted such investigations in enforcing other trade laws, this shift appears to have been motivated mainly by issues of administrative expertise. Treasury Department officials supported this change, noting that injury determination was “completely outside the ordinary scope of departmental activities.”⁸

Effective January 1, 1980, the Carter Administration shifted the LTFV determination to the Department of Commerce. With Congress’s consent, this shift took place in part because of the perceived indifference of Treasury to the plight of petitioning firms. As a report of the House Ways and Means Committee noted in 1979, “This Committee has long been dissatisfied with the administration of the antidumping and countervailing duty statutes by the Treasury Department Given Treasury’s performance over the past 10 years, many have questioned whether the

⁸ Annual Report of the Secretary of the Treasury, FY 1953-54, p. 304.

dumping and countervail investigations and policy functions should remain in the Treasury Department.”⁹ In its report, the House (1979, pp. 6-7) committee noted (without specifically naming the Treasury Department) that “past deficient administration of these laws” were due to “low priority and inadequate staffing levels.” The committee noted that the shift “will give these functions high priority within a Department whose principle mission is trade. In the past agencies have arbitrarily set a course of administration of these statutes contrary to congressional intent.”¹⁰

Thus, changes in the legal provisions of the antidumping law and in the administrative enforcement of the law were designed to facilitate the filing of petitions and increase the probability of import duties as being the final outcome.

Antidumping Activity over Time

As noted in the introduction, most economic research on antidumping has not examined the pre-1980 experience. The failure to study AD measures prior to 1980 is due to the lack of readily available data from that period and the perception that antidumping was not very important prior to that time. As a result, economists have little sense for the overall trend in U.S. antidumping actions prior to 1980.

⁹ Committee on Ways and Means, U.S. House of Representatives. Report on the Trade Agreements Act of 1979. House Report No. 317, 96th Congress, 1st Session. July 1979, p. 24.

¹⁰ The House report also noted (p. 8), “One of the major criticism of moving international trade functions to the Commerce Department has been the orientation of that Department toward its domestic business constituency. This perception may be true at this time; if so, it is an orientation which the Department must change. Too great protection of domestic markets will effectively smother U.S. export potential, as other governments retaliate with their own protectionist barriers against U.S. imports.”

The first step toward shedding some light on antidumping during the dark period from 1922 to 1980 is to compile data on the number of investigations conducted each year. Figure 1 provides a long time series, gathered from several sources, on the annual number of antidumping cases since 1922.¹¹ This figure reveals that antidumping cases were by no means nonexistent prior to 1980. Indeed, antidumping filings were quite pronounced during the late 1930s, even rivaling the large number of cases in the early 1980s and early 1990s. In addition, there was a steady and fairly substantial stream of cases from the mid 1950s until the mid 1960s.

Figure 2 focuses on the post-World War II period, where greater case detail is available. This figure presents the total number of investigations and the number of cases relating to a particular imported product. Each antidumping petition can only target imports from a single country source. As a result, petitioning firms have tended to file multiple petitions against imports from different sources, especially since a legal change was made in 1984.¹² For example, of the 65 cases filed in FY 1991, six petitions concerned carbon steel standard pipe, seven dealt with wire rope, nine related to coated ground wood paper, fourteen addressed ball bearings, and so on. Though there were 65 individual investigations in this year, only 26 different imported commodities were the subject of scrutiny. Indeed, the surges in antidumping

¹¹ There is no consolidated and reliable source for early antidumping cases. Several sources were used in the construction of this time series. For the period 1922 to 1953, the source is <http://ia.ita.doc.gov/stats/pre80ad.txt>. This source is poorly documented. A more reliable and complete compilation of all cases prior to 1953 might be available by going through the Treasury's publication Treasury Decisions. For the period from 1953 to 1979 (fiscal years), the number of cases filed is reported in the Annual Report of the Secretary of the Treasury. After these data were compiled, I discovered that Baldwin (1998, p. 302) presents the same data for essentially the same period. For fiscal years 1980 to 2002, the source is an internal document from the Office of Investigations, International Trade Commission.

¹² Hansen and Prusa (1996).

activity in 1992-94 and 1998-2001 are directly related to the multiple petitions filed by the steel industry.

After adjusting for multiple petitions, the number of products targeted by antidumping filings after 1980 does not appear to be significantly higher than in previous decades. When looked at from the perspective of the number of products targeted, antidumping seems to have peaked around 1985 and even to have been on the decline since then. The message of Figure 2 is therefore strikingly contrary to the conventional view – antidumping may not be more important after 1980 than before. There are two qualifications to this view. First, antidumping margins have risen significantly since the 1980s (Blonigen 2003) and, second, the tendency for firms to file multiple petitions means that the scope for trade diversion to undermine the impact of the dumping duties is mitigated.

Figure 3 plots the total number of cases and the number of cases in which an injury determination was made. (An injury determination is a required before antidumping duties can be imposed.) As the figure illustrates, although many antidumping cases were filed in the late 1950s and early 1960s, very few injury determinations were made in these cases. Table 2 illustrates this point by presenting the disposition of antidumping cases between 1934 and 1954. During that period, only 5 percent of all cases resulted in import duties. In 95 percent of all cases, a finding of no dumping was made, either because imports were not found to be priced at LTFV, dumping margins were minimal, or petitions were withdrawn. As a result, no injury ruling by the Treasury (prior to 1954) or the Tariff Commission/International Trade Commission was required.

However, the absence of injury rulings began to change in the early 1970s and, by the

mid-1980s, virtually every case filed received an injury determination one way or the other. Figure 4 illustrates this and shows that, since the late 1970s, roughly half of all ITC injury determinations are affirmative.

In conclusion, the number of investigations is clearly higher after 1980 than before, but largely because of the increased propensity of firms to file multiple petitions. The number of imported products targeted for antidumping action has been remarkably stable over time. What has changed is that, since the late 1970s, almost every cases reaches the determination stage.

Determinants of AD Investigations

None of the existing studies of the determinants of aggregate U.S. antidumping activity – such as Feinberg (1989), Leidy (1997), and Knetter and Prusa (2003) – examine the pre-1980 period. Therefore, the data described above can be used to explore some of the economic and political factors accounting for the rise in antidumping actions since the end of World War II.

Knetter and Prusa (2003) focus on two primary determinants of the annual number of antidumping cases – the change in real GDP and the real exchange rate. They find that an appreciation of the real exchange rate (with a one year lag) leads to an increase in the number of antidumping petitions filed. Although a decline in real GDP leads to an increase in filings, the change in real GDP (with a three year lag) is not a statistically significant determinant of antidumping filings when steel cases are excluded.

Exchange rates and business cycles might also explain the lower level of antidumping activity during the 1950s and 1960s. During that period, the Bretton Woods system of fixed exchange rates ensured that real exchange rate movements were minimal. In addition, business

cycle fluctuations were relatively mild. Starting in the early 1970s, exchange rate variability increased and the U.S. economy experienced some severe business cycle downturns. The rise in the use of AD remedies coincides with these economic changes.

From a longer term perspective, at least two other factors could also account for the rise in antidumping activity over the postwar period – the increased role of import competition in the U.S. economy and administrative changes in AD enforcement.

First, the exposure of American industries to import competition clearly increased over the post-war period. Figure 5 shows the rise in the ratio of merchandise imports to GDP starting from the late 1960s. The import/GDP ratio increased from about 3 percent of GDP in the 1950s and 1960s to about 8 percent in the 1980s, reaching over 10 percent by the end of the 1990s.

This rise in import penetration is plausibly related to the decline in the average tariff on total and dutiable imports. These average tariffs fell quite sharply in the late 1960s and early 1970s due to a combination of reductions in tariff rates as a result of the Kennedy Round of multilateral trade negotiations and the impact of higher import prices on the ad valorem equivalent of the many specific duties in the tariff code.¹³ The timing of the decline in tariffs on dutiable imports and the rise in import penetration is quite striking. The correlation between these two series is -0.94. This decline in trade barriers exposed many industries to foreign competition and may have pushed them toward using antidumping duties to protect themselves.

A second factor that could account for the rise in antidumping activity is institutional changes in the administration of the antidumping law. As reported earlier, in 1980 the

¹³ Irwin (1998) examines how the combined impact of changing tariff rates and fluctuations in import prices has affected the average U.S. tariff over time.

Commerce Department replaced the Treasury Department as the institution responsible for LTFV determinations. The shift took place because Treasury was perceived to be relatively indifferent to AD petitions, whereas Commerce was expected to be a more sympathetic advocate for domestic firms seeking protection. Simply changing the agency responsible for handling AD complaints may have constituted a regime shift that increased the number of petitions. In addition, various small and subtle changes in the legal requirements for AD relief, in 1975 and 1984, may have had a cumulative effect in raising the probability of obtaining import relief.

The relative importance of these potential determinants of antidumping activity can be sorted out by regressing the annual number of antidumping cases on various independent variables. Following on the work of Knetter and Prusa (2003), two macroeconomic determinants of AD filings are the change in the log of real GDP and the log of the foreign exchange value of the dollar. The first measures the rate of U.S. economic growth; previous studies have found that the number of antidumping petitions increases during a recession and decrease during an expansion, although the relationship has been found to be weak.¹⁴ The exchange rate used here is the nominal effective exchange rate from the IMF's International Financial Statistics. The real exchange rate has been calculated by the IMF and other authorities only since 1975. As is well known, however, movements in nominal exchange rates are closely related to movements in real exchange rates; indeed, for the period 1975 to 2002 the correlation between the nominal and real effective exchange rate of the dollar is 0.90.

In addition, the regressions will use measures of import competition and a dummy

¹⁴ The data are from the website of the Commerce Department's Bureau of Economic Analysis (www.bea.gov).

variable to capture administrative changes. Initially, results will be reported using the import/GDP ratio as the measure of foreign competition, but the role of reductions in average tariffs will also be examined.¹⁵ Both are exogenous variables from the standpoint of any individual industry that is considering appealing to the government for protection. Finally, a dummy variable taking the value of one for the period from 1980 will represent the effect of the Commerce shift on the level of filings. Strictly speaking, the dummy variable captures any omitted factors after 1980 that would increase AD filings, but the variable is plausibly linked to the change in agency responsibility at that time.

Table 3 presents some econometric results using three different dependent and various independent variables. Since each of the dependent variables is a count measure, the models are estimated by a negative binomial regression.¹⁶ In panel A of Table 3, the dependent variable is simply the number of cases filed in any given fiscal year. From column (1), using the variables employed by Knetter and Prusa (2003), it appears that changes in GDP and the exchange rate are not systematically related to the number of filings in a given year over the longer time-period considered here.

However, as column (2) shows, the results improve when import penetration and the 1980 dummy variable are included along with the macroeconomic determinants. The coefficient on the exchange rate reverses its sign from the previous column and now indicates that an appreciation in the foreign exchange value of the dollar leads to more antidumping filings. A rise

¹⁵ The import/GDP data is from the BEA. The average tariff figures are from the Department of Commerce's Historical Statistics of the United States, updated from the U.S. International Trade Commission.

¹⁶ See Cameron and Trivedi (1998).

in import penetration (measured by the import/GDP ratio) also increases the number of antidumping filings. And finally, the dummy variable for years after 1980, taken to represent the impact of the Commerce Department taking over antidumping responsibilities in that year, is also positive and statistically significant. Taking the exponential of the coefficient on the dummy variable indicates that the conditional mean of the number of cases is 1.62 times higher after 1979. This implies a substantial Commerce Department effect: a 62 percent increase in investigations translates into an additional 12 cases per year from pre-1980 levels. The change in real GDP remains statistically insignificant.

To facilitate a comparison of the importance of each of these factors, the next column reports coefficients on the standardized variables. The effects of exchange rates and average tariffs are roughly comparable: a one standard deviation increase in the exchange rate leads to a 0.24 standard deviation increase in the number of filings, while a one standard deviation decrease in import penetration leads to a 0.28 increase in the number of filings. Thus, there is a rough symmetry between comparably sized changes in the exchange rate and import penetration in terms of their impact on antidumping investigations. The impact of changes in real GDP on AD filings is very small.

Columns (3) and (4) replace the import/GDP ratio with two different measures of the average rate of protection, the average tariff on dutiable imports and the average tariff on total imports. Both coefficients are negative, indicating that lower tariffs lead to more antidumping filings, but only the coefficient on dutiable imports is statistically significant. This is because this tariff rate falls more sharply over the postwar period, as shown in Figure 5. Arguably, the dutiable imports measure of tariffs is more relevant than the broader measure because many duty-

free imports do not compete with domestic producers; hence, the average tariff on dutiable imports measures more precisely protection to import-competing producers. In any event, the rise in antidumping activity is systematically related to the decline in the average rate of protection on dutiable imported goods. In the dutiable tariff specification (column 3), the post-1980 dummy variable is not quite statistically significant at the 10 percent level. In the tariff on total imports specification, the coefficient on tariffs is smaller and not significant, while the coefficient on the dummy variable becomes much larger and is statistically significant.

Panel B of Table 3 examines a different dependent variable, the annual number of products covered in antidumping cases (i.e., multiple petitions concerning a single product become one observation). Column (1) includes just the macroeconomic determinants and column (2) includes the import penetration ratio and the post-1980 dummy variable. In the second column, both the exchange rate and the import to GDP ratio appears to be positively and significantly related to the number of products targeted for AD actions. As Figure 2 indicated, there does not appear to have been an increase in the number of products covered since 1980, and in the column (2) regression the coefficient on the dummy variable is essentially zero and statistically insignificant.

Panel C of Table examines the factors driving the number of injury determinations over time. Once again, column (1) includes just the macroeconomic determinants and column (2) includes the import penetration ratio and the post-1980 dummy variable. In this case, the exchange rate, import penetration measure, and post-1980 dummy variable are all positive and statistically significant factors behind the annual number of injury determinations. Unlike the number of investigations, considered in panel A, the standardized coefficients indicate that

changes in the import penetration ratio have a much more pronounced impact on the number of injury investigations (or, alternatively, the number of cases in which there is an affirmative finding of less-than-fair value sales). Once again, the shift of antidumping authority to the Commerce Department in 1980 appears to have played an important role here: the exponential of the coefficient on the dummy variable 1.8, indicating that after 1980 there was an 80 percent increase in the mean number of injury determinations, resulting in 6 additional determinations a year.

Several conclusions cut across these findings. Changes in real GDP do not appear to be systematically related to antidumping activity. This suggests that the industry-specific cycles that trigger antidumping demands are not necessarily correlated with the economy-wide business cycle. (The difficulties faced by the steel industry after the Asian financial crisis in 1997, for example, coincided with robust economic growth in the United States.) Exchange rate appreciations (depreciations) are positively (negatively) related to antidumping activity. Furthermore, the increasing role of imports in the economy – related to the decline in average levels of protection – is systematically related to a higher level of antidumping filings. This substitution is to be expected and perhaps even welcomed. Fischer and Prusa (2003) argue that contingent protection dominates high average protection as a mechanism for insuring import-competing firms and their workers from import shocks. So from a welfare perspective, sector-specific contingent protection measures are superior to uniform non-contingent tariffs.

Finally, as the dummy variable indicates, something clearly happened to the level of antidumping activity starting in 1980. The major institutional change that may be responsible for this development was the shift in administrative responsibility from Treasury to Commerce. The

Commerce Department was much more apt to find LTFV sales, leading to many more petitions filed and injury determinations made. Thus, empirical results that focus on the period after 1979 exclusively fail to capture the importance of bureaucratic incentives in giving rise to AD activity.

Conclusion

This paper has put recent U.S. antidumping experience in historical perspective by studying the number of AD cases prior to the 1980s. Contrary to the conventional view, many antidumping petitions had been filed in previous decades, particularly in the late 1950s and early 1960s and again in the early 1970s. Unlike today, however, most of these petitions did not result in the imposition of antidumping duties. The larger number of petitions in recent years is largely an artifact of the tendency of firms to file multiple petitions.

In terms of the empirical results, the rise in antidumping actions can be attributed to two phenomena – the increase in import penetration in the U.S. economy that dates from the early 1970s (something that is highly correlated with declining average tariffs) and the shift in antidumping authority from the Treasury to the Commerce Department in 1980. In addition, fluctuations in the exchange rate appear to be related to the number of antidumping filings.

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Table 1: Administrative Responsibilities in Antidumping Policy

	Dumping Determination	Injury Determination
1921 - 1954	Treasury Department	Treasury Department
1954 - 1979	Treasury Department	Tariff Commission
1979 - present	Commerce Department	International Trade Commission

Note: The Tariff Commission was re-named the International Trade Commission in 1974.

Table 2: Outcomes of Antidumping Cases, 1934-1954

	Number of Cases	Percentage Distribution
Total Cases	146	100
No Basis for Finding under AD Law	139	95
No Sales at LTFV	90	62
De minimis, complaint withdrawn, etc.	28	19
No Injury	21	14
Findings under Antidumping Act	7	5

Source: Committee on Ways and Means, U.S. House of Representatives (1957), p. 15.

Table 3: Determinants of Antidumping Cases, FY 1947-2002

A. Dependent Variable: Number of Cases

	(1)	(2)	Standardized Coefficients	(3)	(4)
Δ Log of GDP (-1)	-0.43 (4.47)	-1.96 (3.85)	-0.05 (0.09)	-0.97 (3.87)	-0.93 (3.78)
Log of Nominal Effective Exchange Rate (-1)	-0.60 (0.69)	1.94* (0.70)	0.24* (0.09)	1.85* (0.68)	1.44* (0.76)
Log of Import/GDP Ratio	--	0.53* (0.27)	0.29* (0.14)	--	--
Log of Average Tariff (Dutiable Imports)	--	--	--	-0.83* (0.39)	--
Log of Average Tariff (Total Imports)	--	--	--	--	-0.15 (0.30)
Department of Commerce Dummy (post- 1980)	--	0.52* (0.25)	0.52* (0.25)	0.44 (0.28)	0.81* (0.24)
Pseudo R ²	0.52	0.55		0.55	0.54

Note: Estimated by a negative binomial regression. Robust standard errors are reported. * indicates statistical significance at the 10 percent level.

Table 3: Continued

B. Dependent Variable: Number of Commodities

	(1)	(2)	Standardized Coefficients
Δ Log of GDP (-1)	-1.99 (3.56)	-3.34 (3.29)	-0.08 (0.08)
Log of Nominal Effective Exchange Rate (-1)	0.63 (0.50)	2.36* (0.63)	0.29* (0.08)
Log of Import to GDP Ratio	--	0.63* (0.31)	0.34* (0.17)
Department of Commerce Dummy	--	-0.01 (0.29)	-0.01 (0.29)
Pseudo R ²	0.27	0.29	0.29

Note: Estimated by a negative binomial regression. Robust standard errors are reported.
* indicates statistical significance at the 10 percent level.

C. Dependent Variable: Number of Injury Determinations

	(1)	(2)	Standardized Coefficients
Δ Log of GDP (-1)	-0.79 (7.54)	-4.43 (4.67)	-0.11 (0.11)
Log of Nominal Effective Exchange Rate (-1)	-2.54 (1.10)	1.86* (0.79)	0.23* (0.10)
Log of Import to GDP Ratio	--	1.53* (0.28)	0.84* (0.16)
Department of Commerce Dummy	--	0.60* (0.24)	0.60* (0.24)
Pseudo R ²	0.64	0.69	0.69

Note: Estimated by a negative binomial regression. Robust standard errors are reported. * indicates statistical significance at the 10 percent level.

Figure 1: Annual Number of Antidumping Cases, FY 1922-2002

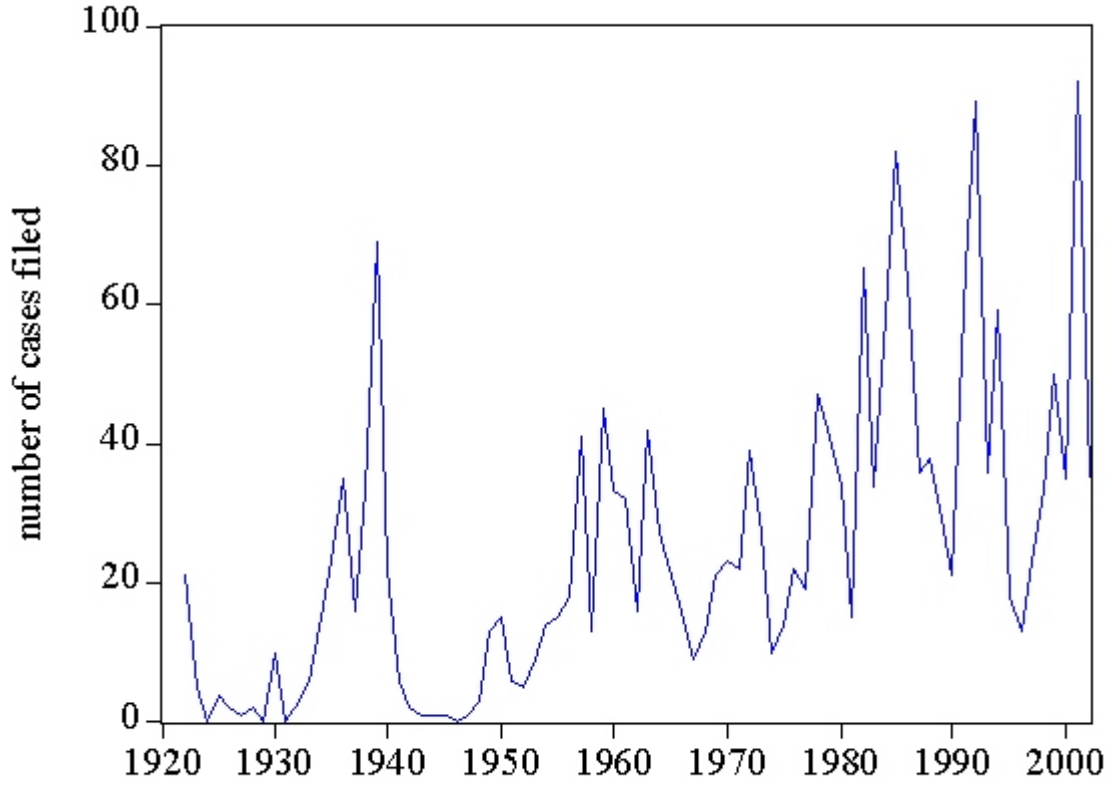


Figure 2: Antidumping Cases, FY 1947-2002

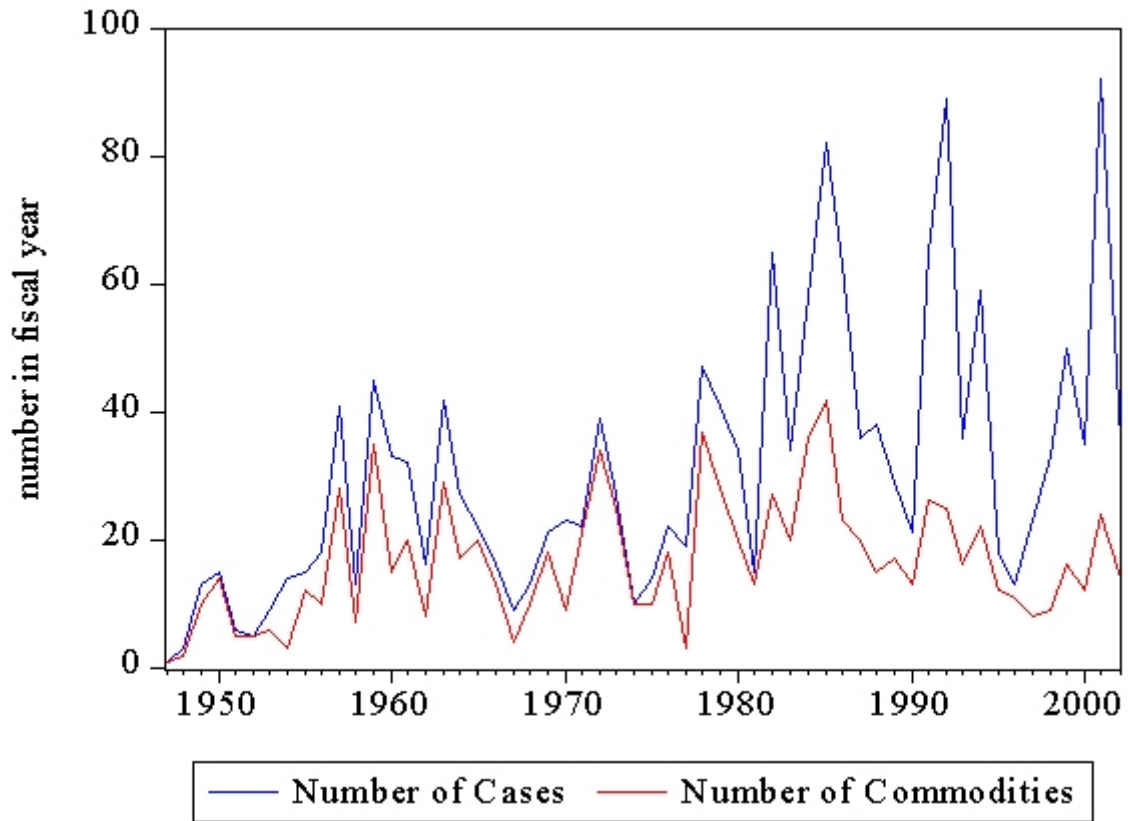


Figure 3: Number of Antidumping Cases and Injury Determinations, FY 1947 - 2002

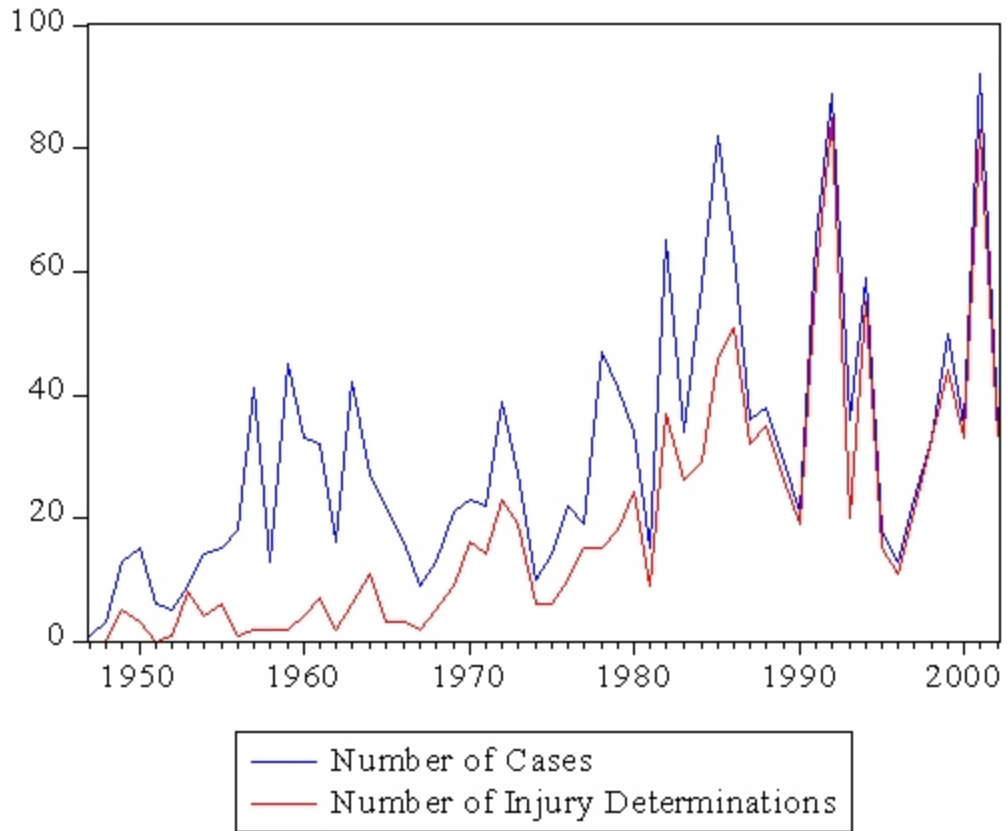


Figure 4: Antidumping Injury Determinations, FY 1947-2002

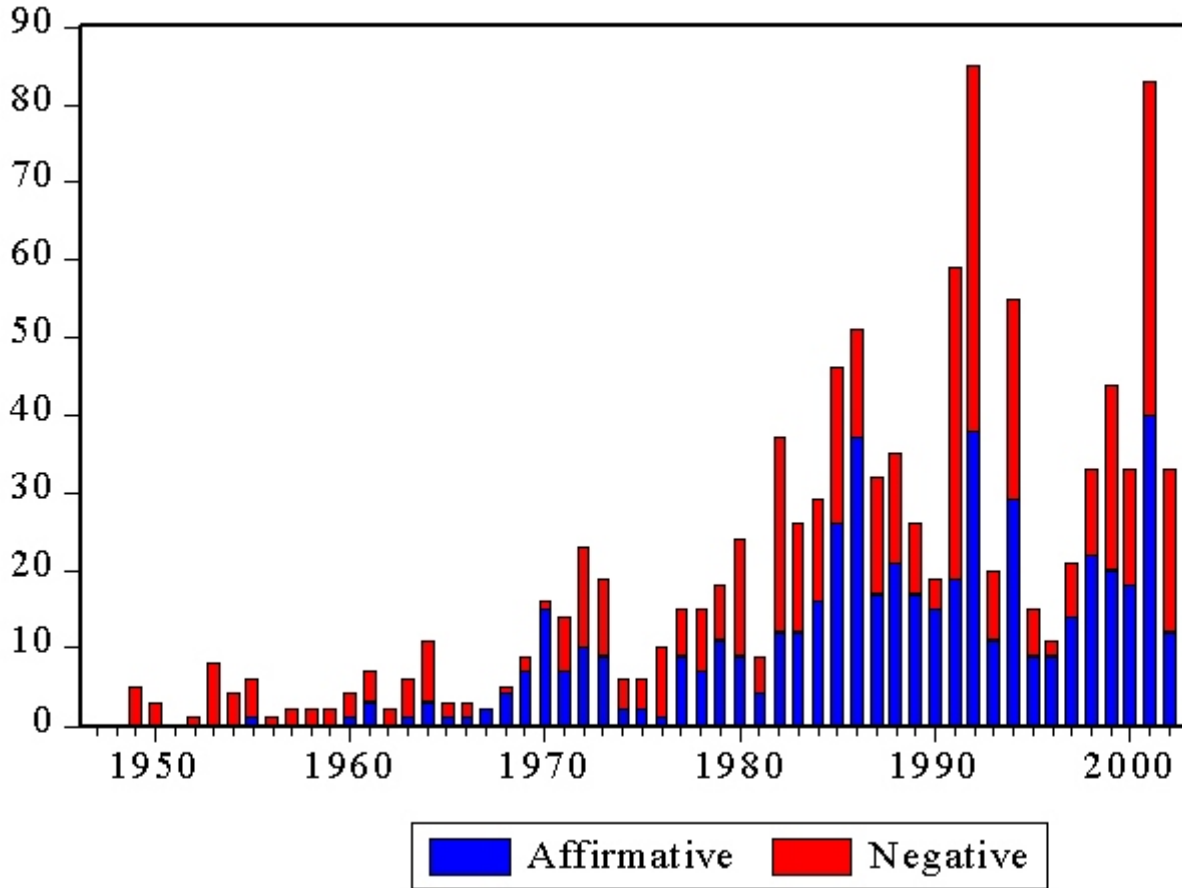


Figure 5: Average Tariffs and Import Penetration, 1947 - 2002

