concept is vital in the chemical industry because so many products are tied together as co-products and by-products.

5. Experience has also shown that in a large, diversified country like the United States, regional considerations may be important. A major segment of a market may be demoralized by dumping in regional areas without completely disrupting the rest of the market. Accordingly, the definition of "industry" should include a provision for regional injury.

6. Special consideration should be given to the co-producer transactions. In many instances, co-producer sales will be made at a special price. Since the co-producer buyer is not interested in destroying his own price structure, and in any case he himself makes the market, such a sale, even though technically dumping, will not tend to injure the market of the country of destination.

PROCEDURES

It is well recognized that the rules of procedure and the way in which they are applied can greatly influence the effectiveness of an antidumping law. Recognizing that this is a highly technical field and not wishing to recommend specifics, we nevertheless urge that any common procedures incorporate these principles:

(1) a chance for interested parties to be heard;

(2) prompt disposition of the case;

(3) safeguards for confidentiality of data; and

(4) a requirement that complainant and defendant supply necessary data promptly. (Failure of the former to comply within a specified time would dismiss the case, and of the latter would automatically constitute a finding of dumping.)

In the matter of procedures, it is important that the findings be prompt and not delayed, and that they be as specific as possible with a minimum of judgmental leeway. Only if both the regulations and procedures are specific and clear can either the exporter or domestic industry judge what is dumping and what is not.

APPENDIX

The accounting procedure for calculating and reporting profits conceals more than it reveals about the nature and source of profits. In a free-market society, "hoped-for" profits are the incentive for constructive change and "realized" profits are the reward for useful innovation.

In reality, business profit as normally reported consists of three separate items and each is a payment or a wage, if you will, for a certain service. These three items are:

(1) Interest on capital

(2) Risk insurance

(3) Wages for entrepreneurship or innovation.

As normally reported, the profit figure includes the equivalent of interest on the invested capital. In stock companies this is actually paid as "dividends," but it is really payment for the use of the capital. Since there are risks in doing business, the investment may be lost if the business should fail. Accordingly, investors require somewhat larger returns than they could get in the form of interest—let's say from Government bonds. The profit figure also includes, then, an insurance cost to cover this risk factor.

These first two are easily understood. The third—wages for entrepreneurship—is a little more involved but is of special importance because it is the catalyst that stimulates economic growth and so it merits careful analysis. To fully understand its meaning and role, we shall need to review some fundamentals.

Man is, by nature, purposeful and directs his energy toward satisfying his needs and wants. In addition to the physiological needs to sustain life, man is constantly building for himself mental images of things that he would like to have. These ideas become goals or objectives that he tries to satisfy. Since man's ability to conceive new desires is limitless, and since available resources are limited, he must economize his time and effort if he is to enlarge his satisfactions. Entrepreneurship is the economizing function. The entrepreneur performs this function by thinking up ways to increase efficiency.