

**UNITED STATES TARIFF COMMISSION**

**STAINLESS-STEEL TABLE FLATWARE**

**Report to the President on  
Investigation No. TEA-IA- 5 Under  
Section 351(d)(2) of the  
Trade Expansion Act of 1962**



**TC Publication 152**

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April 1965**

**UNITED STATES TARIFF COMMISSION**

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

REPORT TO THE PRESIDENT

U.S. Tariff Commission,  
April 14, 1965.

To the President:

This report is made pursuant to section 351(d)(2) of the Trade Expansion Act of 1962 (76 Stat. 900), 1/ which provides that--

Upon request of the President or upon its own motion, the Tariff Commission shall advise the President of its judgment as to the probable economic effect on the industry concerned of the reduction or termination of the increase in, or imposition of, any duty or other import restrictions pursuant to this section or section 7 of the Trade Agreements Extension Act of 1951.

Introduction

Following an escape-clause investigation by the Tariff Commission and report to the President under section 7 of the Trade Agreements Extension Act of 1951, 2/ the President, by proclamation dated October 20, 1959, 3/ increased the duties applicable to stainless-steel table flatware wholly of metal and in chief value of stainless steel not over 10.2 inches in overall length and valued under \$3 per dozen pieces, when imported in excess of the specified quota (69 million single units in any 12-month period beginning November 1).

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1/ This report is also submitted as the Commission's annual report on stainless-steel table flatware for the purpose of sec. 351(d)(1) of the act.

2/ U.S. Tariff Commission, Stainless-Steel Table Flatware: Report to the President on Escape-Clause Investigation No. 61 . . . , 1958 (processed); and Stainless-Steel Table Flatware: Supplemental Report to the President on Escape-Clause Investigation No. 61 . . . , 1959 (processed).

3/ Proclamation No. 3323; 3 CFR, 1959 Supp., p. 68.



Since November 1, 1959, when the Presidential proclamation became effective, the Commission has made three annual reports to the President relating to developments in the trade of stainless-steel table flatware. The first report was submitted to the President on November 1, 1961, in accordance with provisions of paragraph 1 of Executive Order 10401 of October 14, 1952. <sup>1/</sup> The second annual report was submitted on November 1, 1962, in accordance with provisions in Executive Order 10401 and under section 351(d)(1) of the Trade Expansion Act of 1962. <sup>2/</sup> The third annual report was submitted on November 1, 1963, in accordance with section 351(d)(1) of the Trade Expansion Act of 1962. <sup>3/</sup>

The investigation to which this report relates was instituted by the Tariff Commission on June 24, 1964, in response to the President's request of June 23, 1964. A public hearing in connection with the investigation was held on September 22 and 23, 1964, at which all interested parties were given opportunity to be present, to produce evidence, and to be heard.

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<sup>1/</sup> 3 CFR, 1949-53 Comp., p. 901.

<sup>2/</sup> 76 Stat. 900. The Trade Expansion Act was approved Oct. 11, 1962; Executive Order 10401 was revoked Jan. 15, 1963.

<sup>3/</sup> The three annual reports referred to were Stainless-Steel Table Flatware: Report to the President (1961) Under Executive Order 10401 (processed); Stainless-Steel Table Flatware: Report to the President (1962) Under Executive Order 10401 and Section 351(d)(1) of the Trade Expansion Act of 1962 (processed); and Stainless-Steel Table Flatware: Report to the President (No. TEA-IR-1-63) Under Section 351(d)(1) of the Trade Expansion Act of 1962 (processed).

Probable Economic Effect of the Reduction or Termination  
of the Increase in Import Restrictions 1/

The import restrictions on stainless-steel table flatware, which were imposed by the President following a unanimous finding of injury by the Tariff Commission, consist of annual tariff quotas. Imports within the quota are subject to the trade-agreement (concession) rates of duty; imports above the quota are not limited quantitatively but are subject to substantially increased duties (even higher than the statutory rates).

Effects of the restrictions

The fact that the import restrictions were imposed by a tariff quota system rather than by merely increasing the duty rates is of prime importance in predicting the probable economic effects on the industry of a modification in the restrictions. The effects of such a system on an industry are different from those produced by changes in duty rates, and are more readily observable. For one thing, a tariff quota system imposes predictable ceilings on the quantities of imports--a key competitive element. Legally the quota on stainless-steel table flatware is not absolute. But it is fixed, not flexible. And, given the substantially higher duties on above-quota imports and a growing market, the tariff quota worked substantially like an absolute quota and was consistently filled.

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1/ The views expressed in this section are those of Commissioners Fenn, Sutton, and Culliton. The views of Commissioners Dorfman and Talbot are set forth beginning on page 12.

Certainly, not all the changes in the industry were caused either directly or indirectly by the tariff quota system nor is there any chance that the industry would revert exactly to its previous condition if the restrictions were modified. Yet a review of the major impact of the restrictions is helpful as a starting point in appraising the probable economic effect of a modification on the industry which has been working under their influence for a little more than 5 years.

In general, the increased restrictions have operated to reduce the quantity of imports markedly; increase the average quality and average unit value of U.S. imports; encourage capital investment and business commitments by domestic producers; enhance the opportunities for domestic producers to develop the market for large-volume, low-priced ware; further the concentration of the import business in the hands of a comparatively small number of specialized firms; stabilize conditions for the principal importers; and improve market prospects for domestic producers.

Finally, the restrictions stimulated some increase in imports not subject to quotas, such as chrome-plated flatware and articles with handles wholly or chiefly of plastic, encouraged the development of various techniques for avoiding the quotas, and concentrated imports in the early months of the quota year.

#### Recent developments in the industry

Demand for stainless-steel flatware has increased significantly in the United States. The price and durability of the product have stimulated

a marked trend away from silver flatware--especially from silver-plated flatware. By 1964, total consumption was an estimated 33 million dozen, representing an increase of about 50 percent over that in 1958, the last full year before the tariff quota system came into effect.

Production has continued to be highly concentrated. \* \* \*

The domestic industry has improved its competitive position vis-a-vis imports in the years since the quota was imposed. With consumption rising and imports approximately stabilized, domestic production and sales have increased substantially. Changes in the prices received by domestic producers have closely paralleled the fluctuations in the wholesale-price index for all commodities, which rose markedly in the 1956-60 period and held stable thereafter. All domestic establishments are now reported to be in full operation for at least one shift a day, and several operate on a two- or three-shift basis.

Employment and wages have also increased. The average number of production and related workers engaged in producing stainless-steel table flatware rose from 2,416 in 1959 to 2,510 in 1960, and to 2,838 in 1963. <sup>1/</sup> Average hourly wages have risen steadily, from \$2.16 in 1959 to \$2.39 in 1963.

Although the reporting establishments incurred losses, in the aggregate, on their stainless-steel flatware operations in 1953-55 and 1957-58, they made profits on this product in 1956 and in each of the years from 1959 through 1963; in the latter year their aggregate profits amounted

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<sup>1/</sup> At the time of this report, only partial 1964 data were available.

to 4.6 percent of the value of their sales of the flatware. However, each year some establishments incurred losses on their stainless-steel flatware operations.

\* \* \* \* \*

Since the quota system was adopted, U.S. producers have invested a total of \$12 million in equipment primarily designed to reduce production costs. The results of this program have not yet been fully realized. Increasingly, however, the substantial investment should result in materially reducing costs and further improving the competitive position of the major U.S. producers vis-a-vis importers, assuming that the volume is adequate to assure economic use of the facilities.

The production of stainless flatware is characterized by important technological advances that tend to be most advantageous for the larger operations and for those producers that have developed specialized methods of manufacturing stainless-steel flatware as a distinct product, different in important respects from other kinds of flatware. Profitability of stainless-steel flatware operations, however, has not been related exclusively to the size of the operations. Some of the smaller establishments have maintained operations that are reasonably profitable by exercising ingenuity in particular processes, by specializing in a particular type of flatware, and by more aggressive merchandising.

Since 1958, three major producers have increased their share of total U.S. production at the expense of other domestic concerns. \* \* \*

The domestic industry generally has established itself in the dining-table stainless-steel market. It has conducted extensive advertising campaigns, designed new patterns, and started to use traditional brand

names, once reserved for sterling silver and silver plate, for its stainless-steel flatware.

At the same time there have been two important changes in the nature of the foreign competition. The Japanese producers, formerly dependent largely on sales in the United States, have now developed numerous additional markets. The price differential between the Japanese and the domestic articles has narrowed since the late 1950's owing to rising costs in Japan.

#### Probable effect of quota termination

If the existing tariff quota system were terminated, imports would probably increase fairly rapidly from the present 20 to 25 percent of U.S. consumption (in terms of quantity) to about 30 to 40 percent of consumption. There may well be an immediate surge of imports, followed by some leveling out. 1/ The adverse impact of the increased imports would be at least partly offset by the overall increase in consumption 2/ and the fact that the proportion of the market supplied by imports would be significantly smaller in terms of value than of quantity. 3/

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1/ The increase in imports would be somewhat retarded, at least initially, in the event that Japan should continue voluntary quantitative controls on its exports. If such controls were continued, however, it is likely that the annual export quotas would be progressively enlarged.

2/ On the basis of calculations submitted by domestic producers and other data obtained by the Commission, it appears that consumption will rise at an average annual rate of about 2 million dozen pieces as incomes rise, the rate of household formation increases, and stainless flatware continues to replace the more traditional types. It is too early to tell whether the 1964 figures, which showed a startling and unforeseen increase over 1963, indicate a trend. However, to the extent that conclusions can be drawn from this upsurge of demand, they tend to bear out and strengthen the promising estimates of a year ago.

3/ Assuming that there is no sudden increase in the capacity of other areas, such as Hong Kong, to produce acceptable tableware.

Several factors would operate to discourage an unlimited expansion of imports, including the following: (1) The heavy investments in improved equipment made by several domestic producers, which is serving to reduce their costs, (2) the development of alternative markets by the Japanese producers of flatware, (3) the rising costs in Japan, which are tending to narrow and stabilize the price differential between the domestic and the imported product, and (4) the strengthened position in the market achieved by the domestic producers.

The bulk of the increased imports would no doubt come from the Far East. Japan would continue to be the principal supplier, with increasing quantities from Hong Kong and other Far Eastern sources. European sources would contribute a minor share. Although most of the imports from Europe since the establishment of the tariff quota system have consisted of nonquota articles, total imports have been restricted because some of the sets made in Europe include spoons and forks valued at less than \$3 per dozen, which are therefore classifiable as quota merchandise. Removal of the quota would operate to stimulate imports of such sets, as well as to discourage imports of certain other types of flatware (principally from Asia), such as chrome-plated flatware and flatware with handles wholly or chiefly of plastic.

If the quota were removed, the few large importing concerns which have established themselves in the last several years would be likely to retain a dominant position and to be the principal competitors of the most efficient U.S. producers of flatware. New importers, however, would

undoubtedly enter the field with attendant increased competition and price fluctuations. The "orderly" market which has characterized the quota years would, in all likelihood, become more volatile.

The termination of the tariff quota system would tend to sharpen competition generally and to stimulate even greater use of labor-saving methods than has already been achieved.

Under the added pressure of increased imports the trend toward concentration in the domestic industry would doubtless continue, and some smaller producers, as well as others that have operated consistently at a loss, might be eliminated.

The bulk of the imports in recent years, having entered within the quota, have been subject to the concession rates of duty. If the quota were terminated, these rates would apply to all imports, regardless of quantity; the resultant increase in imports would tend to depress prices somewhat or at least to discourage upward price revisions. Maintenance of attractive prices, however, would stimulate the overall demand for stainless-steel flatware.

As imports increased, they would be likely to supply a larger portion of the low-end market--the premium, supermarket, promotion, house-to-house, and chainstore fields--which now accounts for about 60 percent of the quantity (but less than 30 percent of the value) of U.S. production. Without the quota system, the current pressure for higher value imports would be greatly diminished; furthermore, customers could place more reliance on both the timing and the adequacy of the supply.



On the other hand, the U.S. producers may be expected to enlarge their share of the market in the department-store, mail-order, and commercial users fields. Department stores are important outlets for dining-room-quality flatware, whether stainless-steel, silver-plated, or sterling silver. \* \* \*

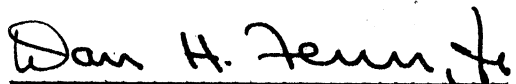
In short, restoration of the trade-agreement concessions on stainless-steel table flatware would result in a considerable increase in imports, particularly of the low-priced ware; a downward pressure on prices in all lines; an increase in the number of importers and more volatile price competition; and greater concentration of production in the hands of the more efficient domestic producers. Such producers are now better able to compete with imports than when the escape action was taken and are not so likely to be seriously hurt by removal of the quota, especially in view of the rising demand for stainless-steel flatware. Although the industry as a whole would have the opportunity to grow at a moderate rate and realize a reasonable level of profit, we cannot overlook the fact that a few producers might be forced to discontinue or curtail their production.

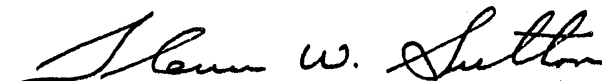
The above judgments refer to the probable economic effects of a complete restoration of the concession. Any increases in the size of the quota, especially by moderate amounts and according to announced schedule, would have effects generally similar to those described above but proportionately less. The predictability aspects of quotas--other than those which are so large as to be meaningless--provides an element of

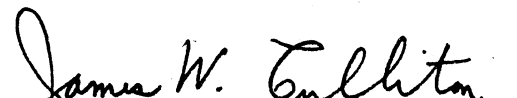
certainty which enables businessmen to feel more secure in their commitments.

On the other hand, if the quota system were abandoned and some duties other than the concession rates were applied, the probable results would depend upon the level of the rates and the industry's interpretation of the size and character of the market which they thought would be available to them.

Respectfully submitted.

  
Dan H. Fenn, Jr. Vice Chairman

  
Glenn W. Sutton, Commissioner

  
James W. Culliton, Commissioner

## Statement of Commissioners Dorfman and Talbot

Although we are in agreement with the other Commissioners on many phases of the subject, we are in disagreement on a sufficiently broad range of topics--including the pertinence, significance, and cogency of some of their observations--to warrant setting forth our views in a separate full statement, which appears below. The points on which we differ range from minor to major. Directing attention to each of them, however, would neither clarify the reader's understanding of our position nor lighten his overall reading burden.

The import restrictions here under consideration came into effect on November 1, 1959, pursuant to escape-clause action. The restrictions are of a dual character: (1) they impose a limit on the quantities of stainless-steel table flatware that may enter annually under the pre-existing trade-agreement rates of duty--which are considerably lower than the rates originally provided for in the Tariff Act of 1930, and (2) they impose duties on all overquota imports--on which there is no quantitative limitation--at rates that are much higher than those established in the 1930 act. Since the quota restrictions were imposed, the bulk of the imports have entered within the tariff quota.

Annual U.S. consumption of stainless-steel table flatware has risen rapidly in recent years, and the upward trend is likely to continue for at least several years. Consumption reached 28 million dozen pieces in 1963 and rose to a record high of 33 million dozen pieces in 1964. By 1970, consumption may well be in excess of 40 million dozen pieces. The

rise in consumption is expected to result partly from the further replacement of silver-plated flatware by stainless-steel flatware but mostly from the growth in demand attributable to sharp increases in the number of household formations, and public and private eating establishments such as those in schools, factories and hospitals.

With consumption rising and imports approximately stabilized under the tariff quota since 1959, domestic production and sales have increased substantially. The trend of prices received by domestic producers of stainless-steel flatware has closely paralleled that of the wholesale price index for all commodities; prices rose markedly in the 1956-59 period but have been quite stable since then. All domestic establishments are now reported to be in full operation for at least one shift a day, and several operate on a two- or three-shift basis. Some of the small plants have problems of coordinating the output of the various machines used in the production lines. On the whole, however, there has been only negligible idling of production facilities.

Employment and wages have also increased. The average number of production and related workers engaged in producing stainless-steel table flatware rose from 2,416 in 1959 to 2,838 in 1963. Average hourly wages rose irregularly from \$2.16 in 1959 to \$2.39 in 1963; production per man-hour fluctuated within a narrow range around 3.7 dozen pieces in the period 1959-63; and the average labor cost per dozen rose from 59 cents in 1959 to 64 cents in 1963.

Although the reporting establishments in the aggregate incurred losses on their stainless-steel flatware operations in 1953-55 and 1957-58, they made profits on those operations in 1956 and in each of the years from 1959 through 1963. In the latter year their aggregate profits amounted to 4.6 percent of the value of their sales of stainless-steel flatware.

U.S. producers have invested a total of at least \$12 million in equipment in the last 5 years, largely for the purpose of reducing production costs. The results of this program have not yet been fully realized. Increasingly, however, the substantial investment should result in materially reducing costs and further improving the competitive position of the major U.S. producers vis-a-vis importers.

\* \* \* \* \*

If the existing tariff quota system were terminated and the rates of duty that are now applied to imports within the quota were applied to all imports of stainless-steel table flatware, the imports would probably increase within a few years from the present 20 to 25 percent of U.S. consumption (in terms of quantity) to 30 to 40 percent of consumption. The impact of the increased imports would probably be at least partly offset by the increase in overall consumption, and the proportion of the market supplied by imports would be significantly smaller in terms of value than in terms of quantity. Factors that would operate to limit expansion of imports include the following: (1) Several domestic producers have strengthened their competitive position by heavy investment in improved equipment, (2) Japanese producers of flatware, who formerly

depended largely on sales in the U.S. market, now have numerous additional markets, and (3) the price differential between the Japanese and the domestic article, which has narrowed since 1957, is unlikely to widen appreciably, in view of rising costs in Japan. (The effect of that price differential has been at least partly offset by the prestige-promoting sales practices of U.S. producers.)

Most of the increased imports that would result from termination of the quota system would be likely to come from the Far East, mainly from Japan but also from Hong Kong, the Nansai and Nanpo Islands, Taiwan, and Korea; European sources would also contribute a minor share. Although most of the imports from Europe since the establishment of the tariff quota system have consisted of nonquota articles, total imports have been restricted because some of the sets made in Europe include spoons and forks valued at less than \$3 per dozen, which are therefore classifiable as quota merchandise. Removal of the quota would operate to stimulate imports of such sets, as well as to discourage imports of certain other types of flatware (principally from Asia), such as chrome-plated flatware and flatware with handles wholly or chiefly of plastics.

Under the U.S. tariff quota system imports of flatware have tended to be concentrated in the hands of a few large importing concerns. Only such concerns have had sufficient funds to finance imports under the the quota system and remain steady suppliers of imported flatware. If the quota were removed, the same concerns, with established sources of supply and channels of distribution, would be likely to retain a

dominant position and to be the principal competitors of the most efficient U.S. producers of flatware.

Termination of the tariff quota system would tend to sharpen competition generally and to stimulate still greater use of labor-saving methods. The production of stainless flatware is characterized by important technological advances that tend to be most advantageous for the larger operations and for those producers that have developed specialized methods of manufacturing stainless-steel flatware as a distinct product, different in important respects from other kinds of flatware. Profitability of stainless-steel flatware operations, however, has not varied solely with the size of the operation. Some of the smaller establishments have maintained operations that are reasonably profitable by exercising ingenuity in particular processes, by specializing in a particular type of flatware, and by aggressive merchandising..

Since 1958, three major producers have increased their share of U.S. sales of stainless-steel flatware at the expense of other domestic concerns. \* \* \* Under the pressure of increased imports the trend toward concentration would doubtless continue, and some smaller producers, as well as others that have operated consistently at a loss, might be obliged to discontinue producing stainless-steel flatware.


The bulk of the imports in recent years have entered at the within-quota rates of duty. If the quota were terminated these rates would continue applicable to all imports regardless of quantity. The resultant increase in imports would tend to depress prices somewhat or at least to check upward price revisions. Maintenance of moderate prices, however,

would stimulate the overall demand for stainless-steel flatware. As imports increased, they would be likely to supply a larger portion of the low-end market, which now takes an estimated 60 percent of the quantity and 30 percent of the value of U.S. production. This market is the premium, supermarket, promotional, house-to-house, and chainstore fields, where price is a compelling if not controlling consideration.

With an increase in the aforementioned categories of imports, the U.S. producers might be expected to supply a larger share of the market in the department-store, mail-order, and commercial-users fields. Department stores have traditionally been the principal sellers of better quality stainless-steel and silver-plated flatware. \* \* \*

The import restrictions imposed by the President in 1959 could be reduced in greater or lesser degree by various means, rather than entirely eliminated. The economic effect of any partial relaxation of the increased import restrictions would be similar to the effect of complete elimination of the tariff quota system, but less pronounced.

Respectfully submitted.

  
Ben Dorfman, Chairman

  
Joseph E. Talbot, Commissioner



## Information Obtained in the Investigation

U.S. tariff treatment

The tariff description and rates of duty currently applicable to stainless-steel table flatware under the Tariff Schedules of the United States (TSUS) are shown in table 1. <sup>1/</sup> The rates applicable to such ware, including the type subject to the quota established by Presidential Proclamation No. 3323, are set forth in TSUS items 650.09, 650.11, 650.39, 650.41, 650.55, and 651.75. The rates established by the proclamation are set forth in items 927.50 to 927.54 of the TSUS appendix, where the quota-type flatware is described as "knives, forks, and spoons, all the foregoing valued under 25 cents each, not over 10.2 inches in over-all length, and with stainless steel handles." The increased rates of duty applicable to imports of this flatware in excess of 69 million single units (5.75 million dozen pieces) in any 12-month period beginning November 1 are set forth in TSUS items 927.53 and 927.54.

For imports of stainless-steel flatware within the quota, Proclamation No. 3323 continued the rates of duty that had resulted from reductions granted by the United States in a series of trade agreements. For imports of quota-type flatware in excess of the quota, however, it imposed rates that were higher than the original rates in the Tariff Act of 1930. The proclaimed increased rates applicable to stainless-steel table flatware imported in excess of the quota apply to imports

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<sup>1/</sup> The TSUS became effective on Aug. 31, 1963.

from all countries, 1/ whether or not such countries have been designated by the President as being under Communist domination or control.

The tariff quota on stainless-steel table flatware will terminate at the close of October 11, 1967, pursuant to section 351(c)(1)(B) of the Trade Expansion Act of 1962, unless extended under section 351(c)(2).

The average ad valorem equivalents of the TSUS rates of duty, based on imports from all sources in the 12-month period ending August 31, 1964, are shown in table 3 for both quota and nonquota types of flatware which were not imported in sets. 2/ The one ad valorem duty and the average ad valorem equivalents of the two compound duties, collected on quota-type flatware (except sets) imported within the quota ranged from 17 to 25 percent. The duties collected on such flatware imported in excess of the quota (which accounted for 9 percent of the total quantity of imports of quota-type flatware) were 60 percent ad valorem and a compound rate which was equivalent to an average of 87 and 94 percent on the two categories of imports. With respect to nonquota types of flatware (except sets) the average ad valorem equivalents ranged from 16 to 20 percent.

The former tariff description of stainless-steel table flatware and the rates of duty applicable thereto under the Tariff Act of 1930, as modified in trade agreements and later by the President's proclamation

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1/ Imports from the Philippines receive preferential treatment. Currently the rate on such imports is 40 percent of the lowest trade-agreement rates; commencing Jan. 1, 1968, they will be dutiable at 60 percent of such rates.

2/ The value of quota-type flatware imported in sets is not reported in official statistics, and neither the quantity nor the value of non-quota-type flatware imported in sets is reported separately.

of October 20, 1959, are shown in table 2. The rates of duty applicable to stainless-steel flatware under the TSUS are essentially equivalent to those applicable before the TSUS became effective; however, the TSUS introduced certain modifications in accordance with the procedures prescribed in title I of the Customs Simplification Act of 1954. The principal changes in customs treatment so introduced were as follows:

(1) The tariff quota established by the escape-clause proclamation for stainless-steel table flatware, formerly limited to flatware wholly of metal and in chief value of stainless steel, was broadened in the TSUS to cover knives, forks, and spoons with stainless-steel handles. Consequently, certain flatware having combination stainless-steel and plastic handles is now subject to the tariff quota if the essential character of the handles is that of stainless steel.

(2) The tariff quota was formerly limited to "table" knives, forks, and spoons, whereas in the TSUS the quota provision is not limited to "table" knives and covers "kitchen" forks and spoons in addition to "table" forks and spoons. 1/

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1/ H.R. 12253, A bill to correct certain errors in the Tariff Schedules of the United States, as passed by the House and Senate contained a new provision (proposed item 651.15) for certain camping and picnic sets to be dutiable at 25 percent ad valorem (60 percent ad valorem if the products of Communist-dominated or controlled countries or areas). Enactment of this provision into law would make such camping and picnic sets nonquota merchandise. The Ways and Means Committee in its report (88th Cong., 2d sess., H. Rep. 1728, p. 28) stated that "these sets were not intended to be included in the escape-clause action affecting stainless steel table flatware." This provision was one of several requested by the American Council of Flatware Importers, the general tenor of which was to restore the former language of the tariff and escape-clause proclamation relating to stainless-steel table flatware. H.R. 12253 was not enacted into law for reasons unrelated to the provision for camping and picnic sets.

(3) Sets of two or more articles containing one or more articles of flatware are provided for in item 651.75 and they are dutiable at the rate applicable to that article in the set subject to the highest rate of duty. <sup>1/</sup> Prior to August 31, 1963, the effective date of the TSUS, there was no similar provision for sets of knives, forks, and spoons, and the duty on sets was the sum of the duties on the individual articles. Importers contend that the "set" provision disrupts their former practice of importing flatware in sets; to avoid paying the higher rate of duty, they must now import knives, forks, and spoons separately and repackage them in sets after importation.

In some sets of knives, forks, and spoons the knives are valued at \$3 or more per dozen while the other pieces are valued at less than \$3 per dozen. All the articles in the sets are dutiable at the rate applicable to the article in the sets having the highest rate of duty. If some of the articles in the set, valued at less than \$3 per dozen, are quota-type articles imported in excess of the quota, the highest rate will be that which is applicable to such articles.

(4) The rates that formerly applied to knives and forks less than 4 inches in length, exclusive of handle, are applied under the TSUS

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<sup>1/</sup> There was some uncertainty as to the administrative practice interpreting this provision until Oct. 21, 1964, when the Bureau clarified the matter by issuing a statement that, "when knives, forks, spoons, or other articles of flatware sets are packed with each article packed in immediate containers 'by the dozen (i.e., open-stock or bulk-packed)', as distinguished from being packed in immediate containers 'by sixes' or 'by eights', item 651.75 is not applicable even when different articles are so packed in the same outer shipping container."

to all imported stainless-steel knives and forks regardless of blade length, both for quota-type and nonquota-type flatware.

Although the above-listed changes (e.g., omission of the word "table" for knives with stainless-steel handles) affect the scope of the import statistics used in this report, such statistics are closely comparable with the U.S. production statistics pertinent to the industry definition used by the Commission when it found injury to the U.S. stainless-steel table flatware industry.

#### Japanese export quota

Japan maintains quantitative controls on its exports, to the United States and various other destinations, of stainless-steel table flatware not more than 26 centimeters (10.2 inches) in total length. Presumably such controls are exercised to forestall even more restrictive action by importing countries and to avoid "excessive competition" among Japanese manufacturers and exporters. Validation by Japan's Ministry of International Trade and Industry (MITI) is required for all shipments of articles under these controls. Validation requests are submitted through the Japan General Merchandise Exporters Association; firms not members of the association submit their requests directly to MITI.

Beginning in 1962, export quotas were set for 4-month periods in order to encourage orderly exportation of flatware throughout the year. In 1963 and 1964, two separate quotas were instituted for the above-mentioned flatware: that valued at less than \$3 per dozen pieces and that valued at \$3 or more per dozen. However, only the first category falls within the scope of the flatware subject to the U.S. tariff quota.

The following tabulation shows Japan's export quotas (in million dozen pieces) for 1958-64:

Year and item	Total	January- April	May- August	September- December
1958-----	5.5	<u>1/</u>	<u>1/</u>	<u>1/</u>
1959-----	5.5	<u>1/</u>	<u>1/</u>	<u>1/</u>
1960-----	5.5	<u>1/</u>	<u>1/</u>	<u>1/</u>
1961-----	3.5	<u>1/</u>	<u>1/</u>	<u>1/</u>
1962-----	4.95	1.1	2.0	1.85
1963:				
Less than \$3 per dozen pieces-----	5.5	1.3	2.2	2.0
\$3 or more per dozen pieces-----	.8	<u>1/</u>	<u>1/</u>	<u>1/</u>
1964:				
Less than \$3 per dozen pieces-----	5.5	1.8	2.0	1.7
\$3 or more per dozen pieces-----	.8	<u>1/</u>	<u>1/</u>	<u>1/</u>
Flatware with part plastic handles-----	.3	<u>2/</u> .3	<u>1/</u>	<u>1/</u>

1/ Not allocated to periods of less than a year.

2/ Considered an exceptional one-time quota.

Data compiled from official Japanese statistics show that Japan's annual exports to the United States of both flatware subject to the

Japanese quota and that not subject to the quota were as follows (in million dozen pieces):

Item	1958	1959	1960	1961	1962	1963	Jan.- Sept. 1963	Jan.- Sept. 1964
Stainless- steel flat- ware subject to the Japanese ex- port quota--	5.4	4.6	6.2	3.0	3.6	<sup>1/</sup> 6.1	3.8	4.1
Stainless- steel and other types of flatware not subject to the Japanese ex- port quota--	<sup>2/</sup>	1.4	3.0	2.3	2.8	3.0	2.1	3.1
Total-----	<sup>2/</sup>	6.0	9.2	5.3	6.4	9.1	5.9	7.2

<sup>1/</sup> Includes 5.8 million dozen pieces valued at less than \$3 per dozen and 0.3 million dozen pieces valued at \$3 or more per dozen. Also includes a minor quantity of butter knives (6,342 dozen).

<sup>2/</sup> Unknown.

The flatware not subject to the Japanese export quota consists largely of chrome-plated carbon steel flatware, stainless-steel flatware with handles containing an integral plastic part, and stainless-steel flatware more than 26 centimeters in length.

Japan's exports to the United States of flatware subject to the export quota exceeded the quota in 1960. In 1963, exports of stainless-steel flatware valued at less than \$3 per dozen pieces exceeded the quota for such flatware, while exports of stainless-steel flatware valued at \$3 or more per dozen pieces did not exceed the respective quota.

Exports were less than the quota in the other years (when the aggregate quota was not allocated by price categories). Exports in a given quota

period may exceed the quota even though the amount of flatware licensed for export in that period is within the quota, since licenses are valid for 3 months from the date of issue. Hence, limiting the issuance of licenses to the quantities provided for by the export quotas does not insure that actual exports in a quota period will be within Japan's quota.

Japan also maintains quotas on its exports of stainless-steel flatware to Canada. In Europe, quotas--renegotiated annually--are imposed on imports of stainless-steel flatware from Japan by France, Italy, West Germany, Benelux, Sweden, the United Kingdom, and Greece. Since 1959 Japan's exports of stainless-steel flatware (to all countries) have fluctuated irregularly. They reached a total of about 15 million dozen pieces in 1963, compared with about 11 million dozen in 1959. In 1959 according to U.S. statistics the United States received about 80 percent of Japan's exports, compared with 37 percent of the larger total exported in 1963.

Through its "check price" system, Japan also maintains minimum dollar export prices for stainless-steel flatware and various other products, some of which also are subject to export quotas. 1/ Apparently the major purposes of this system are to prevent excessive price cutting and to assure orderly marketing. However, the U.S. importer of the Japanese ware sometimes receives a rebate in the form of a credit in yen which may be applied toward the purchase of other goods or services in Japan.

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1/ Effective Sept. 1, 1963, "check prices" on stainless-steel flatware were increased by 5 to 10 percent.



U.S. consumption

The U.S. apparent consumption of stainless-steel table flatware (sales of domestically produced flatware plus imports less exports) amounted to 33 million dozen pieces in 1964, compared with 28 million dozen in 1963 (table 4). Apparent consumption rose rapidly from 12 million dozen pieces in 1953 to 22 million in 1956; it averaged about 24 million dozen pieces annually in 1956-59 and 28 million dozen annually in 1960-64.

The upward trend in consumption of stainless-steel table flatware is attributable principally to (1) the increased acceptance of this ware; (2) its lower price compared with sterling and silver-plated ware; <sup>1/</sup> (3) its availability in a wide range of new and attractive patterns; (4) its utilitarian characteristics, such as resistance to stains and tarnish and ability to withstand mechanical washing; (5) the increase in the number of U.S. households since 1950; and (6) the increase in the number of families that have more than one set of flatware. Additional factors contributing to the much higher apparent consumption in 1964 were the increase in purchasing power resulting in large part from the tax reduction which became effective in that year, and the utilization of stainless-steel flatware in unusually large quantities for promotional and premium purposes by retailers and manufacturers of products other than stainless-steel flatware.

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<sup>1/</sup> Unlike precious-metal ware, stainless-steel ware is not subject to Federal excise taxes.

Market research conducted by the flatware industry indicates that the first table flatware purchased by well over half the newlyweds in the United States consists of stainless flatware. According to the U.S. Bureau of the Census, the number of marriages in the United States averaged about 1.5 million each year in the period 1950-61 and increased to an average of 1.6 million annually in the years 1962-63. The number of marriages was about 1.7 million in 1964 and is expected to be substantially greater during the latter half of the 1960's.

In addition to the household market, a large and growing commercial and institutional market exists for present and future sales of stainless-steel table flatware. The number of eating and drinking establishments in the United States, classified by the Census Bureau as retail establishments, appears to be increasing. These important users find stainless-steel flatware to be inexpensive and well adapted to frequent machine washing. At the time of the last census count in 1958, there were 344,740 such concerns. Sales by such establishments have increased each year since then, and in 1963 they reached a total of \$18.1 billion. The number of schools, hospitals, and factories equipped with cafeterias has also greatly increased in recent years. Eating places of this type use almost exclusively flatware of stainless steel.

#### U.S. producers

In 1962 and 1963, 20 producers of stainless-steel table flatware reported data on their operations to the Tariff Commission. These firms comprise all U.S. producers of such flatware known to the Commission;

their production is probably close to 100 percent of the U.S. total. One small establishment, which produced only high-grade flatware, was absorbed by one of the larger producers and the number of reporting firms was reduced to 19 in 1964.

Of the 20 concerns which reported operations to the Tariff Commission in 1963, 5 were located in Connecticut; 3 each were located in Massachusetts and Rhode Island, 2 each in New York, New Jersey, and California, and 1 each in Ohio, Virginia, and Kentucky.

Some of the concerns produce stainless-steel flatware almost exclusively; others manufacture various other articles in differing proportions. The 20 concerns are grouped below in terms of the ratio of net value of their sales of stainless-steel flatware in 1963 to total net sales of all products produced in the same establishments:

Ratio (percent) of net sales of stainless-steel flatware to total net sales of the establishments	Number of establishments	Ratio of net sales of stainless-steel flatware to total of such sales by all establishments	
		On quantity	On value
		Percent	Percent
1-20-----	3	3	6
21-49 $\frac{1}{2}$ -----	3	44	43
50-95 $\frac{2}{2}$ -----	4	36	41
96-100-----	7	16	9
Unknown-----	3	1	1
$\frac{1}{2}$ * * *			
$\frac{2}{2}$ * * *			

Those firms which do not specialize in stainless-steel table flatware alone, produce such articles as sterling and silver-plated flatware and

hollowware, chrome-plated and other miscellaneous types of flatware, cutlery, kitchen utensils, dinnerware, or a combination of several of these articles. Some of the firms produce unrelated articles in establishments separate from those in which stainless-steel table flatware is produced. Some of the smaller firms specialize in the production of stainless-steel knives, while others produce only forks and spoons, which they supplement with knives that they either purchase from other domestic manufacturers or import.

Data collected by the Commission related only to the establishments in which stainless-steel table flatware is produced. These data indicate that the man-hours of work on such flatware in 1963 were about three-eighths of the total man-hours worked in the establishments.

A number of the producers have invested a total of several million dollars in new machinery to reduce costs and increase productivity during the past 5 years. This improvement has been accomplished primarily by the installation of faster automatic production equipment and improved methods of conveying work from one operation to another, thereby reducing the number of manual operations required, and by a reduction in the amount of scrap generated. A trend toward greater productivity per man-hour is evident in statistics submitted to the Commission by the producers for years since 1957.

#### Production, sales, and inventories

U.S. production of stainless-steel table flatware in 1963 amounted to 21.4 million dozen pieces, slightly more than in 1962. The average annual production in 1951-57, before Japan introduced restrictions on

the exports to the United States, was 12.3 million dozen pieces; the average annual production in 1958-61 was 17.8 million dozen pieces (table 4). Production in the first half of 1964 amounted to 13.4 million dozen pieces, compared with 10.5 million dozen pieces in the corresponding period of 1963.

In 1963, sales of stainless-steel table flatware produced in the United States amounted to 22.1 million dozen pieces, valued at \$47.1 million, exceeding those in any prior year (table 5). In the first 6 months of 1964, sales amounted to 12.7 million dozen pieces, valued at \$29.2 million, compared with 10.7 million dozen pieces, valued at \$22.6 million, in the corresponding period of 1963. Preliminary data indicate that U.S. producers' sales amounted to 26.7 million dozen pieces in the full year of 1964.

Since 1957 from three-fourths to four-fifths of the stainless-steel flatware sold by the domestic industry has been accounted for by the six largest manufacturers.

The average value per dozen pieces sold increased from \$2.05 in 1962 to \$2.13 in 1963, compared with \$1.86 in 1951-55 and \$2.14 in 1956-61. In the first 6 months of 1964 the average was \$2.30, compared with \$2.12 in the corresponding period in 1963.

U.S. manufacturers' inventories of finished stainless-steel flatware declined from 2.8 million dozen pieces on December 31, 1962, to 2.2 million dozen at the end of 1963, and increased to 3.0 million dozen on June 30, 1964. Inventories on June 30, 1963, were 2.5 million dozen. At the end of 1963, inventories were equivalent to 10.1 percent of the year's sales, a lower ratio than in any other year in the past decade (table 5).

Increased sales of stainless-steel table flatware were accompanied by a decline in sales of silver flatware (particularly of silver-plated ware) and miscellaneous types of flatware (table 6). In 1951, stainless-steel table flatware accounted for 37 percent of all flatware sold by U.S. producers of stainless-steel flatware (which account for the great bulk of all domestically produced flatware); by 1956 the share had increased to 55 percent, and by 1963, to 80 percent. The total quantity of flatware sold by U.S. manufacturers of stainless-steel flatware in 1951 was 30 million dozen pieces. In 1952 such sales were substantially lower--24 million dozen pieces. Thereafter, sales increased irregularly to 28 million dozen pieces in 1955, declined to 22 million dozen pieces in 1957, and then rose, with annual fluctuations, to 28 million dozen pieces in 1963.

Data on the value of all types of flatware sold by manufacturers of stainless-steel flatware are not available for years prior to 1956. In 1956 returns from stainless-steel table flatware accounted for 29 percent of the sales value of all types of flatware; by 1963, the share had increased to 51 percent. In 1956, sales of flatware (all types) by U.S. manufacturers were valued at \$107 million. The value decreased sharply to \$91 million in 1957 and \$90 million in 1958, rose to \$99 million in 1959, and averaged thereafter about \$93 million annually.

As illustrated above, the shift to stainless-steel flatware from other flatware has resulted in a smaller gross income from sales of flatware because of the lower price of stainless-steel ware.

Trade names formerly reserved for silverware, or those similar to the ones used for silverware, are now widely used in the display and ad-

vertising of the stainless-steel flatware made and sold by firms enjoying a good reputation for their silverware. In States which have "fair trade" laws the producers of nationally advertised stainless-steel table flatware prescribe minimum retail prices.

There is little likelihood of sterling silver and silver-plated flatware regaining much of the flatware market already lost to stainless. The increasing price of sterling silver and silver-plated flatware, relative to the price of stainless-steel flatware, has served with other factors to place the articles containing silver at a disadvantage. The price of silver in the United States was about 90 cents per troy ounce in 1951 and remained at about that level until December 1961. Thereafter, the price of silver rose--first in small increments and rapidly after August 1962--to \$1.29 per troy ounce in July 1963 and has remained at that level since. The average wholesale prices of silver-plated flatware increased by about 28 percentage points between 1951 and 1961 and remained at the 1961 level thereafter notwithstanding that the price of silver rose substantially. The average wholesale price index of sterling silver flatware increased 35 percentage points during 1951-61. Since 1961, it has increased an additional 21 percentage points, reflecting the increased price of silver.

The price of stainless steel strip of the principal types used in the manufacture of flatware (types 301, 430, and 410), was 47.50, 40.75, and 40.25 cents per pound respectively, on January 6, 1958. On January 1, 1962 it was 40.00, 38.75, and 40.25 cents. Since April 6, 1964 the price has been 39.75, 38.75, and 40.25 cents per pound. The

latter prices have prevailed "subject to current lists of extras" on which no data are available.

Exports have accounted for only a small part of the domestic manufacturers' total sales of stainless-steel table flatware. In 1963, their export sales amounted to 231,000 dozen pieces (1.0 percent of total sales), compared with 178,000 dozen in 1962 (0.8 percent of total sales). In the first 6 months of 1964, 105,000 dozen pieces were exported, compared with 122,000 dozen pieces in the corresponding period of 1963 (table 7). On the basis of preliminary data, U.S. producers' exports amounted to about 220,000 dozen pieces in the full year of 1964.

The average value of the exported flatware was \$1.97 per dozen pieces in 1963, and \$2.13 per dozen in the first 6 months of 1964. The principal export markets were Latin American countries and the Philippines.

The two largest U.S. manufacturers each operate plants in Canada and Mexico; one of them operates a plant in Northern Ireland. In these plants they produce stainless-steel table flatware. They also have joint ventures with producers in France and Australia. Certain foreign markets are supplied from these sources rather than from U.S. plants.

#### Distribution <sup>1/</sup>

About one-third of the U.S. producers' sales of stainless-steel table flatware were made to wholesalers and jobbers in both 1956 and 1963, years for which the Tariff Commission sought information on this

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<sup>1/</sup> Data presented below and in the accompanying table should be used with caution. The percentages shown are only a general indication of trends in principal sales outlets. Some of the data submitted both by producers and by importers may be erroneous owing to the interpretation of categories of sales outlets by those reporting.



subject. Importers' sales to wholesalers and jobbers constituted about one-fifth of their total sales in 1956 but only one-tenth in 1963.

The producers' sales to department stores, chain stores, and similar outlets amounted to 27 percent of their total sales in 1956, and to 23 percent in 1963. On the other hand, importers' sales to such outlets comprised 53 percent of their sales in 1956, and 59 percent in 1963.

The importance of jewelry stores as outlets for stainless flatware declined for both producers and importers, but premium sales became more important for both. Hotels and restaurants also purchased a greater share of total sales, both of producers and of importers, in 1963 than in 1956, accounting for 13 percent of the producers' and 3 percent of the importers' sales in 1963.

The following tabulation summarizes the information submitted to the Commission concerning producers' and importers' sales

outlets for stainless-steel flatware, showing the relative importance of the various outlets in 1956 and 1963 (in percentages):

Sales outlet	Producers		Importers	
	1956	1963	1956	1963
Wholesalers and jobbers-----	33.8	32.0	20.4	10.0
Department stores, chain stores, and similar outlets-----	27.4	23.2	53.3	59.4
Jewelry stores, hardware stores, independent drug stores, and similar outlets-----	8.3	2.9	8.2	.4
Premium ware sales-----	12.0	23.5	8.1	22.3
Commercial users (hotels, restaurants, etc.)-----	10.7	13.0	1.0	3.3
Manufacturers of flatware-----	3.6	1.8	.2	-
Sales to military services-----	2.7	.7	.2	.3
Other outlets-----	1.5	2.9	8.6	4.3
Total-----	100.0	100.0	100.0	100.0
Ratio of sample to total sales-----	100.0	100.0	88.0	1/

1/ Not available; estimated to be somewhat less than 50 percent.

#### U.S. imports

Until late in 1957, when Japan introduced a system of export controls, no U.S. Government controls, other than U.S. import duties, were employed to restrict U.S. imports of stainless-steel table flatware. Under such conditions U.S. imports for consumption increased from 883,000 dozen pieces in 1953 to 10.6 million dozen pieces in 1957 (table 4). They amounted to 9.2 million dozen pieces in 1958, to 8.9 million dozen in 1959, and to a record high of 10.9 million dozen in 1960. The total for 1960 included the bulk of the shipments entered within the first two U.S. tariff-quota periods. Imports totaled 4.8 million dozen pieces in

1961, and gradually increased to 6.8 million dozen in 1964. <sup>1/</sup> Quota-type flatware has accounted for the great bulk of the total imports. Total imports were equivalent to 24 percent of apparent U.S. consumption in the period 1960-64, compared with 38 percent in the period 1956-59.

Imports for consumption recorded by calendar years do not directly reflect the operation of the U.S. tariff quota, because (1) the quota opens on November 1 of each year, (2) it does not apply to all types of stainless-steel flatware, and (3) delays sometimes occur and adjustments are made in recording the data in official U.S. statistics. However, the average of annual imports (both quota and nonquota types) in the 5 years 1960-64--at 6.8 million dozen pieces--compared with the tariff quota of 5.75 million dozen pieces gives a rough indication of the restrictive effect of the duties applicable to overquota imports.

Japan has been the principal foreign supplier to the United States in every year for which statistics have been recorded (table 8). It accounted for 89 percent of the quantity and 79 percent of the value of the recorded imports in 1964 for which both quantity and value were reported, and for about the same share of total imports in other years. Hong Kong and the Nansai and Nanpo Islands supplied about 4 percent of the quantity and 2 percent of the value, and European countries accounted for

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<sup>1/</sup> The value of quota-type flatware imported in sets is not reported in official statistics, and neither the quantity nor the value of nonquota-type flatware imported in sets is reported separately. During the period September-December 1963 imports of quota-type flatware in sets amounted to 1.2 million dozen pieces. In 1964 such imports amounted to 2.3 million dozen pieces and are included in the 6.8 million dozen shown in the text. For the remainder of this section data on the value of imports are based on statistics which exclude imports in sets.

the remainder. According to importers, the flatware industries in Hong Kong and the Nansei and Nanpo Islands were recently established with privately financed technical help from Japan and the United States.

The entered value of stainless-steel table flatware imported from all sources averaged \$1.43 per dozen pieces in 1964, compared with \$1.36 per dozen in 1963 (table 8). The average foreign value increased from \$1.62 per dozen in 1953 to \$1.76 in 1954, but declined each year thereafter until 1958 when it reached a low of 98 cents per dozen pieces. After 1958 the average value gradually increased. The average foreign unit value of imports from Japan was lower in each year than that of imports from any other source except Hong Kong and the Nansei and Nanpo Islands. The unit values of the relatively small imports from Denmark, the United Kingdom, and Sweden were consistently from 4 to 7 times the unit value of the imports from Japan. Most of the imports from Europe in recent years have consisted of nonquota types of flatware.

Knives comprised 27 percent of the number of pieces imported in 1963 for which foreign value was recorded; their average entered value was \$2.21 per dozen. Forks also comprised 27 percent, with an average value of \$1.14 per dozen, and spoons 46 percent, with an average value of \$1.01 per dozen. About 56 percent of the imports that were outside the scope of the tariff quota by reason of their having a foreign value of \$3 or more per dozen pieces consisted of knives (table 9).

As it did in earlier years, quota-type flatware accounted for most of the imports in 1964 (table 10). Of the 6.8 million dozen total imported in that year, 6.1 million dozen pieces (90 percent) consisted

of quota-type ware. Of the 6.1 million dozen pieces of quota-type ware imported, only 363,000 dozen (6 percent) were in excess of the quota and were therefore dutiable at the higher rates proclaimed by the President. The entries of quota-type flatware in excess of the quota in 1964 were about the same as in 1963, but were more than double such entries in 1962.

Before the U.S. tariff quota was imposed, the largest monthly volume of imports of stainless-steel table flatware usually occurred in October and November. Imports in those months consisted largely of flatware entered for immediate consumption. Since the establishment of the quota, imports in October have consisted mostly of quota-type flatware entered into bonded warehouses for withdrawal after November 1, when the within-quota rates become applicable (tables 11 and 12). To avoid payment of the above-quota rates of duty, importers enter substantial quantities of flatware in the early months of the quota period even though the flatware might not be sold until much later.

In each quota year except the first, which began 10 days after the Presidential proclamation, large quantities of stainless-steel flatware were cleared through customs in November, the opening month of the quota. These imports consisted largely of flatware withdrawn from U.S. bonded warehouses, where they had been accumulated for several months prior to the opening date of the new quota year, as well as flatware entered for immediate consumption. As a result of a more orderly issuance of export licenses by Japan beginning in 1962, however, imports for consumption

were less concentrated in the first month of the quota years 1961-64 than in 1960, as shown below:

<u>Quota year beginning--</u>	<u>Quantity entered in first quota month (million dozen pieces)</u>	<u>Month in which quota was filled</u>
Nov. 1, 1960-----	4.9	December 1960
Nov. 1, 1961-----	3.5	April 1962
Nov. 1, 1962-----	2.2	June 1963
Nov. 1, 1963-----	2.0	April 1964
Nov. 1, 1964-----	2.6	February 1965

According to data reported by the U.S. Department of the Treasury, the quota was filled somewhat later each year up to the quota year 1963-64, when (under the TSUS) certain articles not formerly defined as quota ware were included within the definition of the quota--thereby causing an earlier closing of the quota.

The quota that opened November 1, 1964, was filled by February 27, 1965. Certain articles that were not considered to be within the quota before August 31, 1963, were thereafter included within it. For this reason importers hurried to enter their shipments, a large part of which had accumulated in bonded warehouses prior to the opening of the quota year (table 12). Substantial initial entries at the opening of the quota year (about 1.5 million dozen pieces during the first week) prompted some importers, no doubt, to increase their rate of entries in anticipation of an earlier closing of the quota. The dock strike of October 1, 1964, postponed for 80 days by court order, tied up most of the U.S. east coast and Gulf ports after December 20; this development also spurred the importers of flatware to enter their shipments early. A few firms, one of them a division of a U.S. company which produces stainless-steel

flatware, began to import stainless-steel flatware at about the time of the opening of the quota in November 1964. Moreover, an expectation of a brisk demand in 1965 also intensified competition for shares of the quota and contributed to its early closing.

Although most importers anticipated--to some degree--the earlier closing of the quota and the difficulties in importing caused by the dock strike, a number of them had shipments of quota-type flatware arrive too late to be entered under the quota. Such late shipments were entered into bonded warehouses, and information obtained from importers indicates that the quantity of quota-type flatware in bonded warehouses was considerably larger after the filling of the 1964-65 quota than it was after the closing of the previous quota.

Since the Japanese export quota and the U.S. import tariff quota on stainless-steel table flatware became effective, the average foreign value (per dozen pieces) of U.S. imports of quota-type flatware from Japan has increased almost annually, and the average foreign value of nonquota types imported from that country has generally decreased, as shown below:

<u>Year</u>	<u>Average foreign value per dozen pieces</u>	
	<u>Quota-type flatware</u>	<u>Nonquota-type flatware</u>
1958-----	\$0.80	\$3.27
1959-----	.93	3.04
1960-----	.92	3.04
1961-----	.95	3.07
1962-----	.97	2.48
1963-----	<u>1/</u> 1.04	<u>1/</u> 2.31
1964-----	<u>1/</u> 1.11	<u>1/</u> 2.57

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1/ Based on imports excluding sets. See footnote on page 36.

Apparently the rise in the average value of quota-type flatware imported from Japan reflects an increase not only in the proportion of higher quality ware imported but also in the prices paid for goods of comparable quality. Limiting the quantities that may be imported without the payment of an increased duty contributed to both of these trends.

Some importers, although dissatisfied with the changes made by the TSUS in the description of the articles subject to the U.S. tariff quota, appear to benefit from the quota itself. Japan's practice of allocating export licenses to firms on the basis of their purchases in former years, as well as the U.S. tariff quota, tends to assure such firms a known share of a limited market, allows them to upgrade their merchandise, and permits them to sell at somewhat increased prices without fear of severe competition from other importers. In general, the importation of flatware is now conducted primarily by firms that specialize in flatware and tableware, and by certain retail outlets that import directly. 1/

Firms that formerly imported flatware as a sideline, or only occasionally as special opportunities arose, have for the most part ceased to do so.

#### Employment and wages

The average number of production and related workers in the establishments in which stainless-steel flatware was produced increased from 7,124 in 1962 to 7,618 in 1963 and to 7,823 in the first half of 1964.

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In 1963 the number of man-hours (5,889,000) worked on stainless-steel table flatware by production and related workers was larger than the number of man-hours worked in any year for more than a decade; the number of hours reported for the first 6 months of 1964 (3,415,000) was larger than that for the corresponding period of 1963 (2,824,000) (table 13).

Man-hours devoted to the production of stainless-steel table flatware in 1963 accounted for 38 percent of total man-hours worked by production and related workers on all products manufactured in the establishments in which stainless-steel table flatware was produced. The ratios for individual concerns ranged from about 30 percent to 100 percent.

The workers are paid on a combination of piecework and hourly rates. The average rate on an hourly basis was \$2.39 in 1963, compared with \$2.22 in 1962, continuing the upward trend in evidence at least since 1951 (table 14). The unit labor cost has been fairly constant since 1951 notwithstanding increasing wage rates. The average labor cost was 65 cents per dozen pieces in the years 1951-57 and 61 cents in 1958-63. The output per man-hour was 2.8 dozen pieces in the years 1951-57, compared with 3.7 dozen in 1962, 3.6 dozen in 1963, and 3.9 dozen in the first 6 months of 1964. The output per man-hour has increased even though the quality of the product mix has been upgraded somewhat since 1957.

For 6 establishments that accounted for 81 percent of the production of stainless-steel table flatware in 1963, the average output per man-hour in that year was 3.5 dozen pieces, and the output per man-hour for

individual concerns ranged from 2.5 dozen to 9.0 dozen. For the remaining 14 concerns, the average output per man-hour was 4.3 dozen and ranged, for the individual firms, from about 1 dozen to about 14 dozen.

#### Prices received by U.S. producers

In the course of the current and the original escape-clause investigations the Commission obtained data on the prices received by U.S. producers for their best selling stainless-steel table flatware patterns, f.o.b. factory, on or near April 30 for each of a series of years. The data show that prices received April 30, 1964, for open-stock stainless-steel flatware were as follows: Spoons, from \$0.40 to \$8.50 per dozen; forks, from \$0.80 to \$11.50; and knives, from \$2 to \$20. Prices of 50-piece sets ranged from \$5 to \$35.

Prices of domestically produced stainless-steel flatware have been fairly stable in the period since the U.S. tariff quota was imposed (tables 15 and 16). Indexes prepared from prices reported for the best selling patterns show that the prices of low-grade stainless-steel flatware declined slightly between 1960 and 1963, and the prices of medium- and high-grade flatware remained fairly constant. 1/

This recent price stability contrasts markedly with the upward trend in prices in the 1956-60 period. Indexes (prepared from a sample of the best selling patterns in 1956) show that prices of low- and

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1/ An index of prices for domestic stainless-steel table flatware prepared by the U.S. Bureau of Labor Statistics was first published in January 1964. The BLS index was constant for the period December 1963-January 1965.

medium-grade flatware were about 10 percent higher in 1960 than in 1956 and prices of high-grade flatware were about 2 percent higher (table 17).

The foregoing trend in prices of stainless-steel table flatware has been similar to the trend for all products. The U.S. Bureau of Labor Statistics wholesale price index for all commodities increased by 4 percentage points from 1956 to 1959; it declined by 0.3 percentage points from 1959 to 1963.

#### Profit-and-loss experience of domestic manufacturers

Usable profit-and-loss data, on an establishment basis, were received from 17 domestic manufacturers of stainless-steel table flatware. These 17 manufacturers accounted for approximately 98 percent of the total net sales of domestically manufactured stainless-steel table flatware in each of the years 1959-63. Of the 17, 14 furnished adequate profit-and-loss data for their operations on stainless-steel table flatware alone. These 14 manufacturers accounted for approximately 96 percent of the total net sales of domestically manufactured stainless-steel table flatware in each of the years 1959-63. \* \* \*

The aggregate net sales for the 17 establishments decreased from \$145 million in 1959 to \$140 million in 1960 and then increased to \$145 million in 1963. The ratio of the aggregate net operating profit for these establishments to their aggregate net sales decreased from 7.2 percent in 1959 to 5.5 percent in 1960 and increased thereafter to 6.9 percent in 1963.

The aggregate net sales of stainless-steel table flatware for the 14 establishments increased from \$38 million in 1959 to \$47 million in 1963 (representing an increase of 25 percent), while the ratio of their net operating profit on stainless-steel table flatware to net sales of such ware decreased from 3.4 percent in 1959 to 2.8 percent in 1961 and then increased to 4.6 percent in 1963 (table 18). The annual sales of the 14 establishments reported above during the 1959-63 period averaged more than a third higher than those reported by 15 establishments (including in the main the same concerns) during the 4-year period 1955-58 (table 18). The aggregate net sales of stainless-steel flatware by the 15 concerns increased from \$27 million in 1955 to \$30 million in 1958, while the ratio of their net operating loss to aggregate net sales for stainless-steel table flatware operations decreased from 2.4 percent in 1955 to 0.9 percent in 1958.

Of the 14 establishments that furnished usable profit-and-loss data on their operations for stainless-steel table flatware alone, 7 produced stainless-steel table flatware almost exclusively in the establishments where such flatware was manufactured; the 7 others made other products, principally sterling silver and silver-plated flatware and hollowware, dinner ware, and kitchen cutlery and utensils. The latter 7 accounted for 85 percent or more of the total net sales of stainless-steel table flatware in each of the years 1959-63. The ratio of the aggregate net operating profit to aggregate net sales for the stainless-steel table

flatware operations of the two groups of establishments, separately and in the aggregate, is shown below:

Year	: Ratio (percent) of aggregate net operating profit : to aggregate net sales on stainless-steel table : flatware operations for--			
	: 14 : establish- : ments	: 7 establishments : that produce pre- : dominantly stain- : less-steel table : flatware	: 7 establishments : that produce other : products in sub- : stantial volume	
1959-----	: 3.4	: 4.1	: 3.3	
1960-----	: 3.3	: 5.1	: 3.0	
1961-----	: 2.8	: 2.9	: 2.7	
1962-----	: 4.3	: 2.0	: 4.6	
1963-----	: 4.6	: 1.3	: 4.9	

Appendix A

Table 1.---Stainless-steel knives, forks, and spoons: U.S. rates of duty under the Tariff Schedules of the United States (TSUS), effective Aug. 31, 1963

TSUS item	TSUS appendix item 1/	Article	Statutory rate 2/	Trade-agreement rate 3/	Rate after escape-clause action
650.09		Knives, forks, and spoons with stainless-steel handles: Knives and forks: With handles not containing nickel and not containing over 10 percent by weight of manganese: Not over 10.2 inches in over-all length and valued at less than 25 cents each.	2¢ each + 45% ad	1¢ each + 12.5% ad	3¢ each + 67.5% ad
650.39	927.50		val.	val. 5/	val. 6/
651.75 4/	927.53		2¢ each + 45% ad	1¢ each + 12.5% ad	3¢ each + 67.5% ad
650.11		Other----- With handles containing nickel or containing over 10 percent by weight of manganese: Not over 10.2 inches in over-all length and valued at less than 25 cents each.	2¢ each + 45% ad	1¢ each + 12.5% ad	1¢ each + 12.5% ad
650.41	927.51		val.	val.	val. 7/
651.75 4/	927.53		2¢ each + 45% ad	1¢ each + 17.5% ad	3¢ each + 67.5% ad
650.55		Other----- Spoons: Not over 10.2 inches in over-all length and valued at less than 25 cents each.	2¢ each + 45% ad	1¢ each + 17.5% ad	1¢ each + 17.5% ad
651.75 4/	927.52		val.	val.	val. 7/
	927.54		40% ad	17% ad	60% ad
		Other-----	val.	17% ad	17% ad

1/ TSUS appendix items relate to articles that were the subject of Presidential proclamation under the escape-clause procedure.  
 2/ Rates of duty currently applied pursuant to secs. 231 and 257(e) of the Trade Expansion Act of 1962 to the countries or areas designated as Communist dominated or controlled.  
 3/ Trade-agreement rates apply to products of all countries except products of Communist dominated or controlled countries, and except products of the Republic of the Philippines, which receive preferential treatment currently 40 percent of the lowest trade-agreement rate and, effective Jan. 1, 1968, 60 percent of such rate.  
 4/ Sets of two or more articles containing one or more articles of flatware are dutiable at the rate of duty applicable to the articles in the set subject to the highest rate of duty.  
 5/ Applies only to within-quota imports (see note 6).  
 6/ These rates apply after an aggregate quantity of 69 million single units of knives, forks, and spoons with stainless-steel handles, valued under 25 cents each, and not over 10.2 inches in over-all length, have been entered in any 12-month period beginning Nov. 1 in any year. See ISUS appendix items 927.50-927.54.  
 7/ These items, which were not included in escape action, are dutiable at trade-agreement rate.

Table 2.--Stainless-steel table flatware: U.S. rates of duty under the Tariff Act of 1930  
(old schedule, superseded Aug. 31, 1963)

(Cents each; percent ad valorem)

Tariff paragraph and description	Tariff Act of 1930		
	Statutory rate <sup>1/</sup>	Trade-agreement modification	
		Rate	Effective date and trade agreement <sup>2/</sup>
<b>Par. 339:</b>			
Table, household, kitchen, and hospital utensils, and hollow or flat ware, not specially provided for: * * * composed wholly or in chief value of copper, brass, steel, or other base metal, not plated with platinum, gold, or silver, and not specially provided for:			
Table spoons wholly of metal and in chief value of stainless steel, not over 10.2 inches in overall length and valued at less than \$3 per dozen pieces.	40%	20% 19% 18% 17% <sup>3/</sup> 60% <sup>3/</sup>	Jan. 1, 1948. June 30, 1956. June 30, 1957. June 30, 1958. Nov. 1, 1959. <sup>3/</sup>
<b>Par. 355:</b>			
Table, butchers', carving, cooks', hunting, kitchen, bread, cake, pie, slicing, cigar, butter, vegetable, fruit, cheese, canning, fish, carpenters' bench, curriers', drawing, farriers', fleshing, hay, sugar-beet, beet-topping, tanners', plumbers', painters', palette, artists', shoe, and similar knives, forks, and steels, and cleavers, all the foregoing, finished or unfinished, not specially provided for * * * :			
Not specially designed for other than household, kitchen, or butchers' use:			
Table knives and forks, wholly of metal and in chief value of stainless steel, not over 10.2 inches in overall length and valued at less than \$3 per dozen pieces, with handles of--			
Austenitic steel:			
Less than 4 inches in length, exclusive of handle.	2¢ + 45%	2¢ + 35% 2¢ + 17-1/2% 1¢ + 17-1/2% <sup>3/</sup> 3¢ + 67-1/2% <sup>3/</sup>	Jan. 1, 1939; United Kingdom. Jan. 1, 1948. July 7, 1951. Nov. 1, 1959. <sup>3/</sup>
4 inches in length or over, exclusive of handle.	8¢ + 45%	8¢ + 35% 8¢ + 35% <sup>4/</sup> 4¢ + 17-1/2% <sup>3/</sup> 12¢ + 67-1/2% <sup>3/</sup>	Jan. 1, 1939; United Kingdom. Jan. 1, 1948. Oct. 1, 1951. Nov. 1, 1959. <sup>3/</sup>
Steel, other than austenitic:			
Less than 4 inches in length, exclusive of handle.	2¢ + 45%	2¢ + 25% 2¢ + 25% <sup>4/</sup> 2¢ + 12-1/2% 1¢ + 12-1/2% <sup>3/</sup> 3¢ + 67-1/2% <sup>3/</sup>	Jan. 1, 1939; United Kingdom. Jan. 1, 1948. May 30, 1950. Oct. 1, 1951. Nov. 1, 1959. <sup>3/</sup>
4 inches in length or over, exclusive of handle.	8¢ + 45%	4¢ + 25% 4¢ + 25% <sup>4/</sup> 4¢ + 17-1/2% <sup>3/</sup> 12¢ + 67-1/2% <sup>3/</sup>	Jan. 1, 1939; United Kingdom. Jan. 1, 1948. Oct. 1, 1951. Nov. 1, 1959. <sup>3/</sup>

<sup>1/</sup> Applicable to the products of Communist-dominated or Communist-controlled countries or areas which are designated as such by the President.

<sup>2/</sup> General Agreement on Tariffs and Trade, unless otherwise indicated.

<sup>3/</sup> Pursuant to Presidential Proclamation No. 3323, dated Oct. 20, 1959, the higher of the 2 rates to which this footnote is attached was made applicable during any 12-month period beginning Nov. 1, 1959, and in each subsequent year, after a total aggregate quantity of 69 million single units of table spoons described under par. 339, and of table knives and table forks described under par. 355, had been entered, or withdrawn from warehouse, for consumption; until the total aggregate quantity of the designated units had been entered, or withdrawn from warehouse, for consumption, during any 12-month period designated above, the lower rate of duty was applicable.

<sup>4/</sup> Bound.

Note.--Stainless-steel table flatware, wholly of metal and in chief value of stainless steel, over 10.2 inches in overall length or valued at \$3 or more per dozen pieces (nonquota-type flatware), was dutiable at the same rates of duty as the quota-type flatware entered within the quota limits.



Table 3.--Stainless-steel table flatware: U.S. rates of duty effective on Aug. 31, 1963, U.S. imports for consumption, Aug. 31, 1963-Aug. 31, 1964, and average ad valorem equivalents of the Aug. 31, 1963, rates based on those imports, by type of flatware, 1/ total all countries, Japan, and Europe

Description	Rate of duty effective on Aug. 31, 1963	Aug. 31, 1963-Aug. 31, 1964, imports for consumption 2/ from--						Average ad valorem equivalents of the rates of duty 3/ based on imports from--																
		All sources		Japan		Europe		All sources		Japan		Europe												
		Quantity	Entered value	Quantity	Entered value	Quantity	Entered value	Quantity	Entered value	Quantity	Entered value	Quantity	Entered value											
		1,000 dozen pieces	1,000 dollars	1,000 dozen pieces	1,000 dollars	1,000 dozen pieces	1,000 dollars																	
Quota-type:																								
Table spoons:																								
Imported within the quota	17%	1,161	1,006	1,099	932	14	20	17.0	17.0	17.0	17.0	17.0	17.0	17.0	17.0	17.0	17.0	17.0	17.0	17.0	17.0	17.0	17.0	17.0
Imported in excess of the quota	60% 4/	117	125	86	92	26	30	60.0	60.0	60.0	60.0	60.0	60.0	60.0	60.0	60.0	60.0	60.0	60.0	60.0	60.0	60.0	60.0	60.0
Table knives and forks:																								
With handles of austenitic (nickel) steel:																								
Imported within the quota	1¢ + 17.5%	15	23	14	22	5/	6/	25.3	25.3	25.3	25.3	25.3	25.3	25.3	25.3	25.3	25.3	25.3	25.3	25.3	25.3	25.3	25.3	25.3
Imported in excess of the quota	3¢ + 67.5% 4/	4	8	4	8	5/	5/	87.1	87.1	87.1	87.1	87.1	87.1	87.1	87.1	87.1	87.1	87.1	87.1	87.1	87.1	87.1	87.1	87.1
With handles of nonaustenitic (chrome) steel:																								
Imported within the quota	1¢ + 12.5%	1,422	1,694	1,392	1,856	12	21	21.5	21.5	21.5	21.5	21.5	21.5	21.5	21.5	21.5	21.5	21.5	21.5	21.5	21.5	21.5	21.5	21.5
Imported in excess of the quota	3¢ + 67.5% 4/	140	193	105	156	23	28	93.6	93.6	93.6	93.6	93.6	93.6	93.6	93.6	93.6	93.6	93.6	93.6	93.6	93.6	93.6	93.6	93.6
Nonquota-type:																								
Table spoons	17%	228	596	151	253	78	342	17.0	17.0	17.0	17.0	17.0	17.0	17.0	17.0	17.0	17.0	17.0	17.0	17.0	17.0	17.0	17.0	17.0
Table knives and forks:																								
With handles of austenitic (nickel) steel	1¢ + 17.5%	90	430	39	104	51	325	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0
With handles of nonaustenitic (chrome) steel	1¢ + 12.5%	322	1,088	224	619	98	467	16.1	16.1	16.1	16.1	16.1	16.1	16.1	16.1	16.1	16.1	16.1	16.1	16.1	16.1	16.1	16.1	16.1

1/ Not including flatware imported in sets, which is dutiable at the rate of duty applicable to that article in the set subject to the highest rate of duty.

2/ Preliminary.

3/ Calculated from the unrounded figures.

4/ The rate of duty which is effective when a total aggregate quantity of 69 million single units of knives, forks, and spoons valued under 25 cents each, not over 10.2 inches in overall length, and with stainless-steel handles, are entered, or withdrawn from warehouse, for consumption during any 12-month period beginning Nov. 1 in any year.

5/ Less than 500 dozen pieces.

6/ Less than \$500.

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

Table 4.--Stainless-steel table flatware: Production and sales by U.S. manufacturers, U.S. imports for consumption, and apparent consumption, 1951-64, January-June 1963, and January-June 1964

Period	U.S. production <sup>1/</sup>		Sales by U.S. manufacturers		Imports for consumption <sup>2/</sup>	Apparent consumption <sup>3/</sup>	Ratio of imports to--	
	Total	Exports	Total	Exports			Apparent	U.S.
	1,000 dozen pieces	1,000 dozen pieces	1,000 dozen pieces	1,000 dozen pieces	1,000 dozen pieces	1,000 dozen pieces	Percent	Percent
1951-----	11,893	11,379	208		4/	4/	4/	4/
1952-----	9,304	9,306	203		4/	4/	4/	4/
1953-----	11,020	10,827	147		883	11,563	7.6	8.0
1954-----	11,051	10,800	97		1,347	12,050	11.2	12.2
1955-----	14,848	14,654	144		3,571	18,081	19.8	24.1
1956-----	14,695	14,392	82		7,999	22,309	35.9	54.4
1957-----	13,079	13,207	82		10,600	23,725	44.7	81.0
1958-----	15,030	14,887	1,292		9,180	22,775	40.3	61.1
1959-----	18,480	18,594	327		8,950	27,217	32.9	48.4
1960-----	19,332	18,654	191		5/ 10,900	5/ 29,363	5/ 37.1	5/ 56.4
1961-----	18,467	18,877	212		4,755	5/ 23,420	5/ 20.3	5/ 25.7
1962-----	21,339	21,089	178		6/ 5,163	7/ 26,074	7/ 19.8	7/ 24.2
1963-----	21,366	22,100	231		6/ 7/ 6,334	7/ 28,203	7/ 22.5	7/ 29.6
1964 <sup>6/</sup> -----	4/ 26,726	220			8/ 6,795	8/ 33,301	8/ 20.4	4/
January-June--								
1963-----	10,468	10,676	122		6/ 3,557	14,111	25.2	33.9
1964-----	13,416	12,702	105		6/ 8/ 3,650	8/ 16,247	8/ 22.5	8/ 27.2

<sup>1/</sup> Partly estimated from sales data for several manufacturers.

<sup>2/</sup> Includes an estimate for a small amount of imports in the years 1953-58.

<sup>3/</sup> Sales of domestically produced flatware plus imports less exports.

<sup>4/</sup> Not available.

<sup>5/</sup> The high figure for imports in 1960 is attributable primarily to the entry in that year of most of the imports permissible within the quota in the first and second quota years. As a result, the figures for apparent consumption and the ratios of imports to apparent consumption and to production for 1960 and 1961 are of only qualified significance.

<sup>6/</sup> Preliminary.

<sup>7/</sup> Not including nonquota types of stainless-steel table flatware imported in sets since Aug. 31, 1963, because they are not reported separately under TSUS.

<sup>8/</sup> Data do not include nonquota types of stainless-steel flatware imported in sets, because they are not reported separately under the TSUS.

Source: Compiled from information submitted to the U.S. Tariff Commission by the producers and importers, and from official statistics of the U.S. Department of Commerce.

Table 5.--Stainless-steel table flatware: U.S. manufacturers' inventories of finished flatware, and net sales, 1951-63, January-June 1963, and January-June 1964

Period	Inventories at end of period <sup>1/</sup>		Net sales		
	Quantity <u>1,000</u> <u>dozen</u> <u>pieces</u>	Ratio to net sales  Percent	Quantity <u>1,000</u> <u>dozen</u> <u>pieces</u>	F.o.b. factory value  <u>1,000</u> <u>dollars</u>	Average value per dozen pieces
1951-----	1,160	10.2	11,379	20,140	\$1.77
1952-----	1,131	12.2	9,306	16,830	1.81
1953-----	1,309	12.1	10,827	19,723	1.82
1954-----	1,548	14.3	10,800	20,688	1.92
1955-----	1,699	11.6	14,654	28,323	1.93
1956-----	2,009	14.0	14,392	31,241	2.17
1957-----	1,525	11.5	13,207	29,626	2.24
1958-----	2,035	13.7	14,887	31,554	2.12
1959-----	2,050	11.0	18,594	38,515	2.07
1960-----	2,802	15.0	18,654	39,163	2.10
1961-----	2,465	13.1	18,877	40,522	2.15
1962-----	2,796	13.3	21,089	43,276	2.05
1963-----	2,242	10.1	22,100	47,084	2.13
January-June--					
1963-----	2,501	<u>2/</u>	10,676	22,603	2.12
1964-----	2,951	<u>2/</u>	12,702	29,167	2.30

<sup>1/</sup> Includes an estimate (less than 1 percent of the total in any year) derived from data on production and sales.

<sup>2/</sup> Ratios are not meaningful based on data for 6 months.

Source: Compiled from information submitted to the U.S. Tariff Commission by the producers.

Table 6.--Table flatware: Sales of all types of table flatware produced in U.S. establishments in which stainless-steel table flatware is produced, 1951-63, January-June 1963, and January-June 1964 <sup>1/</sup>

(In thousands of dozen pieces)

Period	Stainless steel	Silver plated	Sterling silver	Other <sup>2/</sup>	Total, all kinds
1951-----	11,379	15,763	993	2,211	30,346
1952-----	9,306	11,824	922	1,572	23,624
1953-----	10,827	12,957	1,285	1,920	26,989
1954-----	10,800	12,284	994	1,281	25,359
1955-----	14,654	10,946	1,034	1,255	27,889
1956-----	14,392	9,547	1,024	1,204	26,167
1957-----	13,207	6,748	857	1,439	22,251
1958-----	14,887	6,478	782	1,601	23,748
1959-----	18,594	6,971	822	704	27,091
1960-----	18,654	5,792	798	497	25,741
1961-----	18,877	5,233	802	411	25,323
1962-----	21,089	4,691	654	443	26,877
1963-----	22,100	4,805	497	378	27,780
January-June--					
1963-----	10,676	2,365	264	167	13,472
1964-----	12,702	2,259	221	178	15,360

<sup>1/</sup> This table shows sales data only for manufacturers of stainless-steel table flatware during the years in which they produced such flatware. The data on sales of stainless-steel table flatware, therefore, are complete, but the data on sales of other types of flatware are incomplete since they include only the sales by the manufacturers of stainless-steel table flatware.

<sup>2/</sup> Includes tin-plated, nickel-plated, and chrome-plated flatware, flatware of metals (such as nickel silver) other than stainless steel, and flatware with handles of nonmetallic materials.

Source: Compiled from information submitted to the U.S. Tariff Commission by the producers of stainless-steel table flatware.

Table 7.--Stainless-steel table flatware: U.S. exports of domestic merchandise, 1951-63, January-June 1963, and January-June 1964

Period	Quantity	Value	Average value per dozen pieces
	Dozen pieces		
1951-----	207,845	\$238,519	\$1.15
1952-----	202,952	235,898	1.16
1953-----	146,799	172,312	1.17
1954-----	96,736	143,614	1.48
1955-----	143,709	200,737	1.40
1956-----	82,180	138,214	1.68
1957-----	81,918	155,128	1.89
1958-----	1,291,757	1,536,076	1.19
1959-----	327,095	467,799	1.43
1960-----	190,648	437,640	2.30
1961-----	211,725	511,686	2.42
1962-----	177,859	382,286	2.15
1963-----	231,218	455,181	1.97
January-June --			
1963-----	122,370	226,712	1.85
1964-----	105,102	224,368	2.13

Source: Compiled from information submitted to the U.S. Tariff Commission by the producers.

Table 8.--Stainless-steel table flatware: U.S. imports for consumption, by countries, 1958-64

Country	1958 <sup>1/</sup>	1959	1960	1961	1962	1963 <sup>2/3/</sup>	1964 <sup>2/3/</sup>
Quantity (1,000 dozen pieces)							
Japan-----	8,761	<sup>1/</sup> 8,265	9,876	4,301	4,726	4,595	4,015
West Germany-----	207	320	<sup>4/</sup> 338	<sup>4/</sup> 243	163	147	75
Netherlands-----	48	18	97	33	97	126	77
Italy-----	52	74	324	52	59	34	38
Austria-----	16	36	76	36	18	43	26
Sweden-----	64	<sup>1/</sup> 68	68	24	32	23	22
United Kingdom-----	5	7	9	13	12	18	12
Denmark-----	9	28	26	21	18	11	9
Nansei and Nanpo Islands-----	-	-	17	-	15	50	10
Hong Kong-----	7	110	53	23	6	22	182
All other-----	11	24	16	9	17	35	65
Total-----	9,180	8,950	10,900	4,755	5,163	5,104	4,531
Entered value (1,000 dollars)							
Japan-----	7,496	8,350	9,895	<sup>4/</sup> 5,526	5,117	5,289	5,109
West Germany-----	693	912	<sup>4/</sup> 1,040	<sup>4/</sup> 929	687	688	393
Netherlands-----	165	40	161	80	162	225	161
Italy-----	144	180	423	153	166	130	150
Austria-----	69	116	183	112	77	117	106
Sweden-----	292	342	371	153	166	114	108
United Kingdom-----	27	31	49	78	93	96	70
Denmark-----	52	151	154	141	138	95	83
Nansei and Nanpo Islands-----	-	-	16	-	11	35	6
Hong Kong-----	3	75	41	16	4	15	138
All other-----	43	51	65	39	67	149	163
Total-----	8,984	10,248	12,398	6,227	6,688	6,953	6,487
Average value per dozen pieces <sup>5/</sup>							
Japan-----	\$0.86	\$1.01	\$1.00	\$1.05	\$1.08	\$1.15	\$1.27
West Germany-----	3.35	2.85	3.08	3.82	4.22	4.68	5.26
Netherlands-----	3.48	2.19	1.66	2.38	1.68	1.79	2.10
Italy-----	2.76	2.43	1.30	2.95	2.83	3.78	3.90
Austria-----	4.30	3.21	2.41	3.12	4.29	2.73	4.12
Sweden-----	4.54	5.05	5.47	6.36	5.11	4.99	4.82
United Kingdom-----	5.61	4.64	5.49	5.99	7.69	5.20	5.59
Denmark-----	5.55	5.37	5.99	6.73	7.68	8.32	9.12
Nansei and Nanpo Islands-----	-	-	.95	-	.76	.70	.63
Hong Kong-----	.43	.68	.78	.71	.70	.68	.76
All other-----	3.88	2.14	4.20	4.57	3.98	4.32	2.55
Average-----	.98	1.15	1.14	1.31	1.30	1.36	1.43

<sup>1/</sup> Includes estimates for small amounts of imports for which values only were reported.

<sup>2/</sup> Preliminary. In 1963 in addition, 398,000 dozen tablespoons, not wholly of metal, in chief value of stainless steel were imported (99 percent of them from Japan) in the first 8 months. These spoons, with a foreign value of \$483,000, were classified in Schedule A class 6130.792, set up in July 1962 and were outside the scope of the escape-clause action because they were not wholly of metal. On and after Aug. 31, 1963, such spoons were no longer separately classified, but if their handles were of stainless steel, or if the essential character of the handles was that of stainless steel, they were classified as stainless-steel flatware, and if the spoons were valued under \$3 per dozen and were not over 10.2 inches in overall length, they were regarded as quota-type flatware. However, the quantities of such spoons falling within the new classification are not known.

<sup>3/</sup> Data on flatware imported in sets since Aug. 31, 1963, are not included. The value of quota-type flatware imported in sets is not reported in official statistics, and neither the quantity nor the value of nonquota-type flatware imported in sets is reported separately. During the period September-December 1963, imports of quota-type stainless-steel flatware in sets amounted to 1,229 thousand dozen pieces from all sources of which 1,077 thousand dozen pieces were imported from Japan. In 1964, imports of quota-type stainless-steel flatware in sets amounted to 2,265 thousand dozen pieces from all sources of which 2,012 thousand dozen pieces were imported from Japan.

<sup>4/</sup> Includes relatively small amounts of imports which were entered free of duty for U.S. Government use.

<sup>5/</sup> Based on the unrounded figures.

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

Table 9.--Stainless-steel knives, forks, and spoons: U.S. imports from Japan and from all other countries, by specified value brackets, 1963

Item	Knives	Forks	Spoons	All pieces
	Quantity (1,000 dozen) <sup>1/</sup>			
Japan:				
Valued per dozen at--				
\$3 or more-----	107	17	18	142
Less than \$3-----	1,119	1,216	2,118	4,453
Total-----	1,226	1,233	2,136	4,595
All other countries:				
Valued per dozen at--				
\$3 or more-----	116	65	79	260
Less than \$3-----	21	92	136	249
Total-----	137	157	215	509
Total, all countries:				
Valued per dozen at--				
\$3 or more-----	224	82	97	402
Less than \$3-----	1,140	1,308	2,254	4,702
Total-----	1,363	1,390	2,351	5,104
	Foreign value (per dozen) <sup>2/</sup>			
Japan:				
Valued per dozen at--				
\$3 or more-----	\$3.91	\$4.67	\$3.43	\$3.94
Less than \$3-----	1.69	.88	.83	1.06
Average-----	1.90	.95	.86	1.16
All other countries:				
Valued per dozen at--				
\$3 or more-----	5.60	5.01	4.78	5.20
Less than \$3-----	1.64	1.21	1.21	1.24
Average-----	5.16	2.51	2.52	3.17
Average, all countries:				
Valued per dozen at--				
\$3 or more-----	4.79	4.94	4.53	4.76
Less than \$3-----	1.68	.91	.86	1.07
Average-----	2.21	1.14	1.01	1.36

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

<sup>2/</sup> Based on unrounded figures.

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

Note.--Data do not include pieces imported in sets after Aug. 31, 1963, for which entered value is not available.

Table 10. ---Stainless-steel table flatware: U.S. imports for consumption, total and from Japan, by types, 1961-64

Item	1961		1962		1963		1964	
	Quantity (dozen pieces)	Entered value	Quantity (dozen pieces)	Entered value	Quantity (dozen pieces)	Entered value	Quantity (dozen pieces)	Entered value
Total, all countries								
Quota-type:								
Imported within the quota	4,076,139	\$3,890,887	4,399,126	\$4,302,440	4,070,905	\$4,234,267	3,542,212	\$3,834,178
Imported in excess of the quota	197,507	236,350	177,488	216,989	364,477	410,542	321,287	396,098
Total	4,273,646	4,127,237	4,576,614	4,519,429	4,435,382	4,644,809	3,863,499	4,230,276
Nonquota-type	474,981	2,086,697	586,128	2,168,493	669,020	2,308,669	667,455	2,257,162
Total, quota- and nonquota-types	4,748,627	6,213,934	5,162,742	6,687,922	5,104,402	6,953,478	4,530,954	6,487,438
Japan								
Quota-type:								
Imported within the quota	3,912,035	\$3,671,717	4,217,933	\$4,072,341	3,862,755	\$3,994,103	3,316,450	\$3,645,208
Imported in excess of the quota	177,107	202,692	166,817	196,406	329,036	363,455	256,716	329,225
Total	4,089,142	3,874,409	4,384,750	4,268,747	4,191,791	4,357,558	3,573,166	3,974,433
Nonquota-type	212,020	651,906	341,616	848,435	403,473	930,950	441,581	1,134,420
Total, quota- and nonquota-types	4,301,162	4,526,315	4,726,366	5,117,182	4,595,264	5,288,508	4,014,747	5,108,853
Ratio (percent) of imports from Japan to total imports								
Quota-type:								
Imported within the quota	96.0	94.4	95.9	94.7	94.9	94.3	93.6	95.1
Imported in excess of the quota	89.7	85.8	94.0	90.5	90.5	88.5	79.9	83.1
Average	95.5	93.6	95.8	94.5	94.5	93.8	92.5	94.0
Nonquota-type	44.6	31.2	58.3	39.1	60.3	40.2	66.2	50.3
Average, quota- and nonquota-types	90.5	72.7	91.5	76.5	90.0	76.1	88.6	78.7

1/ Preliminary. In 1963, in addition, 398,000 dozen tablespoons, not wholly of metal, in chief value of stainless steel were imported (99 percent of them from Japan) in the first 8 months. These spoons, with a foreign value of \$483,000, were classified in Schedule A class 6130.792, set up in July 1962 and were outside the scope of the escape-clause action because they were not wholly of metal. On and after Aug. 31, 1963, such spoons were no longer separately classified, but if their handles were of stainless steel, or if the essential character of the handles was that of stainless steel, they were classified as stainless-steel flatware, and if the spoons were valued under \$3 per dozen and were not over 10.2 inches in overall length, they were regarded as quota-type flatware. However, the quantities of such spoons falling within the new classification are not known.

2/ Data on stainless steel flatware imported in sets since Aug. 31, 1963, are not included. The value of quota-type flatware imported in sets is not reported in official statistics, and neither the quantity nor the value of nonquota-type flatware imported in sets is reported separately. During the period September-December 1963, imports of quota-type stainless-steel flatware in sets amounted to 1,229,356 dozen pieces from all sources of which 1,076,577 dozen pieces were imported from Japan. In 1964, imports of quota-type stainless steel flatware amounted to 2,264,538 dozen pieces from all sources of which 2,012,078 dozen pieces were imported from Japan. During both periods virtually all flatware imported in sets was entered within the quota.

3/ Includes relatively small amounts of imports which were entered free of duty for U.S. Government use.

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



Table 11.--Stainless-steel table flatware: U.S. imports for consumption under the quota, based on data reported by the U.S. Department of the Treasury and the U.S. Department of Commerce, by months, November 1961-January 1965 <sup>1/</sup>

(In dozens of pieces)				
Quota year and month	Import data as reported by the--			
	U.S. Department of the Treasury <sup>2/</sup>		U.S. Department of Commerce	
	Monthly entries	Accumulated totals	Monthly entries	Accumulated totals
Quota year beginning Nov. 1, 1961:				
November-----	3,470,415	3,470,415	3,070,604	3,070,604
December-----	463,846	3,934,261	591,076	3,661,680
January (1962)-----	631,417	4,565,678	455,639	4,117,319
February-----	511,395	5,077,073	478,550	4,595,869
March-----	511,618	5,588,691	695,226	5,291,095
April-----	6,215	5,594,906	127,956	5,419,051
May-----	1,343	5,596,249	29,576	5,448,627
June-----	25,941	5,622,190	24,817	5,473,444
July-----	40,209	5,662,399	25,957	5,499,401
August-----	35,207	5,697,606	11,557	5,510,958
September-----	16,671	5,714,277	6,755	5,517,713
October-----	31,384	5,745,661	43,525	5,561,238
Quota year beginning Nov. 1, 1962:				
November-----	2,171,492	2,171,492	1,870,344	1,870,344
December-----	473,037	2,644,529	629,292	2,499,636
January (1963)-----	635,822	3,280,351	734,428	3,234,064
February-----	448,459	3,728,810	470,275	3,704,339
March-----	573,417	4,302,227	599,391	4,303,730
April-----	668,839	4,971,066	582,604	4,886,334
May-----	501,764	5,472,830	466,829	5,353,163
June-----	233,827	5,706,657	291,431	5,644,594
July-----	43,343	<sup>3/</sup> 5,750,000	12,846	5,657,440
August-----	-	<sup>3/</sup> 5,750,000	16,651	5,674,091
September-----	-	<sup>3/</sup> 5,750,000	323	5,674,414
October-----	-	<sup>3/</sup> 5,750,000	1,443	5,675,857
Quota year beginning Nov. 1, 1963:				
November-----	1,959,389	1,959,389	1,035,871	1,035,871
December-----	691,446	2,650,835	1,025,092	2,060,963
January (1964)-----	827,482	3,478,317	1,003,228	3,064,191
February-----	797,465	4,275,782	864,320	3,928,511
March-----	1,112,496	5,388,278	837,148	4,765,659
April-----	361,722	<sup>3/</sup> 5,750,000	341,212	5,106,871
May-----	-	<sup>3/</sup> 5,750,000	78,989	5,185,860
June-----	-	<sup>3/</sup> 5,750,000	19,824	5,205,684
July-----	-	<sup>3/</sup> 5,750,000	46,023	5,251,707
August-----	-	<sup>3/</sup> 5,750,000	2,664	5,254,371
September-----	-	<sup>3/</sup> 5,750,000	30,029	5,284,400
October-----	-	<sup>3/</sup> 5,750,000	30,955	5,315,355
Quota year beginning Nov. 1, 1964:				
November-----	2,570,100	2,570,100	1,290,427	1,290,427
December-----	902,727	3,472,826	1,219,924	2,510,351
January (1965)-----	1,333,706	4,806,533	<sup>4/</sup>	<sup>4/</sup>

<sup>1/</sup> Preliminary; subject to revision.

<sup>2/</sup> Entries shown in months following the first month of each quota year reflect adjustments in previous entries.

<sup>3/</sup> 69 million pieces.

<sup>4/</sup> Not available.

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

Note.--Variation in import statistics of quota flatware as reported by the Treasury Department and the Commerce Department is to be expected. The Treasury Department figures are compiled by the Quota Section of the Bureau of Customs in Washington, D.C., from weekly reports of entries actually accepted as being within the quota. When the quota is about to be filled, all entries are time stamped and provisionally accepted until final calculations can be made. The Department of Commerce figures are compiled from statistical copies of the entries which have not been verified for accuracy as to the quota quantities. Furthermore, the Department of Commerce makes no attempt to adjust its quota figures on a current basis. Also imports of flatware, under the new Tariff Schedules of the United States, in sets do not appear in the monthly statistics of the Department of Commerce; they are reported on a delayed basis in a supplemental tabulation showing quantity only.



Table 13.--Average number of workers employed and man-hours worked by production and related workers in establishments engaged in the production of stainless-steel table flatware, 1959-63, January-June 1963, and January-June 1964

Period	Average number employed		Man-hours worked by pro- duction and related workers	
	All persons	Production and related workers	All operations	Stainless-steel table flatware
			Thousands	Thousands
1959-----	8,383	6,580	13,803	5,079
1960-----	8,155	6,369	12,997	5,110
1961-----	8,404	6,671	13,543	4,886
1962-----	9,066	7,124	14,339	5,744
1963-----	9,773	7,618	15,681	5,889
January-June--				
1963-----	7,941	6,461	6,570	2,824
1964-----	9,931	7,823	8,195	3,415

Source: Compiled from data submitted to the U.S. Tariff Commission by the producers of stainless-steel table flatware.

Table 14.--U.S. production of stainless-steel table flatware, and employment, wages, and labor productivity in the manufacture of such flatware, 1951-63, January-June 1963, and January-June 1964

Period	Number of manufacturers	Production	Average number of employees	Production and related workers				Total	Per man-hour	Per dozen pieces	
				1,000 dozen pieces	Man-hours paid for	Flatware produced per man-hour					Wages paid
						Quantity	Value 2/				
1951	18	11,893	2,336	2,021	4,253	2.8	\$4.95	1,000	\$1.60	\$0.57	
1952	18	9,304	2,011	1,721	3,624	2.6	4.65	6,111	1.69	.66	
1953	19	11,020	2,182	1,882	4,056	2.7	4.94	7,097	1.75	.64	
1954	23	11,051	2,390	1,972	4,115	2.7	5.16	7,055	1.71	.64	
1955	22	14,848	3,080	2,501	5,329	2.8	5.38	10,034	1.88	.68	
1956	21	14,695	2,987	2,382	5,037	2.9	6.33	9,820	1.95	.67	
1957	21	13,079	2,888	2,248	4,658	2.8	6.29	9,225	1.98	.71	
1958	20	15,030	3,057	2,326	4,760	3.2	6.69	9,895	2.08	.66	
1959	19	18,480	3,019	2,416	5,079	3.6	7.45	10,990	2.16	.59	
1960	19	19,332	3,164	2,510	5,110	3.8	7.98	11,427	2.24	.59	
1961	19	18,467	2,973	2,387	4,886	3.8	8.17	11,397	2.33	.62	
1962	20	21,339	3,457	2,793	5,744	3.7	7.58	3/	4/ 2.22	4/ .58	
1963	20	21,366	3,607	2,838	5,889	3.6	7.67	3/	4/ 2.39	4/ .64	
January-June 1963	20	10,468	3,335	2,753	2,824	3.7	7.84	3/	3/	3/	
1964	19	13,416	4,035	3,221	3,415	3.9	8.97	3/	3/	3/	

1/ Estimated by applying to the reported number of employees on all products the ratio of man-hours for production and related workers on stainless-steel table flatware to man-hours for such workers on all products.

2/ Estimated by multiplying the number of dozens of pieces of flatware produced per man-hour by the average value of sales per dozen pieces sold.

3/ Not available.

4/ Based on data for 11 producers, which accounted for approximately 85 percent of total production.

Source: Compiled from data submitted to the U.S. Tariff Commission by the producers.

Table 15.--Stainless-steel table flatware: U.S. producers' sales of best selling patterns in 1963 and prices of these patterns (f.o.b. factory), 1959-64

Type, and number of patterns for which prices were reported		Patterns sold in 50-piece sets							
		Quantity	Value	1959	1960	1961	1962	1963	1964
Sales of knives, forks: Prices per set on Apr. 30, weighted according to quantity of sales in 1963									
and spoons in 1963									
Quantity									
1,000 dozen									
pieces									
Total, 20 patterns		2,752	\$ 5,740	\$ 8.05	\$ 8.10	\$ 8.23	\$ 8.25	\$ 8.13	\$ 8.13
Total, 25 patterns 1/		4,122	8,071	-	7.60	7.68	7.57	7.54	7.58
Type 1, 2/		2,125	3,036	-	5.68	5.69	5.47	5.48	5.55
Type 2, 3/		1,659	3,164	-	6.98	7.19	7.19	7.06	7.06
Type 3, 4/		338	1,871	-	22.67	22.64	22.64	22.92	22.92
Type 4, 5/									
Total, 11 patterns		1,511	2,702	\$ 3.62	\$ 3.73	\$ 3.76	\$ 3.76	\$ 3.74	\$ 3.76
Total, 12 patterns 6/		1,770	3,289	-	3.51	3.54	3.54	3.52	3.54
Type 1 (2-piece knife), 7 patterns		773	1,239	-	2.56	2.56	2.56	2.46	2.46
Type 2 (1-piece knife), 5 patterns		997	2,050	-	4.25	4.29	4.30	4.34	4.38

Patterns not sold in 50-piece sets, based on open-stock sales of knives 5/

Sales of knives, forks: Prices per dozen pieces on Apr. 30, weighted according to quantity of sales in 1963

Quantity

1,000 dozen

pieces

Value

1959

1960

1961

1962

1963

1964

1/ Sales of these 25 patterns accounted for 19 percent of the total quantity and 17 percent of the total value of sales of stainless-steel table flatware by all U.S. producers in 1963.

2/ Ungraded (thickness of spoon bowls, fork tines, or spoon and fork handles is not varied), lightweight (a dozen teaspoons and a dozen dinner forks, weight less than 22 ounces), 2-piece knife with blade not forged or 1-piece knife with blade forged, partly finished (burnished with shot in tumbling barrels with or without additional light polishing or buffing).

3/ Graded (thickness of spoons and forks is varied), medium to heavy weight (a dozen teaspoons and a dozen dinner forks, weight 22 ounces or more); 1-piece forged knife, fully finished (completely polished and buffed).

4/ Graded, medium to heavy weight, hollow-handle forged knife, fully finished.

5/ Trends in the prices of knives were found to be similar to trends in the prices of the other pieces of flatware. Almost all the higher quality knives (type 3) are sold in 50-piece sets rather than as open stock.

6/ Sales of these 12 patterns accounted for 8 percent of the total quantity and 7 percent of the total value of sales of stainless-steel table flatware by all U.S. producers in 1963.

Source: Compiled from data submitted to the U.S. Tariff Commission by the producers of stainless-steel table flatware.

Table 16.--Stainless-steel table flatware: U.S. producers' sales of best selling patterns in 1963 and indexes of prices of those patterns, 1959-64

(1963=100)

Type, <u>1</u> / and number of patterns for which prices were reported	Sales of knives, forks, and spoons in 1963		Indexes of prices weighted according to quantity of sales in 1963					
	Quantity 1,000 dozen: pieces	Value 1,000 dollars	1959	1960	1961	1962	1963	1964
Total, 31 patterns-----	4,263	8,442	98	100	101	101	100	100
Total, 37 patterns <u>2</u> /-----	5,892	11,360	-	100	101	100	100	101
Type 1, 20 patterns-----	2,898	4,275	-	104	104	101	100	101
Type 2, 11 patterns-----	2,656	5,214	-	98	101	101	100	100
Type 3, 6 patterns-----	338	1,871	-	99	99	99	100	100

1/ See footnotes to table 15 for definitions of the types.

2/ Sales of these 37 patterns accounted for 27 percent of the total quantity and 24 percent of the total value of sales of stainless-steel table flatware by all U.S. producers in 1963.

Source: Compiled from data submitted to the U.S. Tariff Commission by the producers of stainless-steel table flatware.

Table 17.--Stainless-steel table flatware: U.S. producers' sales of best selling patterns in 1956 and indexes of prices of those patterns, 1956-64

Type, <sup>1/</sup> and number of patterns for which prices were reported:	Value of sales in 1956: :1,000 :dollars:	Indexes of prices weighted according to value of sales of 24-piece sets in 1956 (1956=100)										
		1956	1957	1958	1959	1960	1961	1962	1963	1964		
Total, 24 patterns <sup>2/</sup>	9,312	100	107	106	108	108	108	105	105	105	107	
Type 1, 12 patterns--	3,639	100	108	106	110	110	109	104	104	104	104	
Type 2, 5 patterns--	3,314	100	109	109	109	112	111	111	114	114	117	
Type 3, 7 patterns--	2,359	100	104	101	105	102	102	100	100	100	100	

<sup>1/</sup> See footnotes to table 15 for definitions of the types.

<sup>2/</sup> These 24 patterns accounted for 30 percent of the total value of sales of stainless-steel table flatware by all U.S. producers in 1956.

Source: Compiled from data submitted to the U.S. Tariff Commission by the producers of stainless-steel table flatware.

Table 18. Net sales and profit-and-loss data on stainless-steel table flatware for U.S. manufacturers, 1955-63

Item	1955	1956	1957	1958	1959	1960	1961	1962	1963
Number of reporting manufacturers included	15	15	15	15	14	14	14	14	14
Percent of total sales of stainless-steel table flatware by U.S. producers accounted for by the reporting manufacturers	93	93	94	96	97	96	96	97	97
Ratio of the reporting producers' sales of stainless-steel table flatware to their sales of all products made in the same establishments	1/	1/	1/	1/	27	27	29	30	33
Net sales of stainless-steel table flatware	26,547	29,153	27,844	30,498	37,866	37,155	39,676	42,548	47,430
1,000 dollars									
Net operating profit or (loss) before income taxes	(644)	27	(539)	(264)	1,281	1,241	1,094	1,844	2,179
Ratio of net operating profit or (loss) to net sales	(2.4)	0.1	(1.9)	(0.9)	3.4	3.3	2.8	4.3	4.6
Number of manufacturers reporting loss	6	4	6	7	2	3	5	5	5

1/ Data not available.

Source: Compiled from data submitted to the U.S. Tariff Commission by the U.S. producers.



