POLICY RESEARCH WORKING PAPER 1264

A Rock and a Hard Place

The Two Faces of U.S. Trade Policy Toward Korea

J. Michael Finger

Current U.S. trade policy is domestic policy first and trade policy only secondarily. The importance of trade remedies and "301" in U.S. policy means that it is no longer most-favored-nation, but tailored to the politics and economics of each bilateral relationship. Its primary concern is to protect the interests of individual domestic constituents. What happens to foreigners is hardly more than fallout.

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Summary findings

U.S. trade policy since the 1980s has been quite different from trade policy in the first two or three decades after World War II. Until the 1970s, U.S. trade policy was dominated by systemic concerns. Trade policy actions were subject to the discipline of constructing an open, stable, and nondiscriminatory system.

In contrast, for the past 10 or 15 years the main objective of trade policy actions has been to respond to the demands of various domestic constituents for greater access to foreign markets, or for reduced foreign access to the U.S. market.

When systemic concerns were strong, they helped discipline the actions the U.S. government would take to advance the interest of a particular constituent. But now, these constituent-supporting actions *are* U.S. trade policy.

To state the same point another way, the current objective of U.S. trade "policy" is to respond to each constituent's plea for the application of this or that regulatory instrument (antidumping, "301," and so on) — to respond in a way that will win that constituent's vote. "Policy" is now no more than a generic label for the accumulation of these responses.

Finger describes the accumulation of these responses. He tabulates U.S. trade actions in the 1980s, paying particular attention to actions against Korea. While Korean economic interests were advanced by restrictions on Korea's and other countries' exports of steel to the United States and the European Union (EU), the outcome, judged globally, was probably negative. Rent transfers to Korean and other exporters are, on a global basis, transfers from U.S. and EU users, and hence net to zero. That leaves only the efficiency effects, which David Tarr estimates to add up to a global loss of about $36 million a year, based on prices and the size of the industry in 1984.

The underlying theme, says Finger, is that these actions have no unifying discipline except to respond in a politically acceptable way to constituent pressures. These are responses to the politics and economics of specific situations, not the automatic or hands-off extension of nondiscriminatory standards that the still-popular rhetoric of a "rules-based" system would suggest.

This paper — a product of the Trade PolicyDivision, Policy Research Department — is part of a larger effort in the department to understand how the trade policies of industrial countries affect developing countries. Copies of the paper are available free from the World Bank, 1818 H Street NW, Washington, DC 20433. Please contact Minerva Pateña, room N10-013, extension 37947 (38 pages). March 1994.

A ROCK AND A HARD PLACE:
THE TWO FACES OF U.S. TRADE POLICY TOWARDS KOREA

J. Michael Finger

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A ROCK AND A HARD PLACE:
THE TWO FACES OF U.S. TRADE POLICY TOWARDS KOREA

by

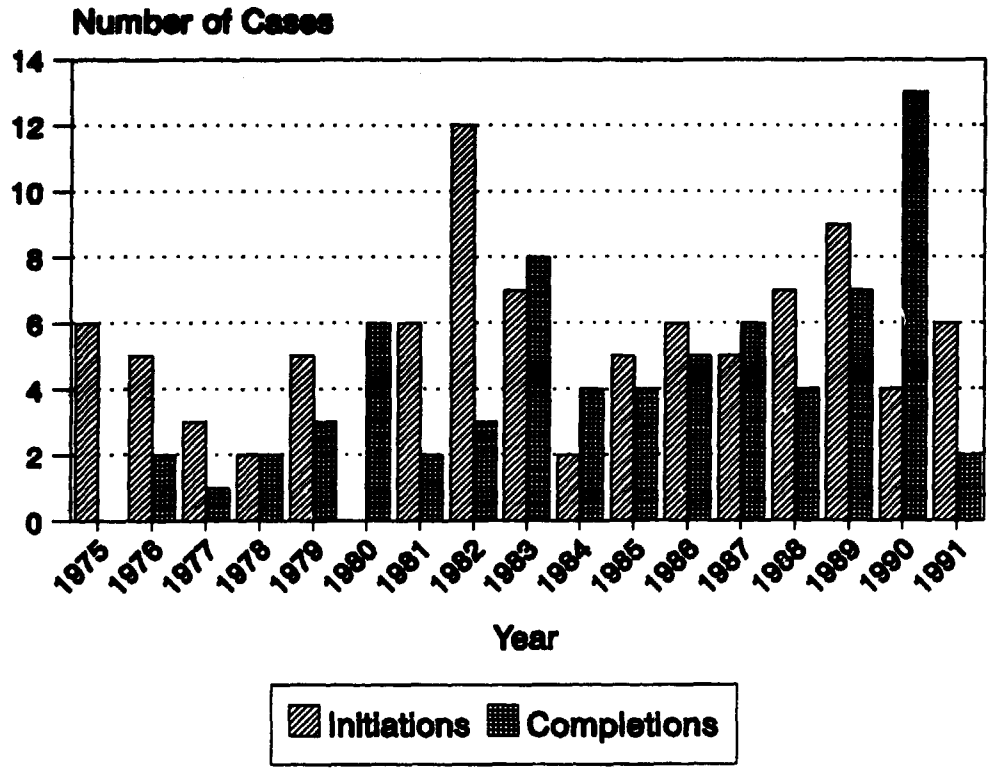
J. Michael Finger

US trade policy since the early 1980's is quite different from what that policy was in the first two or three decades after World War II. Until the late 1970's, US trade policy was dominated by systemic concerns. Trade policy actions were subject to the discipline of constructing an open, stable and nondiscriminatory system. In contrast, for the past ten or fifteen years the major objective of trade policy actions has been to respond to the demands of various domestic constituents for greater access to foreign markets, or for reduced foreign access to the US market.

When systemic concerns were strong, they helped to discipline the actions the US government would take to advance the interest of a particular constituent. But now, these constituent-supporting actions are US trade policy. To state the same point another way, the current objective of US trade "policy" is to respond to each constituent's plea for the application of this or that regulatory instrument (antidumping, "301," etc.) -- to respond in a way that will win that constituent's vote. "Policy," now, is no more than a generic label for the accumulations of these responses.

This paper describes the accumulation of these responses. It provides a tabulation of US trade actions in the 1980's and it pays particular attention to actions against Korea. Its underlying theme is that these actions have no unifying discipline, other than to respond in a politically acceptable way to constituent pressures. They are responses to the politics and the economics of each specific situation, not the automatic or hands-off extension of non-discriminatory standards the still-popular rhetoric of a "rules-based system" would suggest.

Initiations and Completions of "301" Cases, by Year



I. THE CHANGED THRUST OF US TRADE POLICY

The world trading system that US leadership helped to create at the end of World War II -- the GATT system -- had two principal characteristics. (1) It would be a liberal, or open system; though not a laissez faire system. (2) Government intervention in international trade would be predictable, i.e., only in previously stated circumstances; and non-discriminatory.

The system's objectives would be advanced through two related mechanisms. There would be successive rounds of multilateral bargaining to reduce each member country's import restrictions and to bind them against unilateral revision. In this way the openness of the system would be created. This openness would be preserved, the stability and the even-handedness of the system would be provided, through a system of multilateral rules -- GATT rules -- that would minimize new government interventions in international trade and would limit those interventions to previously stated circumstances. In line with this, some GATT rules specify policies that member countries may not use, e.g., assigning artificial customs values so as to inflate tariff charges. Other GATT rules specify circumstances in which a national government may restrict international trade, but the intent is always to limit intervention to the specified circumstances. Article XII, for example, states that

> any contracting party, in order to safeguard its external financial position and its balance of payments, may restrict the quantity or value of merchandise permitted to be imported, subject to the provisions of the following paragraphs of this Article. (emphasis added)

Antidumping, antisubsidy and several other sorts of import restrictions are similarly provided for.

For the first 35 or so years after the GATT was agreed, US trade policy -- and that of many other developed countries -- was approximately what would be expected of a good GATT citizen. Trade policy was a part of foreign policy, a viable and equitable international trading system was a key part of

the post-war foreign policy plan for world peace and stability. Participation in the GATT rounds did reduce trade restrictions -- on most manufactured goods, practically to zero. Sectoral pressures for new protection did arise, but on the whole the apparent subjection of the instruments of protection to international rules helped the government to parry many of these pressures. The net result was the liberal and stable trading system that GATT's founders, including American leadership, had envisaged.

But, over the past decade the orientation of US trade policy has changed. As Congress has reasserted its authority over trade policy, it has taken a less presidential, more congressional, orientation. While foreign policy has been the favored political arena of recent presidents, constituent service is the life blood of congressional politics. Thus trade policy has become more constituent-oriented, and this shift has brought with it several important changes in the mechanics of US trade policy. The most consequential change has been the reversal of the function of the "rules" part of the policy system.

Allow me to explain what I mean when I conclude that the function of the rules part has been reversed. Consider first GATT rules such as those on antidumping and countervailing duties -- those that allow import restrictions but attempt to limit those restrictions to a few circumstances. To a firm or industry losing sales to import competition, the crux of these rules is not what they say about when a national government cannot restrict imports. The crux is what they say about when a national government can restrict imports. To an import-competing interest these "trade remedies" specify when that constituent has a right to call on his government to impose a trade restriction -- and these rights have the international sanction of the GATT. As a constituent views the GATT rules, so does the Congress, and import-competing interests understand the value of being vocal constituents. Over time, these constituents have pressed both to fit their needs to the trade remedies' scope and to change the trade remedies scope to fit their needs.

They have been quite successful: so successful that the GATT rules are now an expression of the domestic politics of trade policy, not a limit on it. As the policy-making system now works, the sequence of causation is as follows:

1. Concerns of domestic enterprises to have protection from import competition.
2. Expansion of national administrative practice to accommodate.
3. Revision of national laws and regulations to validate the expanded administrative practice.
4. Agreement at the multilateral trade negotiations to expand the relevant international code to provide international sanction for the expanded national practice.[1]

The fourth step is little more than gilding -- maintaining the facade of the old GATT system. The essence of the new system is that the trade remedies laws gives any enterprise or industry inhibited by import competition has the right to call on his government to restrict imports.

The creation of "301" was a second notable change in the mechanics of US trade policy. With "301," US exporters no longer need trade negotiations to advance their interests. "301" uses the threat of tit-for-tat retaliation to force foreign governments to remove policies that impede US exports, or to take other actions that favor US exports. (The results of "301" cases will be discussed below.)

The menace of "301" is less that it serves the interests of US exporters than that it unchains them from the necessity to oppose US import-competing interests. Before "301," better access to foreign markets for US exporters was obtained in exchange for giving foreigners similar access o the US market -- US import restrictions swapped for foreign. For the president to negotiate such an exchange he had to be empowered with the authority to reduce

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[1] This sequence and how the shift came about is explained at greater length in Finger and Dhar (1992).

US restrictions. To pass a law to authorize such reductions or to schedule and then execute "fast track" implementation, US exporters had to provide the government with political support to overcome the opposition that import-competing firms would raise. If the potential "winners" from a trade negotiations package can get what they want with "301," there is no one to press the Congress to impose such a package on the losers. Before "301," a GATT round put the focus on "export politics" and away from "import politics." With "301," the US government can simultaneously serve import-competing and exporting constituents.

In historical perspective, this shift to a constituent-oriented trade policy system is really a return to the traditional way of making trade policy in the United States. Once the federal income tax freed the tariff from its revenue function, US trade politics were soon dominated by the "scientific tariff" conception that tariff rates should be tailored to provide each US industry a margin of protection equal to the difference between foreign cost and domestic. This was the economic philosophy that underlay the Smoot-Hawley tariff. In Smoot-Hawley days, calculation of the cost differences always showed that nature favored the foreigner so that a positive tariff margin was needed to even things up. Today's calculations measure, not the unfairness of nature in creating advantages for foreigners, but the unfairness of the foreigners themselves. The following sections report the results of some of those calculations.

II. UNITED STATES IMPORT RESTRICTIONS

After the many rounds of GATT negotiations, the tariff is no longer a major barrier: In 1990, though only one-third of US imports entered duty free, the US tariff averaged only 3.3 percent, ad valorem. (On imports from Korea, it was higher, just above 6 percent ad valorem.) Table 1 provides a summary statement of the extent of major non-tariff barriers that restrict foreign

access into the US market.[2] The reader should note that the measure used in the table is not a measure of the *height* of non-tariff barriers, but of their *extent* -- the proportion of imports to which non-tariff barriers are applied. The table shows that something less than one-fifth of US imports are subject to non-tariff barriers of the types that have been tabulated. On imports from Korea, the figure is higher -- more than one-third of US imports from Korea are regulated by a VER, a similar restraint under the Multi Fibre Arrangement on textiles and clothing, or an antidumping or countervailing duty action.

The more extensive application of NTBs on imports from Korea is mainly a matter of the relative concentration of imports from Korea on textiles and clothing: 21 percent of US imports from Korea versus 7 percent of imports from other countries. About 70 percent of US imports of textiles and clothing are subject to quantitative limits, the figure being about the same for imports from Korea as from other countries.

Particularly for established exporters like Korea, restrictions on textiles exports are not news, they have been around from the 1960's. The cutting edges of US trade policy in the 1980's were "301" and the extensive use of antidumping and countervailing duty procedures to restrict imports. The remainder of this paper will focus on these mechanisms and on the restrictions that have stemmed from their use.

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[2] It is difficult to develop a measure of "total" coverage, i.e., by "all" non-tariff barriers because it is difficult to determine, at the margin, whether certain regulations or licensing requirements have a trade restricting effect. The categories in table 1 are roughly additive, but there are instances in which a product under voluntary export restraint is also the object of an antidumping or countervailing duty order.

Table 1

United States Imports, 1990: Percentage on Which the United States Imposes Nontariff Barriers

	Voluntary export restraints a/	Restrictions on textile imports b/	Antidumping and countervailing duty actions c/
All merchandise			
Imports from all countries	7	5	6
Imports from Korea	9	15	5
Manufactured goods			
Imports from all countries	6	7	9
Imports from Korea	7	16	5

Source: World Bank staff estimates based on the UNCTAD Trade Control Measures System and the harmonized system for commodity classification system.

Notes: a. Includes voluntary price minimums and voluntary quantity maximums.

b. Includes those under the Multi Fibre Arrangement and those not under MFA.

c. Includes antidumping and countervailing duty orders in place, agreed undertakings in place and cases initiated in calendar year 1990.

III. SECTION "301"

Section 301 (of the trade act of 1974) is an important part of the US Congress's response to US exporters' complaints about foreign practices and policies that reduce these exporters' access to foreign markets. As a weapon against foreign practices, the section ultimately authorizes the US Trade Representative[3] to selectively reduce foreign access to the US market. The section, as amended in 1979, 1984 and 1988, explicitly covers not only merchandise trade, but services, investment and intellectual property as well. Cross-retaliation is allowed, e.g., the Trade Representative may retaliate by restricting imports of *merchandise* from a country in which US *investment* or sales of *services* has been compromised.

"301" deals with three categories of practices that burden or restrict US commerce -- unjustifiable, unreasonable and discriminatory. "Unjustifiable" is defined as any act, policy or practice that violates the international legal rights of the United States -- including (but not limited to) those under a trade agreement such as the GATT, a bilateral Voluntary Export Restraint Agreement, or an agreement that settled a previous "301" case. When the agreement in question has its own dispute settlement process (as the GATT does) the Trade Representative is required to submit the matter to that dispute settlement process simultaneous with his investigation under "301." However, the schedule and the terms of the "301" investigation are dominant.

If the US Trade Representative finds a foreign violation that is "unjustifiable," she must retaliate.[4] But, the section also allows the President to waive retaliation if the GATT dispute settlement process decides against the United States, the foreign government takes action to remove or

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[3] The section has been modified and extended in the trade acts of 1979, 1984 and 1988. Until the 1988 amendments, "301" authority rested with the President.

[4] Since 1988, retaliation may not be on the case's subject product or service, e.g., if the subject practice affects US exports of rice, retaliation cannot be a restriction on US imports of rice.

offset the violation, or if retaliation would backfire and significantly harm US commercial interests or US national security.

Section 301 defines "unreasonable" as an act, policy or practice that is unfair and inequitable, though not necessarily a violation of explicit US legal rights. Specific actions are listed as unreasonable: the list including denial of workers' rights, export targeting, denial of fair and equitable market opportunities, and government toleration of systematic anticompetitive activities.[5] "Discriminatory " means any act, policy or practice that denies national or most favored nation treatment to US goods, services or investment. Retaliatory action in these cases is discretionary.

Besides tightening "regular" 301, the 1988 trade act added two major provisions," "Super 301" and "Special 301." Super 301 mandated that the Trade Representative, in May 1989 and April 1990, submit to Congress a list of "priority countries" and "priority practices" that pose significant barriers to US exports. The act also requires the Trade Representative to initiate investigations concerning each priority practice of each priority country. Special 301 provides similar requirements to identify and investigate "priority countries" that maintain barriers against US exports of telecommunication products and services.

The following sections discuss the case history of "Regular 301," and after that, the impact of Super 301 and Special 301.

Industry-country incidence of cases

Since "301" was created in the 1974 trade bill, the USTR has opened a total of 86 investigations, 72 of which had been completed[6] -- this count as of August 15, 1991. Of the 12 "pending" cases, six were suspended when the

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[5] The 1988 act introduced a provision to permit foreign governments to defend themselves against accusations of "unreasonableness" by pointing out that the United States does the same thing. (Hudec, 1990, p. 22)

[6] USTR (1991b) reports 28 petitions that did not lead to investigations.

target country agreed to take up the matter in a multilateral negotiation.[7] Each of the other six is a recently initiated investigation that has not come to its mandatory completion date.

Foreign liberalization has been the most frequent outcome. "301" can be criticized over many dimensions, but my tabulation of investigations and outcomes indicates that its primary function has not been to provide the US government with an excuse to restrict imports. Table 2 reports that the most frequent outcome of a case is for the target country to liberalize the policy that the "301" case attacked.

To understand what the numbers in the table might mean, the reader should be aware of several facets of "301" outcomes. For one, before a net liberalization was reached, several cases went through intermediate stages of retaliation by the United States, and counter-retaliation by the target country. For example, the National Pasta Association filed a petition on October 16, 1981, alleging EC violation of GATT Article XVI and the GATT Subsidies Code in using pasta export subsidies that resulted in increased imports into the United States. USTR initiated an investigation and consulted several times with the EC. USTR also refereed the matter to the GATT Subsidies Code for conciliation. In 1982, a dispute settlement panel was established: consideration of its findings extended into 1985. In 1985, the United States increased its customs duties on pasta imports -- technically, in retaliation for the EC's discriminatory citrus tariffs. The EC counter-retaliated on lemons and walnuts.

In August 1986 the US and the EC agreed to end their retaliatory and counter-retaliatory duties and to negotiate in good faith toward a settlement to the pasta dispute. In August 1987 the US and the EC reached tentative agreement by which the EC would eliminate export subsidies on half the pasta

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[7] All six are on topics being negotiated at the Uruguay Round. Three concern disputes over European Community agricultural subsidies, that date back as "301" cases to 1981. A fourth, concerning Argentine marine insurance, began in 1979.

Table 2

United States "301" Cases Completed through August 15, 1991

by Outcome and Country Group

Target country, by group	*Total*	*Negative Determination*	*Target Country Liberalization*			*US Retaliation*	*Other Restrictive Outcomes*[a]
			Multilateral	*Bilateral*	*Total*		
All Countries[b]							
Number of cases	74	11	35	12	47	10	5
(% of total number)	(100)	(15)	(47)	(16)	(64)	(14)	(7)
Developed Countries[b]							
Number of cases	47	7	17	9	26	8	5
(% of total number)	(100)	(15)	(36)	(19)	(55)	(17)	(11)
Developing Countries							
Number of cases	26	3	18	3	21	2	2
(% of total number)	(100)	(12)	(69)	(12)	(81)	(8)	(8)
Developing excl. Korea							
Number of cases	18	3	13	1	14	1	0
(% of total number)	(100)	(17)	(72)	(6)	(78)	(6)	(0)
Korea							
Number of cases	8	0	5	2	7	1	0
(% of total number	(100)	(0)	(63)	(25)	(88)	(13)	(0)

Source: Tabulated from Office of the US Trade Representative, "Section 301 Table of Cases," Washington, DC, USTR, August 15, 1991, photocopied.

a/ In three of these, on the US government's recommendation the petitioner withdrew his "301" petition and petitioned instead for an import-restricting action -- an antidumping or a safeguards action. One of the others was the Canadian softwood lumber case, in which Canada imposed an export tax. The fifth was the Japanese semiconductor case in which Japan agreed to import more US semiconductors and to observe a minimum price on Japanese sales in third markets.

b/ In 1979 a US firm complained about the Swiss customs service's testing of the gold content of eyeglass frames. USTR's investigation revealed that US standards for testing and making gold content were different from those used by many other countries. The US industry agreed to shift to the more common standards and markings which the Swiss customs service would accept without further testing. This action is classified as "liberalization by the US," and does not fit into any of the categories listed in this table.

exported to the United States. The US Customs Service is now monitoring that agreement.

The pasta case also illustrates that it is difficult to say what is the "final" outcome of a case. In this example, the petitioner (the National Pasta Association) might, in the future, come to suspect that the EC has not reduced its subsidy as agreed. If so, he might file another "301" petition, and he will have the additional grounds that the EC is in violation of the agreement reached to end the previous pasta investigation.

Most of the induced liberalizations have been multilateral rather than preferential to the United States. Table 2 sorts foreign liberalizations into two categories, multilateral or bilateral. The pasta case ended with an action by the EC that would benefit only US producers. Another case that ended with a bilateral liberalization began with a petition in 1976 the United Egg Producers complaining of a Canadian import quota on US eggs. Eventually, Canada agreed to double the US quota. In a more recent case that ended with a bilateral concession, the Amtech Corporation (a US company) complained that Norway denied US rights under the GATT government procurement code, and in so doing adversely affected US (i.e., Amtech's) sales of highway toll electronic identification equipment. In the end the Norwegian government agreed to several actions to offset the impact of their procurement practices on the petitioner. One of these was to clarify that the Amtech system met the requirements of the Oslo Toll Ring project, another was to provide a statement that the Amtech system has been found to be proven, reliable, competitive, and type-approved by the Norwegian PTT.

While a number of countries found responses that benefitted only the United States, Table 2 shows that almost three times as often the liberalization was a multilateral action -- something that would benefit all exporters, not just the United States. In 1979, in response to an investigation stemming from a petition by the National Canners Association, the EC agreed to discontinue a minimum import price system that had been applied to imports of canned fruits, canned juices and canned vegetables. In another multilateral action pressed for by a '301" case, Taiwan in 1986 abolished a schedule for assigning customs duties that departed

from the principle of basing such duties on invoice values. And a "301" case filed by the Florida Citrus Mutual was part of the build-up to agreement by Japan to eliminate quotas on imports of fresh oranges and orange juice. An intermediate stage, involving enlargement of import quotas, was skewed perhaps toward the United States.

Of course, the pressure of "301" was not the only impetus for many of the policy actions that terminated the cases -- and may even in some cases have slowed the target country's implementation of a reform it had already decided -- but qualifications aside, the pattern of these policy actions should be noted. Counting the one case that ended with a liberalizing action by the United (see the footnote to Table 2), two-thirds of completed cases ended with a liberalizing action. Eleven petitions were dismissed as not justifying any action, leaving three times as many liberalizing outcomes as restrictive outcomes.

Many of the disputes were with the EC over agriculture. Tables 3 and 4 provide information on the distributions of "301" cases across countries and across subject matter. By far the biggest lump of cases (29 of the 86) were about EC agricultural policies. Subsidies were the subject of many of them, though there were other issues, such as the displacement of US exports when Spain and Portugal joined the EC.

"Traditional issues" were disputed with developed countries, "new issues" with developing countries. Almost half of the cases that targeted a developing country were on subjects that the Uruguay Round labels "new issues" -- services, intellectual property, and investment regulations that affect trade. In contrast, disputes with developed countries were almost all over "traditional issues" -- restrictions that limited access of US merchandise exports to foreign markets. (Table 2)

The country incidence of "301" cases and of cases against "unfair exports" to the US were about the same. Table 4 compares the distribution of "301" cases with the distribution of antidumping plus countervailing duty cases in the United States. Across broad country groups (developed, developing, etc.), they are much the same. Using the share of US imports they supply as the norm, the EC and

Table 3

Subjects of US "301" Cases, July 1975 - July 1991

(number of cases)

	Merchandise Trade		*Services Trade*	*Intellectual Property*	*Government Procedures*[a]	*Investment Regulations*	*Several Subjects*	*Total*
	Agriculture	*Manufactures*						
All Countries								
Number of cases	40	24	11	7	2	1	1	86
(% of total number)	(47)	(28)	(13)	(8)	(2)	(1)	(1)	(100)
Developed Countries								
Number of cases	30	19	3	0	0	0	0	52
(% of total number)	(58)	(37)	(6)	(0)	(0)	(0)	(0)	(100)
Developing Countries								
Number of cases	10	5	7	7	2	1	1	33
(% of total number)	(30)	(15)	(21)	(21)	(6)	(3)	(3)	(100)
Developing excl. Korea								
Number of cases	7	5	5	6	2	1	1	25
(% of total number)	(28)	(20)	(20)	(24)	(3)	(4)	(4)	(100)
Korea								
Number of cases	3	2	2	1	0	0	0	8
(% of total number)	(38)	(25)	(25)	(13)	(0)	(0)	(0)	(100)

Source: Tabulated from Office of the US Trade Representative, "Section 301 Table of Cases," Washington, DC, USTR, August 15, 1991, photocopied.

a/ Customs valuation and import licensing procedures.

Table 4

Countries That Are the Object of US Antidumping and Countervailing Cases and of "301" Cases; Comparison

(antidumping and countervailing duty cases, 1980-1988; "301" cases, July 1975 - July 1991)

Country or group of countries	*Cases against this country or group as a % of total against all countries*		*Percentage of 1989 US merchandise imports that originate in this country or group*
	Antidumping and countervailing duty cases	*"301" cases*	
All Countries	100	100	100
Developed Countries	58	61	63
Developing Countries	37	38	36
Eastern European Countries	5	1	0.5
European Community	40	34	18
Brazil	7	6	1.8
South Africa	2.6	0	0.3
Korea	4.7	9	4.2
Mexico	4.5	0	5.7
Taiwan, China	3.7	6	5.1
Hong Kong	0.1	0	2.1
Singapore	0.3	0	1.9
Canada	5	8	19
Japan	6	14	20
Argentina	1.4	6	0.3

Source: Tabulated from Office of the US Trade Representative, "Section 301 Table of Cases," Washington, DC, USTR, August 15, 1991, photocopied.

Brazil are relatively hard hit by "301" cases, Japan and Canada relatively lightly hit. The same is true for the incidence of antidumping plus countervailing duty cases. But while Korea suffers just about "its share" of antidumping plus countervailing duty cases, it has been the object of a relatively large number of "301" cases. The targets and the outcomes of these cases will be discussed below.

Cases against Korea

Cases against Korea have covered the spectrum of "301's" scope: merchandise, intellectual property and services. (The eight cases against Korea are summarized in the Appendix.) One case ended with Korea implementing a significant updating of its intellectual property laws, four ended with Korea making significant non-discriminatory reductions of barriers on imports of footwear, cigarettes, beef and wine -- ordinary products exported by many countries. The insurance cases -- there were, in sequence, two cases, leading to one outcome -- led to the government of Korea to admit US firms into several parts of the Korean market. This outcome was thus coded "liberalization-bilateral" -- the best it does for third country vendors is to spur them to negotiate for treatment similar to that extended to US firms. The eighth case on the list concerned a complaint about production subsidies and import restrictions on wire rope and cable. But the US steel industry was at that time filing many unfair trade petitions in an attempt to force the US government to negotiate comprehensive import limits on steel. The industry succeeded in this objective, and though the petitioner eventually withdrew the petition before the "301" process reached a decision, I have classified the outcome as "retaliation" by the United States. It is an example of what many feared "301" would be -- a means by which the United States would justify more trade restrictions of its own. But, as the previous section has shown, there have been few such outcomes. The profile of outcomes in cases against Korea -- six liberalizations, only two bilateral, versus one restriction imposed by the United States -- is close to the profile of the entire sample of cases.

IV. ANTIDUMPING AND COUNTERVAILING DUTY CASES

The other side of contemporary US trade policy is the use of antidumping and countervailing duty cases to regulate US imports. As "301" is designed to provided a service for particular constituents who want better access to foreign markets, antidumping and countervailing duty regulations have been tailored over the past two decades to provide a service for particular US constituents who are hurt by import competition. For these interests, unfair trade cases are where the action is. According to two of Washington's top trade lawyers (Horlick and Oliver, 1988, p.5) they "have become the usual first choice for industries seeking protection from imports into the United States." There have been a lot of cases. From 1975 to 1979, the US government processed 245 antidumping and countervailing duty cases, a pace of some 50 cases a year. In the 1980's, the case load rose even higher, to 774 cases between 1980 and 1988, or 86 cases a year. By comparison, there have been only four escape clause cases a year, cases in which an industry sought protection from import competition without accusing the foreign seller of employing or benefiting from unfair practices.[8]

Pattern of cases and outcomes

The country incidence of antidumping and countervailing duty cases is tabulated in Annex Table 1, summarized in Table 5. In another paper, Tracy Murray and I have described at some length the pattern of these cases: here I will limit myself to noting several features that stand out in that pattern.

- For developed and for developing countries, the proportion of cases is about the same as the proportion of US imports that originate in each group. There are large differences within groups, however. Japan and the EC each supply about 20 percent of US imports, but the EC has been the object of 40

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[8] The United States is not alone in this. Many country review their imports for instances of unfairness. Since 1980, the three other major users of GATT-based import screens, Australia, Canada and the European Community, have processed over a thousand antidumping and countervailing duty cases, but only seventeen safeguard cases.

percent of US antidumping and countervailing duty cases, Japan of only 6 percent. Among developing countries, imports from Brazil generate a disproportionately high number of cases, and imports from Taiwan, Hong Kong and Singapore disproportionately low numbers. Table 4 shows that Korea's experience is representative of the central tendency: Korea supplies 4.2 percent of US imports and was hit by 4.7 percent of US cases.

Table 5

Countervailing Duty and Antidumping Outcomes Compared, 1980-89

Country or group	Antidumping as a percentage of total number	Restrictive outcomes as a percentage of total cases			Negotiated export restraints as percentage of restrictive outcomes		
		Antidumping	Countervailing	Both	Antidumping	Countervailing	Both
All countries	50	72	67	70	63	66	64
Developed countries	49	69	61	65	65	82	74
Developing countries	46	73	77	75	55	46	49
Korea	54	77	100	86	82	86	84
Eastern European countries	87	91	60	87	77	100	78

Source: Finger and Murray 1990

- Almost half the cases (348 of 774) have been superseded by negotiated export restraints. Thus virtually all of the import restrictions the United States has put in place are GATT-legal or better -- "or better" in the sense that the exporter preferred the negotiated restraint to the by-the-books action that was just around the administrative corner. Negotiated restraints have superseded nearly three-fourths of cases against Korea.
- Cases against developing countries more often come to restrictive outcomes than cases against developed countries -- three-fourths versus two-thirds. Against Korea, 31 of 36 cases (84 percent) ended with a restrictive

outcome. ("Restrictive" outcomes include cases that reached an affirmative final determination or that were superseded by a restrictive agreement with the exporter.) But negotiated export restraints were more often used against *developed* countries -- 74 percent of cases compared with 49 percent for developing countries. A country that possesses the countervailing power to retaliate is accorded the courtesy of a negotiated settlement. Others are restricted in the normal course os administrative procedures. Korea, in this regard, is treated as one of the powers -- 84 percent of restrictive outcomes against Korea were VERs.

- The US government almost always finds that the foreign exporter is unfair or is benefiting from the unfair actions of its government. Only 11 percent of dumping and subsidy determinations resulted in negative decisions.[9]
- When no action is taken against the foreign exporter, more than six times in seven it is because no competing US producer has been hurt.

Taking into account both the sequencing of the dumping and injury tests and the patterns of outcomes of each in the 1980's, a "typical" 100 antidumping or countervailing cases would end up with the following outcomes:

[9] No country-by-country tally is available for this summary statement, nor for the following one.

Outcome	Number
Negotiated export restraint	45
Antidumping or countervailing duty order	23
Case formally dismissed, because of	
Negative injury determination	27
Negative dumping or subsidy determination	5
Total	100

Cases against Korea

From 1980 through 1988, the US government processed twenty-two antidumping and fourteen countervailing duty cases against Korea. The largest part of these -- twenty two, in total -- involved Korean exports of steel and steel products. These were part of an avalanche of cases the US steel industry filed to force the US government to negotiate quantitative limits on all imports into the United States. Consumer electronics, particularly color television sets, are another part of Korean exports that have come under antidumping attack.[10] Korea has not however negotiated a quantitative restraint on television sets: they remain under antidumping order. Comparing the way Korean producers have adjusted in the steel case, where quantitative limits have been put in place, with the way producers of television sets have adjusted provides an important insight into contemporary trade policy. The two outcomes are compared below.

[10] Bark (1991) reports that color television sets and other Korean consumer electronics have also been hit by antidumping actions in Australia, Canada, and the European Community.

Quotas on steel. For thirty years after World War II, world consumption of steel grew by 5 percent to 6 percent a year. But the oil crisis of late 1974 and the following world recession brought dramatic challenges to the steel industry -- consumption in 1975 was 10 percent less than in 1974 and growth of demand disappeared. It would tale 10 years, until 1984, for world demand to make up the 10 percent drop recorded on 1975, and growth after that would be much slower than before 1975. Besides the change of demand and the resulting overcapacity of the world industry, significant changes of competitive structure had also occurred. These changes allowed Japan and eventually Korea to enjoy a cost advantage in producing standardized products over traditional producers in Europe and North America. In response to this challenge, both the United States and the European Community established comprehensive systems of quantitative restrictions on imports.

David Tarr has published an analysis of the effects of these US and EC restrictions on exporting countries, particularly Korea. He found, first of all, that though the cutback of export sales caused the price of steel to fall in Korea, the comprehensive systems of controls in place in the US and in the EC actually allowed Korean export prices to rise. Korea's output of steel was reduced, and because Korea has comparative advantage in world trade in steel, this meant that there were efficiency losses to the world economy and specifically to Korea. But Tarr estimates that the "rent" Korean exporters collected by way of the higher-than-competitive prices in the US and EC markets are several times larger than the efficiency losses, leaving the Korean economy more than 32 million dollars a year better off than it would be if US and EC steel imports were not controlled.

Antidumping orders against color television sets.[11] The Korean electronics industry began as a modern industry in 1958, when it first produced radios on an assembly line. By 1988, total production was $24 billion. Of this output, $15 billion, almost two-thirds, was exported.

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[11] This subsection draws from Bark (1991).

The Korean industry includes more that 150 small firms but is dominated by three large ones: Gold Star, Samsung and Daewoo. Through the 1980's the big three accounted for virtually 100 percent of Korean production of all major consumer electronics products, including color television sets.

While Korean production of color television sets is concentrated, the international market is very competitive. Yoon-Wook Jun (1988) lists twenty producers that sell color TVs in the US market under the manufacturers's names. In addition, a number of major retailers like Sears, K-Mart and J.C. Penny sell color TVs under their own brand names. The intensity of competition is illustrated by changes in relative prices. Over the twenty years from 1967 to 1986, the US consumer price index more than tripled. But prices of TVs and tape recorders actually fell, *in nominal terms*, while prices of radios and sound equipment went up by less than 10 percent.

The Korean government has supported development of the industry in several ways, including tax breaks and loans at below market rates of interest. But the major form of government support of consumer electronics producers has been through import restrictions -- during the formative years of the Korean companies, imports of competing products were banned -- and the consequent opportunity to charge monopoly prices at home. In 1958, when other controls were still in effect, the tariff rate on consumer electronics was 40 percent. That import protection allowed Korean companies to collect a 40 percent premium on their domestic sales over the competitive price they had to charge in export markets where they had no monopoly power. That premium collected on the one-third of output sold domestically, amounted to a 20 percent bonus on the two-thirds of production that was exported.[12]

During the 1980's, Korea supplied less than 2 percent of world exports but was the respondent in 6 percent of the world's antidumping cases. (These

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[12] There have been no countervailing duty cases against Korean consumer electronics, however evidence from countervailing duty cases against other Korean products that have benefitted from programs similar to those available to consumer electronics producers indicates that the value of direct bonuses plus tax benefits and other programs that might be construed as subsidies ranged from 1 to 3 percent.

figures relate to antidumping cases in and exports to *all countries*. Annex table 1 shows that the ratios of exports to and AD plus CVD cases *in the United States* were roughly proportional.) What is the rational response to antidumping actions by companies in the position of the Korean consumer electronics producers? They have considerable control over their prices in Korea and thus could make adjustments there. But in export markets, they are entirely at the mercy of market forces. To raise export prices by the amount necessary to avoid antidumping duties would be to price themselves out of these markets. Thus reducing prices in Korea -- which provides, after all, only one-third of their sales -- would seem the better business alternative.

Political reactions in Korea also made the lowering of internal prices the better political option. The antidumping cases emphasized to Korean consumers and politicians that Koreans were being asked to pay considerably higher prices than foreigners for Korean products. This pricing soon became a hot political issue, leading eventually to congressional hearings at which industry officials were pressed to explain their high domestic prices.

The evidence supports the contention that the major adjustment Korean producers would make would be to the prices they charged in Korea. Take color TVs. Bark (1991) shows that before the US antidumping cases, export prices (approximated by unit values) had been declining sharply, by 15 percent from 1980 to 1983. The antidumping order did not change this downward trend,: export prices fell another 5 percent form 1983 to 1984 and 10 percent more by 1988. As for prices in Korea, before the US antidumping case their trend was level -- the same in 1983 as they had been in 1980. But when the Korean companies began to adjust to reduce the bite of the antidumping orders, Korean prices began to fall. By 1985, they were 20 percent below the 1983 level and by 1988, 30 percent below.

V. CONCLUSIONS

David Tarr's study shows that restrictions on Korea's exports of steel had a positive impact on Korean economic welfare. We have no similar calculation for the impact of antidumping actions against Korean exports of TVs, but Bark's evidence does show that Korean consumers benefitted from considerably lower prices, while importing country consumers seemed not to have been burdened by higher prices. The main effect, it seems, is that the antidumping orders provided a disincentive for Korean producers to exploit the monopoly power they hold over the Korean market. Judged on a global basis, the effects of antidumping actions against Korean exports of color TVs seems to have been welfare-enhancing.

While the Korean economic interests were advanced by restrictions on Korea's and other countries' exports of steel to the US and the EC, the outcome, judged on a global basis, was probably negative. Rent transfers *to* Korean and other exporters are, on a global basis, transfers *from* US and EC users, and hence net to zero. That leaves only the efficiency effects, which Tarr estimates to sum to a global loss of about $36 million a year -- based on prices and the size of the industry in 1984.

The major differences between the two cases are (1) the restrictions on steel imports were against all producers, not just Korea, and (2) importing countries did not offer a price supporting quantitative restraint as an alternative to their antidumping orders.

As to "301," I have focused on its **results** rather than on its **process**. Anyone who wishes to may reject "301" as an unacceptable process -- and I do not quarrel that it is gunboat diplomacy -- but he or she should be aware of the results that would thus be given up. Though I have not argue the point here, access to the US market has been one the major avenues to development in the post W II era. Except for the matter of multilateral consent -- and again, I do not question that this matter is an important one -- "301" uses access to this asset in the way World Bank or International Monetary Fund

policy-based lending uses access to the capital these institutions can provide.

As to the changed nature of US trade policy, my contention at the beginning of the essay was that it is now particularized policy -- the importance of trade remedies and "301" in U.S. policy means that it is no longer MFN, but tailored to the politics and the economics of each bilateral relationship. Indeed, it is possible to say that US trade policy is *domestic* policy first and trade policy only secondarily. Its primary concern is to take care of the interests of individual domestic constituents, what happens to foreigners is, within the bounds of what *determines* what policy will be, hardly more than fallout.

Of course, the "data" I have presented are "reduced form" data and the hypothesis I advanced is about the structure of the system that generates US trade policy actions. Thus some readers may not be convinced by my argument. In that case, I must fall back on the hope that these data -- as they describe the pattern of recent US policy actions -- are of interest of themselves -- perhaps more so than my hypothesis.

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Appendix I

A LIST OF UNITED STATES "301" CASES AGAINST KOREA

(301-20)

Complaint

The American Home Assurance Company on Nov. 5, 1979, alleged that Korea was discriminating against the petitioner by failing to issue write insurance policies covering marine risks; not permitting the petitioner to participate in joint venture fire insurance, and failing to grant retrocession from the Korea Reinsurance Corp. to the petitioner on the same basis at to Korean insurance firms.

Disposition

USTR initiated an investigation on July 2, 1979; invited public comments on the petition and on proposals for retaliation. USTR held several rounds of consultations with the Government of Korea, resulting in a commitment from the Government of Korea to promote more open competition in the insurance market. Upon withdrawal of the petition, USTR terminated the investigation on Dec. 29, 1980.

(301-51)

Complaint

On Sept. 16, 1985, at the President's direction, USTR initiated an investigation into Korean practices that restrict the ability of US insurers to provide insurance services in the Korean market. This was one of the cases initiated by the President in response to pressure from Congress over the lack of success achieved in this matter and in other matters involving several countries.

Disposition

There were intense consultations with Korea from Nov. 1985 through July 1986. In July 1986 the United States and Korea announced an agreement whereby the Government of Korea agreed to:

10 license two US firms to underwrite compulsory fire insurance, effective July 31, 1986; 2) admit two US firms to the compulsory fire insurance pool effective the same date; license at one US firm to underwrite life insurance by the end of 1986; 3) license additional qualified US firms to underwrite both life and nonlife insurance [no specified deadline]; 5) reach specific understandings on certain technical and administrative matters including reinsurance by the end of 1986.

UNITED STATES "301" CASES AGAINST KOREA
(continued)

(301-37)

Complaint

Oct, 25, 1982, The Footwear Industries of America, Inc. et.al. filed a petition alleging that import restrictions on non-rubber footwear by Korea, the EC and 7 other countries divert exports to the US and deny US access, are inconsistent with the GATT, are unreasonable and/or discriminatory and a burden on US commerce.

Disposition

On Dec. 8, 1982, USTR opened investigations of the alleged restrictive practices -- other than allegations that GATT-bound tariffs are excessive and about trade diversion -- made against Korea, Brazil, Japan and Taiwan. The US and Korea consulted in Feb. and in Aug. 1983. USTR reported to the Senate on April 18, 1985, that Korea reduced tariffs on footwear item and removed all leather items form the import surveillance list.

(301-39)

Complaint

An association of US wire rope and specialty cable manufacturers filed a petition on March 16, 1983, alleging that production of Korean steel wire rope is subsidized, that Korean limits on imports from Japan diverts Japanese exports to the US, and that Korean producers infringe on US trademarks.

Disposition

USTR initiated an investigation on May 2, 1983, with respect to claims of production subsidies, held a domestic hearing and requested consultations under the subsidies code. The petition was withdrawn in Nov. 1983. In 1994 the US government put in place a comprehensive system of (negotiated) quotas on steel imports.

UNITED STATES "301" CASES AGAINST KOREA
(continued)

(301-52)

Complaint

At the President's direction, on Nov. 4, 1985, USTR, initiated an investigation of Korea's lack of protection of US intellectual property rights.

Disposition

The US consulted with Korea from November 1985 through July 1986. On July 21, 1986, the White House announced agreement with Korea.

On Copyrights, the Government of Korea agreed 1) to present to the National Assembly for enactment by mid-1987, comprehensive copyright bills including coverage of traditional literary works, sound recordings and computer software; 2) to accede during 1987 to the Universal Copyright Convention and the Geneva Phonographs Convention.

On patents, the Government of Korea agreed 1) to submit for enactment by mid-1987 a comprehensive bill to amend Korean patent law to include patent protection for chemicals and pharmaceutical products and new uses thereof, provide patent protection for new microorganisms; 2) accede to the Budapest treaty in 1987.

On trademarks, Korea eliminated 1) its requirement for technology inducement (trademarks already subject to technology inducement agreements will continue beyond the life of that agreement); 2) its requirement that trademarks be licensed only for a joint ventures or if there were an accompanying materials supply agreement; 3) export requirements on goods covered by trademark licenses; 4) restrictions on royalty terms in licenses. Several other matters related to trademarks were also agreed.

The Government of Korea also agreed to give high priority to enforcement and to enact effective penalties for intellectual property rights violations.

The agreement is being monitored on the US side by an interagency task force.

UNITED STATES "301" CASES AGAINST KOREA
(continued)

(301-64)

Complaint

On Jan. 22, 1988, the US Cigarette Export Association filed a petition complaining that the policies and practices of the Korean Government Monopoly Corporation unreasonably denied access to the Korean cigarette market.

Disposition

After consultations, the Government of Korea agreed to open the Korean market for cigarettes on July 1, 1988, in several ways, including the following: 1) the tax on imported cigarettes will be cut by two-thirds (from approximately $1.50 to approximately $0.50); all foreign firms will be permitted to advertise in certain Korean magazines and to do specified types of sales promotion including the sponsoring of promotional events; 3) US firms will be allowed to import cigarettes and to sell them independently of the Korean Monopoly Corporation; 4) US cigarettes will be permitted to be sold in all retail outlets that carry Korean brands.

UNITED STATES "301" CASES AGAINST KOREA

(continued)

(301-65)

Complaint

On Feb. 16, 1988, the American Meat Institute files a petition alleging that the Government of Korea maintained a restrictive licensing system on imports of bovine meat, in violation of GATT Article XI. The petition alleged that since May 21, 1985, the approval of the Government of Korea had been required for each shipment of beef imported, and that all applications had been denied except for a single shipment of 49 tons imported for the annual meetings of the International Monetary Fund and the World Bank in Seoul.

Disposition

The US had already consulted with Korea under this matter under GATT dispute settlement procedures. On May, 4, 1988, The GATT Council established a panel on the matter, a parallel panel on a similar Korea - Australia dispute.

On May 27 the Korea - US panel issued a report favorable to the US, but Korea did not agree to Council adoption of the report. USTR, acting authority given by "301," announced on September 28 that if there were no substantial movement toward a resolution by mid-November, a proposed retaliation list would be published.

On Nov. 8, 1989, Korea allowed the GATT panel report to be adopted, consultations began to find an acceptable way to implement the panel's recommendations. In April 1990 letters were exchanged between the governments of Korea and the United States setting out an agreed mode of implementation of the GATT panel's recommendations. USTR is monitoring Korea's implementation.

UNITED STATES "301" CASES AGAINST KOREA
(continued)

(301-67)

Complaint

On April 27, 1988, the Wine Institute and the Association of American Vintners filed a petition complaining of policies and practices of the Korean Government that unreasonably deny access to the Korean wine market.

Disposition

After consultations, the Government of Korea agreed, in January 1989, to provide foreign manufacturers of wine and wine products non-discriminatory and equitable access to the Korean Market.

Sources:

US International Trade Commission (annual) various issues.

US Trade Representative (1991a, 1991b, 1991c)

Appendix Table 1

U.S. Antidumping and Countervailing Duty Cases, 1980-1988

By Country and Outcome

(number of cases)

Country	Restrictive			Not Restrictive	Total All Cases
	VER	Other	Total		
Developed Countries					
Australia	2	1	3	2	5
Austria	8	0	8	2	10
Canada	7	12	19	16	35
European Community	161	35	196	108	304
Belgium	17	3	20	7	27
Denmark	0	1	1	6	7
France	23	7	30	18	48
Germany	23	4	27	16	43
Greece	0	1	1	1	2
Ireland	0	1	1	5	6
Italy	17	9	26	21	47
Luxembourg	13	1	14	5	19
Netherlands	10	3	13	9	22
Portugal	2	2	4	0	4
Spain	32	1	33	8	41
United Kingdom	22	2	24	10	34
EC Policies	2	0	2	2	4
Finland	4	0	4	0	4
Japan	15	19	34	15	49
New Zealand	0	4	4	5	9
Norway	0	0	0	2	2
South Africa	18	2	20	0	20
Sweden	0	5	5	3	8
Switzerland	0	0	0	7	7
Eastern European Countries	26	7	33	5	38
Czechoslovakia	3	0	3	0	3
East Germany	4	2	6	2	8
Hungary	2	1	3	1	4
Poland	7	0	7	0	7
Romania	6	2	8	0	8
USSR	0	1	1	2	3
Yugoslavia	4	1	5	0	5

Appendix Table 1, continued

Country	Restrictive			Not Restrictive	Total All Cases
	VER	Other	Total		
Developing Countries					
Argentina	0	6	6	5	11
Brazil	38	6	44	12	56
Chile	0	3	3	0	3
China	3	10	13	3	16
Colombia	0	4	4	4	8
Costa Rica	0	3	3	0	3
Ecuador	0	2	2	0	2
El Salvador	0	0	0	2	2
Hong Kong	0	1	1	0	1
India	0	2	2	6	8
Indonesia	0	1	1	1	2
Iran	0	3	3	0	3
Israel	0	5	5	3	8
Kenya	0	1	1	0	1
Korea	26	5	31	5	36
Malaysia	0	1	1	1	2
Mexico	9	23	32	3	35
Pakistan	0	1	1	2	3
Panama	1	0	1	0	1
Peru	0	3	3	3	6
Philippines	0	3	3	2	5
Singapore	0	4	4	2	6
Sri Lanka	0	0	0	1	1
Taiwan	11	7	18	11	29
Thailand	0	5	5	2	7
Trinidad & Tobago	1	0	1	0	1
Turkey	0	5	5	2	7
Uruguay	0	1	1	0	1
Venezuela	18	2	20	1	21
Zimbabwe	0	1	1	0	1
Totals					
All Countries	348	193	541	233	774
Developed Countries	215	78	293	157	450
Developing Countries	107	108	215	71	286
Eastern European Countries	26	7	33	5	38

Source: J.M. Finger and Tracy Murray, pp. 51-53.

Appendix Table 2

United States "301" Cases, July 1975 - July 1991

By Country and Outcome

(number of cases)

Target Country	*Total*	*Negative*	*Target Country Liberalized*			*US Retaliation*	*Other Restrictive Outcome*	*Pending*
			Multilateral	*Bilateral*	*Total*			
Developed Countries								
Austria	1	0	0	0	0	1	0	0
Canada	7	1	0	2	2	1	2	1
European Community	29	6	9	3	12	6	1	4
Japan	12	0	8	3	11	0	1	0
Norway	1	0	0	1	1	0	0	0
Sweden	1	0	0	0	0	0	1	0
Switzerland[a/]	1	0	0	0	0	0	0	0
Developing Countries								
Argentina	5	0	3	0	3	1	0	1
Brazil	5	1	4	0	4	0	0	0
China, Peoples Republic	2	0	1	0	1	0	0	1
Guatemala	1	0	0	1	1	0	0	0
India	4	0	1	0	1	0	0	3
Korea	8	0	5	2	7	1	0	0
Taiwan	5	2	3	0	3	0	0	0
Thailand	3	0	1	0	1	0	0	2
Eastern Europe								
USSR	1	1	0	0	0	0	0	0
All Countries[a/]								
Number of cases	86	11	35	12	47	10	5	12
(% of total)	(100)	(13)	(41)	(14)	(55)	(12)	(6)	(14)
Developed Countries[a/]								
Number of cases	52	7	17	9	26	8	5	5
(% of total)	(100)	(13)	(33)	(17)	(50)	(15)	(10)	(10)
Developing Countries								
Number of cases	33	3	18	3	21	2	0	7
(% of total)	(100)	(9)	(55)	(9)	(64)	(6)	(0)	(21)
Developing excl. Korea								
Number of cases	25	3	13	1	14	1	0	6
(% of total)	(100)	(12)	(52)	(4)	(56)	(4)	(0)	(24)
Korea								
Number of cases	8	0	5	2	7	1	0	0
(% of total)	(100)	(0)	(63)	(25)	(88)	(13)	(0)	(0)

Source: Tabulated from Office of the United States Trade Representative, "Section 301 Tables of Cases," Washington, D.C., USTR, August 15, 1991, photocopied.

Note: a/ In 1979 a US firm complained about the Swiss customs service's testing of the gold content of eyeglass frames. USTR's investigation revealed that US standards for testing and making gold content were different from those used by many other countries. The US industry agreed to shift to the more common standards and markings which the Swiss customs service would accept without further testing. This action is classified as "liberalization by the US," and does not fit into any of the categories listed in this table.

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