

UNITED STATES INTERNATIONAL TRADE COMMISSION

CHISELS, PUNCHES, HAMMERS, SLEDGES,
VISES, C-CLAMPS, AND BATTERY
TERMINAL LIFTERS FROM JAPAN

Information Obtained
in Investigation No. AA1921-149 Under the
Antidumping Act, 1921, as Amended



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UNITED STATES INTERNATIONAL TRADE COMMISSION

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Introduction

On September 2, 1975, the International Trade Commission received advice from the Department of the Treasury that chisels, punches, hammers and sledges (with or without handles), vises, c-clamps, and battery service tools (including battery terminal clamp lifters, battery post and terminal cleaning brushes, battery terminal spreaders, angle-nose pliers, booster cables, and battery service kits) imported from Japan are being, or are likely to be, sold in the United States at less than fair value within the meaning of the Antidumping Act, 1921, as amended (19 U.S.C. 160(a)). The Department of the Treasury excluded from its determination of sales at less than fair value hammers from Imoto Hamono Co., Ltd., Kyoto Tool Co., Ltd., sledges from Hirota Tekko K.K., angle-nose pliers and terminal spreaders from Tashiro Seisakusho, and battery post and terminal cleaning brushes from Japan Export Brush Co., Ltd. (40 F.R. 41155, Sept. 5, 1975). Accordingly, the Commission, on September 10, 1975, instituted Investigation No. AA1921-149 under section 201(a) of the Antidumping Act, 1921, as amended, to determine whether an industry in the United States is being, or is likely to be, injured, or is being prevented from being established, by reason of the importation of such chisels, punches, hammers and sledges, vises, c-clamps, and battery service tools into the United States. The statute directs the Commission to make its determination within 3 months of its receipt of advice from the Department of the Treasury--in this case by December 2, 1975.

The Department of the Treasury issued an amendment of determination of sales at less than fair value on October 15, 1975, excluding battery post and terminal cleaning brushes, battery terminal spreaders, angle-nose pliers, booster cables, and battery service kits from its determination (40 F.R. 49111, Oct. 21, 1975). Upon receipt of this information, the Commission's investigation was amended accordingly.

A notice was published in the Federal Register (40 F.R. 50320) on October 29, 1975.

A public hearing was held on October 22 and 23, 1975. Notice of the institution of the investigation and hearing, originally scheduled for October 2, 1975, was duly given by posting copies of the notice at the office of the Secretary, U.S. International Trade Commission, 701 E Street NW., Washington, D.C., and the New York office of the International Trade Commission, and by publishing the notice in the Federal Register (40 F.R. 42607) on September 15, 1975. Notice of Hearing Rescheduling from October 2 to October 22, 1975, was duly given by posting copies of the notice and by publishing the notice in the Federal Register (40 F.R. 43956) on September 24, 1975.

The Department of the Treasury instituted the investigation after receiving a complaint on August 5, 1974, and issued a notice of withholding of appraisement on June 2, 1975 (40 F.R. 24218, June 5, 1975). (On September 2, 1975, the Department of the Treasury issued a determination of sales at less than fair value from Japan on certain nonpowered hand tools, and notice of discontinuance of antidumping investigation

on precision measuring tools. The investigation of the precision measuring tools was discontinued because of the minimal volume of export sales involved. This notice was published in the Federal Register on September 5, 1975 (40 F.R. 41155)).

Description and Uses

The tools under investigation--chisels, punches, hammers, sledges, vises, c-clamps, and battery terminal clamp lifters---are nonpowered hand tools, used mostly by mechanics, carpenters, masons, and other trades people. In addition, a large proportion of these tools are also used by handy-persons and occasionally for hobby and repair work.

Chisels under consideration are hand tools used for cutting steel, stone, wood, and other materials. Chisels are generally classified as either wood chisels--used for working on wood--or as cold chisels--used in cutting metal. Wood chisels consist of a steel blade usually 2-1/2 to 3 inches in length and 1/4 inch to 1-1/2 inches in width. The cutting edge extends along the entire width of the blade at one end. At the opposite end of the blade a tang forms into a rod and bolster against which a wood or vinyl handle is attached. Some woodworking chisels, however, are of a one-piece steel construction.

Wood chisels are pushed either by hand or driven by hammer impact against the handle. The blades of woodworking chisels are generally forged of high-carbon or alloy steel. The most common size is 3/4 inch.

Cold chisels are forged of alloy steel and hardened through special heat treatment. The chisels are ground and have polished blades and heads. They are classified according to the shape of the point on the cutting edge. The most common types are flat, cape, diamond point, and round nose.

The most common type, flat (cold) chisels, are used to cut rivets and sheet metal, to chip castings, and split nuts. Cold chisels are generally from 5 to 8 inches in length and have a cutting blade ranging from 1/4 inch to 1 inch in width.

Cape chisels are used for cutting narrow grooves and key ways. Round nose chisels are used for cutting circular grooves, while diamond point chisels are used for cutting sharp corners and V-shaped grooves.

All metal-cutting chisels are held in one hand and driven by hammer impact.

The punches under consideration are hand-held tools used to mark, cut or stamp metal, or to drive out pins, bolts, or rivets. Punches are forged of alloy steel and hardened and tempered by special heat treatment. Punches consist of a knurled or octagonal body, which is shaped into a point at one end of the tool and a head at the opposite end. Punches are generally 4 to 6 inches in overall length, although some types are up to 12 inches in length.

Center and prick punches are used for marking the center of a hole to be drilled or to align parts prior to assembly. Drift and pin punches are used for driving out pins, bolts, and rivets. Solid (or tinnerns) punches are used for stamping sheet metal.

A common size of pin punches and solid punches is 3/16-inch diameter point. A common size of center punches is 3/8-inch diameter body.

There are several other types of hand-operated punches, such as the gasket punches, saddlers' punches, and so forth. All the punches are held in one hand and driven by hammer impact.

Hammers and sledges under consideration are hand-operated striking tools. Hammers are distinguished from sledges by the weight of the tool head (sledges weigh generally 4 pounds or more), by the shape of the head, and the length of the handle. Most hammers are either of the claw type (carpenters' hammers) or the ball-peen type (machinists' hammers). Most sledges are of the double-face type, or cross-peen type; however, there are, in addition, many other types of hammers, such as bricklayers' hammers, prospectors' hammers, tack hammers, and so forth; these hammers are characterized by their own particular hammerhead shape.

Still other types of hammers are classified as nonsparking hammers and soft-faced hammers. These two types differ from the aforementioned hammers by the composition of the hammer head. Nonsparking hammers are made of certain alloys to prevent the hammer from causing sparks on impact, which is an important safety consideration when work is performed near flammable materials. Soft-faced hammers are used in preventing the hammer impact to mar or scratch the surface of the workpiece.

The most common sizes of hammer heads are 12, 16, and 24 ounces. The most common sledge sizes are 6 and 8 pounds.

The hammer head is forged of alloy steel. The face (striking plane) is usually chamfered for added protection of the user. The most popular type of hammer and sledge handle is made of hickory wood. For lighter weight hammers, fiberglass handles have become more common during the past 10 years.

Vises under consideration are hand-operated tools used for holding a workpiece in a fixed position to permit work such as planing, sawing, drilling, shaping, and so forth. Bench vises are generally classified according to the jaw width and the weight of the tool. They range from small hand-held vises weighing less than 2 pounds to large machinists' vises weighing more than 100 pounds.

These vises consist of a cast metal body and a set of jaws, one side of which can be adjusted (ie., opened or closed) by turning the handle of a large screw.

Machinists' vises are bolt-mounted to a bench and generally have a swivel base for turning. The jaw inserts are replaceable. In addition, most machinists' vises also have pipe-holding jaws in the throat of the tool. Machinists' vises most commonly have a jaw width of 3-1/2 inches and larger.

Workshop and homeshop vises are similar to machinists' vises, except for generally lighter construction. Such vises may also lack the anvil which is part of machinists' vises. There are several other types of bench vises in common use, such as the blacksmiths' vises, the woodworkers' vises, jewellers' vises, and so forth.

Another type is machine-table vises, which are used in conjunction with machine tools. Among these vises are the small drill-press vises and the angle vises.

C-clamps under consideration are hand-operated tools used for holding a workpiece in a fixed position while work is being performed. C-clamps derive their name from the shape of the tool's frame, which

is shaped like of the letter "C". A screw runs through one end of the frame in such a way that the open side of the letter "C" can be closed off by turning the screw down, thus clamping a workpiece between the head of the screw and the other end of the C-shaped frame.

The c-clamp frame can be cast, forged, or stamped. C-clamps come in a large variety of types, classified either by differences in shape, such as flat or deep, or by differences in construction, such as standard duty, heavy duty, extra heavy duty, and so on.

The most common sizes of c-clamps range from 2 to 4 inches.

Battery terminal clamp lifters are hand-operated tools, used to pull the clamp (to which the battery cable is attached) off the battery terminal post. The tool consists of two jaws hinged to the cam of the tool frame. The jaws are forced together by turning a center screw down. The center screw is turned down against the top of the battery terminal post while the jaws grip the outside of the clamps, thereby lifting them off the battery post.

The jaws and cam of the tool are made of forged steel, the rest is stamped steel. Terminal clamp lifters come in one standard size.

U.S. Tariff Treatment

The rates of duty applicable to vises and c-clamps (649.37), hammers and sledges (651.21 and 651.23), chisels (651.29 and 651.31), and punches and battery terminal clamp lifters (651.47) are all reduced rates in effect pursuant to trade agreements. Table 1 (on the following page) shows the rates provided in the Tariff Act of 1930, those in effect with the adoption of the Tariff Schedules of the United States (TSUS) on August 31, 1963, and the rates currently applicable. The Kennedy Round reductions commencing January 1, 1968, and ending January 1, 1972, reduced the duties on all of the subject hand tools by about 50 percent.

Sets including two or more tools under TSUS 651.75 are subject to duty at the rate applicable to the article in the set subject to the highest rate of duty.

Table 1.--Certain hand tools and metal parts thereof: U.S. rates of duty in effect on June 18, 1930, Aug. 31, 1963, and Jan. 1, 1972

| (Percent ad valorem; cents per pound) | | | |
|---------------------------------------|---------------|-----------------|---------|
| Abbreviated description: | June 18, 1930 | Aug. 31, 1963 | Jan. 1, |
| and | (Tariff Act | (TSUS) | 1972 |
| item number | of 1930) | | |
| Vises and clamps, | : | : | : |
| except parts | : | : | : |
| (649.37)----- | 27.5%-45% | 10.5% <u>1/</u> | 5% |
| Hammers and sledges | : | : | : |
| (with or without | : | : | : |
| handles): | : | : | : |
| With heads not over | : | : | : |
| 3.25 pounds each | : | : | : |
| (651.21)----- | 45% | 22.5% | 11% |
| With heads over 3.25 | : | : | : |
| pounds each | : | : | : |
| (651.23)----- | 1-3/8¢-45% | 5% <u>2/</u> | 2.5% |
| Chisels, gimlets, | : | : | : |
| gouges, planes, and | : | : | : |
| other cutting | : | : | : |
| tools and parts | : | : | : |
| thereof: | : | : | : |
| With cutting part | : | : | : |
| containing over | : | : | : |
| 0.2 percent chro- | : | : | : |
| mium, molybdenum, | : | : | : |
| or tungsten, or | : | : | : |
| over 0.1 percent | : | : | : |
| vanadium (651.29)-- | 60% | 30% | 15% |
| Other (651.31)----- | 45% | 22.5% | 11% |
| Other hand tools of | : | : | : |
| iron or steel | : | : | : |
| (651.47)----- | 40%-45% | 17% <u>3/</u> | 8.5% |

1/ The rate initially provided under the TSUS represented a weighted average of rates applicable to imports of vises and clamps under pars. 353, 372, 396, and 397 of the Tariff Act of 1930.

2/ The rate initially provided under the TSUS represented a weighted average of the rates applicable to imports of sledges under pars. 326 and 396 of the Tariff Act of 1930.

3/ The rate initially provided under the TSUS represented the rate applicable to the great bulk of imports of "other" hand tools under par. 334 of the Tariff Act of 1930.

Nature and Extent of Sales at Less Than Fair Value

In arriving at a determination of sales at less than fair value (LTFV), the Department of the Treasury investigated pricing practices of 10 Japanese manufacturers of subject hand tools. These 10 firms accounted for about 68 percent of the subject merchandise exported to the United States during the period January 1 through December 31, 1973. The approximate dollar volume of sales to the United States by each of these manufacturers in 1973 is indicated below:

| | <u>Value</u> | <u>Percent of total</u> |
|------------------------------------|--------------|-----------------------------|
| Chisels and punches: | | |
| Takashiba Gimune Mfg. Co----- | * * * | * * * |
| Hammers and sledges: | | |
| Kataoka Seisakusho----- | * * * | * * * |
| Hirota Tekko K.K----- | * * * | * * * |
| O.H. Industrial Co., Ltd----- | * * * | * * * |
| Kyoto Tool Co., Ltd----- | * * * | * * * |
| Imoto Hamono Co., Ltd----- | * * * | * * * |
| | <u>* * *</u> | <u>* * *</u> |
| Vises: | | |
| Imao Mfg. Co., Ltd----- | * * * | * * * |
| Nabeya Iron and Tool Works, Ltd--- | * * * | * * * |
| | <u>* * *</u> | <u>* * *</u> |
| C-clamps: | | |
| Suzuki Iron Works Co., Ltd----- | * * * | * * * |
| Battery terminal lifters: | | |
| Osumi Sangyo Co., Ltd----- | * * * | * * * |
| | <u>* * *</u> | <u>* * *</u> |

During the Treasury's period of investigation, namely April-September 1974, export sales to the United States from the 10 Japanese manufacturers were valued at \$1.6 million, of which \$1.1 million, or 70 percent were sold at LTFV.

The Treasury made price calculations on all of the shipments by the 10 firms in the 6 months covered. It found that exports valued at \$1.1 million, or 70 percent of the total exports to the United States by the 10 companies, were sold at less than fair value.

Three firms, Imoto Hamono Co., Ltd., Kyoto Tool Co., Ltd. (hammers) and Hirota Tekko K.K. (sledges), were found to have no sales at less than fair value during the Treasury's period of investigation. Accordingly, these three companies have been excluded from the final determination by the Treasury.

* * * * *

The average margin of sales at less than fair value was 19 percent; the average margin ranged from 2 percent for hammers to 63 percent for c-clamps. Table 2, on the following page, shows the total sales by the 10 Japanese hand-tool manufacturers investigated by Treasury, the sales at LTFV, and dumping margins, by product, for the period April 1-September 30, 1974.

Table 2.--Certain nonpowered hand tools: Sales in the United States by 10 Japanese firms investigated by Treasury, total, and below fair value, by type of tool, Apr. 1,-Sept. 30, 1974

* * * * *

U.S. Consumption

Apparent domestic consumption of all the tools under consideration 1/ increased each year during 1971-74 with the exception of a small decrease in the consumption of battery terminal clamp lifters in 1974. Apparent domestic consumption for the tools combined increased by about 17 percent in 1973 and by about 26 percent in 1974 over the respective prior years.

Apparent domestic consumption, however, decreased for all the tools under consideration in January-August 1975 (compared with consumption in January-August 1974), except for a small increase in the consumption of vises, and except for c-clamps, for which consumption remained unchanged. The overall decline in consumption--for the tools combined--was about 6 percent, and reflects, at least in part, the general decline in U.S. economic activity since late 1974 (table 3).

1/ Chisels, punches, hammers, sledges, vises, c-clamps, and battery terminal clamp lifters.

Table 3.--U.S. apparent consumption 1/ of specified hand tools, 1971-74, January-August 1974, and January-August 1975

| Item | Value | | | | Percentage change | | | |
|--------------------------|--------------|--------------|--------------|--------------|-------------------|-------|-------|-----------|
| | 1971 | 1972 | 1973 | 1974 | 1971 | 1972 | 1973 | 1974 |
| | | | | Jan.-Aug.-- | | | | Jan.-Aug. |
| | | | | 1974 | 1971 | 1972 | 1973 | 1975 over |
| | | | | 1975 | 1971 | 1972 | 1973 | Jan.-Aug. |
| | | | | 1974 | 1971 | 1972 | 1973 | 1974 |
| | <u>1,000</u> | <u>1,000</u> | <u>1,000</u> | <u>1,000</u> | | | | |
| | dollars: | dollars: | dollars: | dollars: | | | | |
| Chisels | 7,843 | 9,481 | 10,967 | 13,565 | +20.9 | +15.7 | +23.7 | -11.0 |
| Punches | 2,805 | 3,206 | 3,802 | 4,843 | +14.3 | +18.6 | +27.4 | -7.4 |
| Hammers | 17,240 | 21,185 | 24,735 | 33,028 | +22.9 | +16.8 | +33.5 | -11.0 |
| Sledges | 3,391 | 4,315 | 5,120 | 7,581 | +27.2 | +18.7 | +48.1 | -.4 |
| Vises | <u>2/</u> | 13,124 | 14,747 | 17,284 | <u>2/</u> | +12.4 | +17.2 | +1.8 |
| C-clamps | <u>2/</u> | 11,418 | 13,597 | 15,595 | <u>2/</u> | +19.1 | +14.7 | - |
| Battery terminal lifters | 351 | 385 | 535 | 526 | +9.7 | +39.0 | -1.7 | -36.7 |
| Total | <u>2/</u> | 63,114 | 73,503 | 92,422 | <u>2/</u> | +16.5 | +25.7 | -5.8 |

1/ Data shown represent shipments (table 6) plus imports (table 10) minus exports (table 7).
2/ Not available.

Source: Tables 6, 7, and 10.

U.S. Producers

It is believed that about 100 U.S. firms are engaged in the production of one or more of the hand tools covered here--chisels, punches, hammers, sledges, vises, c-clamps, and battery terminal clamp lifters. Of these approximately 100 firms, there are many more producers for some of the specific classes of tools under consideration than for others. For example, there are more than 30 firms producing hammers, but fewer than 10 domestic firms are known to produce battery terminal clamp lifters.

Of these approximately 100 firms, about 45 are members of the Hand Tools Institute. It is believed that these 45 member firms account for about 75 percent of the value of total domestic output of these tools. ^{1/}

The dumping complaint was filed by Eugene Stewart, Esquire, Stewart & Ikenson, Washington, D.C., on behalf of the Hand Tools Institute, New York, N.Y., and on behalf of 10 domestic firms separately, nine of which are members of the Hand Tools Institute.

The complainant firms are as follows:

Western Forge Corp.
Colorado Springs, Colo. 80907
(manufacturer of chisels and punches)

Warren Tool Corp.
Warren, Ohio 44482
(manufacturer of chisels, punches,
hammers, sledges, vises, and c-clamps)

^{1/} The member firms' share of the value of total domestic output by specific class of tool ranges from about 60 percent for c-clamps to more than 90 percent for vises.

Vaughan & Bushnell Manufacturing Co.
 Hebron, Ill. 60034
 (manufacturer of hammers)

Wilton Corp.
 Des Plaines, Ill. 60018
 (manufacturer of vises and c-clamps)

Milwaukee Tool & Equipment Co., Inc.
 Milwaukee, Wis. 53246
 (manufacturer of vises)

J.H. Williams & Co.
 Buffalo, N. Y. 14207
 (manufacturer of c-clamps)

Armstrong Bros. Tool Co.
 Chicago, Ill. 60646
 (manufacturer of c-clamps)

Adjustable Clamp Co.
 Chicago, Ill. 60622
 (manufacturer of c-clamps)

Bergman Tool Manufacturing Co., Inc.
 Buffalo, N. Y. 14213
 (manufacturer of battery terminal
 clamp lifters)

K-D Manufacturing Co.
 Lancaster, Pa. 17604
 (manufacturer of battery terminal
 clamp lifters)

Except for the * * * which enters small-volume imports of * * *, none of the complainant firms imports any of the tools under consideration. However, several other domestic producers--including members of the Hand Tools Institute--import tools either to supplement their own domestic production with a second, low-quality product line or to complement their domestic production with other, related tools.

While most domestic producers of the tools under consideration manufacture two or more classes of these tools (also some tools not under¹⁷

consideration), many of these firms tend to concentrate their production in one major class of tool, such as vises by Wilton Corp. and hammers by True Temper Corp.

The major domestic producers by class of tool under consideration are listed below:

Chisels

Warren Tool Corp.
Enderes Tool Co., Inc.
Mayhew Steel Products Co.
Stanley Tools Division,
Stanley Works

Punches

Western Forge Corp.
Snap-On Tools Corp.
Mayhew Steel Products Co.
Enderes Tool Co., Inc.

Hammers

True Temper Corp.
Ames Division
McDonough Co.
Stanley Tools Division,
Stanley Works
Vaughan & Bushnell Manufacturing Co.

Sledges

Warren Tool Corp.
Woodings-Verona Tool Works
McDonough Co.
Warwood Tool Co.

Vises

Wilton Tool Division,
Wilton Corp.
Warren Tool Corp.
Stanley Works
Brink & Cotton Mfg. Co.

C-clamps

Brink & Cotton Mfg. Co.
Adjustable Clamp Co
Warren Tool Corp,
Wilton Tool Division,
Wilton Corp.

Battery terminal clamp lifters

K D Manufacturing Co.
Bergman Tool Manufacturing Co., Inc.
Snap-On Tools Corp.
Dowley Manufacturing, Inc.

Facilities for domestic production are located throughout the United States. There is some concentration of production in the Northeast and Midwest. No net plant closings have been reported recently. However, plants have been relocated in recent years because of consolidation and modernization of production facilities.

Domestic producers manufacture a significant share of hand tools for other original-equipment manufacturers. For example, the * * * produces * * * for sale by * * *, a major producer of * * *.

Several of the domestic producers of the tools under consideration are subsidiary companies of large, diversified domestic corporations. For example, J. H. Williams & Co., is part of the United Greenfield Division of T R W, Inc.

The size of domestic producers of the tools under consideration ranges from firms with annual sales totaling less than \$1 million to firms with annual sales of more than \$10 million.

Unfilled orders and inventories

Unfilled orders for the tools under consideration, increased each year during the 1971-74 period, except for a small decline in unfilled orders for c-clamps and a substantial decline for battery terminal clamp lifters in 1974.

Domestic producers reported substantial decreases in unfilled orders for all the tools under consideration, however, in January-August 1975 compared with January-August 1974.

Conversely, domestic producers' inventories of the tools under consideration were sharply higher in January-August 1975 than in January-August 1974, except for decreases in the inventories of vises 1/ and c-clamps. With the exception of vises, inventories of the tools under consideration generally increased during 1971-74 despite the large increases that had developed in unfilled orders during that time.

The combined effect of decreased orders and higher inventories in 1975 has shortened delivery time from about 6 weeks in 1974 to generally less than 4 weeks in 1975 (tables 4 and 5).

1/ Not including data for the Wilton Corp., a major producer of vises.

Table 4.--U.S. producers', unfilled orders of specified hand tools, 1/
1971-74, January-August 1974, and January-August 1975

| Item | Quantity | | | | Percentage change | | | |
|--------------------------|-------------|-------------|-------------|-------------|-------------------|----------------|----------------|------------------------------------|
| | 1971 | 1972 | 1973 | 1974 | 1972 over 1971 | 1973 over 1972 | 1974 over 1973 | Jan.-Aug. 1975 over Jan.-Aug. 1974 |
| | 1,000 units | 1,000 units | 1,000 units | 1,000 units | 1,000 units | 1,000 units | 1,000 units | 1,000 units |
| Chisels | 52 | 53 | 70 | 80 | 93 | 64 | 64 | -31.2 |
| Punches | *** | | | | | | | |
| Hammers | *** | | | | | | | |
| Sledges | *** | | | | | | | |
| Vises | - | 3 | 7 | 33 | 49 | 15 | 15 | -69.3 |
| C-clamps | - | 9 | 39 | 37 | 52 | 5 | 5 | -90.4 |
| Battery terminal lifters | *** | | | | | | | |

1/ Several of the domestic producers responding to the U.S. International Trade Commission questionnaire did not submit data on unfilled orders; ***.

Source: Compiled from responses to U.S. International Trade Commission questionnaires.

Domestic shipments

U.S. producers' shipments of the tools under consideration ^{1/} to the domestic market are estimated to have totaled about \$80 million in 1974 (table 6).

The value of shipments by domestic producers during 1971-74 increased for all the tools under consideration, but declined during January-August of 1975 compared with January-August 1974 for all such tools except sledges and c-clamps.

The quantity of domestic shipments of the tools under consideration increased (with minor exceptions) during 1971-73 but declined in 1974, except for chisels and sledges. Domestic shipments declined--for all the tools under consideration--during January-August 1975 as compared with January-August 1974. The following table shows the value of domestic shipments for 1971-74, January-August 1974, and January-August 1975.

^{1/} Chisels, punches, hammers, sledges, vises, c-clamps, and battery terminal clamp lifters.

Table 6.--U.S. producers' domestic shipments of specified hand tools, 1971-74, January-August 1974, and January-August 1975

| Item | Value | | | | | Percentage change | | | |
|---|---------|---------|---------|---------|----------------|-------------------|----------------|----------------|------------------------------------|
| | 1971 | 1972 | 1973 | 1974 | Jan.-Aug. 1975 | 1972 over 1971 | 1973 over 1972 | 1974 over 1973 | Jan.-Aug. 1975 over Jan.-Aug. 1974 |
| | dollars | dollars | dollars | dollars | dollars | | | | |
| | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | | | | |
| Chisels | 6,358 | 7,374 | 8,531 | 11,060 | 7,145 | +16.0 | +15.7 | +29.6 | -19.3 |
| Punches | 2,315 | 2,511 | 2,998 | 4,016 | 2,451 | +8.5 | +19.4 | +34.0 | -14.6 |
| Hammers | 15,870 | 18,505 | 21,573 | 29,595 | 17,530 | +16.6 | +16.6 | +37.2 | -8.9 |
| Sledges | 2,900 | 3,583 | 4,194 | 5,885 | 3,662 | +23.6 | +17.1 | +40.3 | +1.0 |
| Vises | 4,533 | 11,286 | 12,598 | 14,893 | 9,813 | +149.0 | +11.6 | +18.2 | -10.5 |
| C-clamps | 7,581 | 9,777 | 11,984 | 13,773 | 9,522 | +29.0 | +22.6 | +14.9 | +1.5 |
| Battery terminal | | | | | | | | | |
| Lifters | 330 | 331 | 401 | 436 | 271 | +0.3 | +21.1 | +8.7 | -32.5 |
| Total | 39,887 | 53,367 | 62,279 | 79,658 | 52,079 | +33.8 | +16.7 | +27.9 | -8.4 |
| 1/ Does not include data for the Wilton Corp., a major producer of vises. | | | | | | | | | |

Source: Estimated by U.S. International Trade Commission on the basis of information solicited by the Commission from domestic producers and from the Hand Tools Institute in connection with this and other investigations.

U.S. Exports

Domestic producers' reported exports of the tools under consideration totaled about \$2.2 million in 1974.

Value of U.S. exports generally increased during 1971-74 for the tools under consideration. However, the value of the reported U.S. exports decreased slightly in January-August 1975 as compared with January-August 1974, reflecting primarily the decline in exports of chisels and hammers.

Similarly, the quantity of U.S. exports of the tools under consideration generally increased during 1971-74 and January-August 1975, except for a decline in exports of chisels and hammers in January-August 1975. Table 7 summarizes the producers' responses to the U.S. International Trade Commission questionnaires.

U.S. Imports

According to U.S. Department of Commerce data, total U.S. imports in 1974 under the TSUSA reporting items 1/ most relevant to the tools included in this investigation were valued at about \$18 million, of which Japan accounted for about \$6 million, or about 30 percent (table 8). Of the imports from Japan, however, the U.S. Treasury Department excluded shipments of hammers and sledges from three Japanese manufacturers 2/ from its less-than-fair-value (LTFV) sales determination. According to information from the U.S. Customs Service, exports to the United States by these three Japanese manufacturers totaled about \$* * * in 1973, the last calendar year prior to their investigation. Imports from Japan at LTFV were valued at about \$4.6 million in 1973 and at about \$5 million in 1974. Table 8 summarizes total imports from Japan and from all countries in 1974, based on statistics from the U.S. Department of Commerce.

1/ Unadjusted for imports under TSUS 807.00 and imports of punches and battery terminal lifters.

2/ The three Japanese manufacturers excluded from the LTFV determination are Imoto Hamono Co., Ltd. and Kyoto Tool Co., Ltd., both producers of hammers, and Hirota Tekko K.K., a producer of sledges.

Table 8.--Vises, clamps, hammers and sledges, and chisels: 1/ U.S. imports from Japan and all countries, 1974

| TSUS(A) number | Description | Value of imports from-- | | Imports from Japan as a percent of total |
|-------------------|---|-------------------------|------------------|---|
| | | Japan | All countries | |
| 649.37(10) | Vises----- | \$1,169,566 | \$2,394,375 | 48.8 |
| 649.37(20) | Clamps----- | 833,661 | 8,444,243 | 9.9 |
| 651.21 | Hammers and sledges, with heads not over 3.25 pounds each---- | 1,574,992 | 3,433,266 | 45.9 |
| 651.23 | Hammers and sledges, with heads over 3.25 pounds each---- | 1,289,098 | 1,695,867 | 76.0 |
| | Total----- | 2,864,090 | 5,129,133 | 55.8 |
| 651.29 | Chisels, gimlets, gouges, planes, and other cutting tools, of alloy steel <u>2/</u> ---- | 31,261 | 397,842 | 7.9 |
| 651.31 | Chisels, gimlets, gouges, planes and other cutting tools, not of alloy steel--- | 617,206 | 2,106,957 | 29.3 |
| | Chisels, gimlets, gouges, planes and other cutting tools, total----- | 648,467 | 2,504,709 | 25.9 |
| | All tools, total <u>3/</u> ----- | 5,515,784 | 18,472,550 | 29.9 |

1/ Of the tools under consideration, the tariff schedules provide for separate import data only on vises and on hammers and sledges. C-clamps are included under a tariff schedule item which provides for data on all types of clamps combined. The tariff provision on chisels encompasses other, related tools. Punches and battery terminal clamp lifters are included under a tariff provision for all other hand tools of iron or steel.

2/ With cutting part containing by weight over 0.2 percent of chromium, molybdenum, or tungsten, or over 0.1 percent of vanadium.

3/ In addition to the imports for which data are presented above, U.S. imports of punches and battery terminal clamp lifters are believed to account for a minor part of TSUSA item 651.4740--other tools of iron or steel--valued in 1974 at \$10.9 million, of which 4.3 million dollars' worth, or 39 percent, originated in Japan. Also, U.S. imports of an unspecified number of sets of chisels and punches were included under TSUSA item 651.7545--sets of tools--valued in 1974 at \$17.4 million, of which 11.5 million dollars' worth, or 66 percent, originated in Japan.

Source: U.S. Department of Commerce.

Import trends

The aggregate value of U.S. imports from Japan ^{1/} of the tools under consideration subject to the LTFV determination by the Treasury Department increased from about \$4 million in 1972 to about \$5 million in 1974. ^{2/} The value of imports from Japan increased further from about \$3.4 million in January-August 1974 to about \$4.1 million in January-August 1975.

Not all the classes of tools under consideration, however, participated in the overall increase, which reflects largely the increases in imports of sledges and vises. The value of imports of chisels, punches, hammers, and battery terminal clamp lifters from Japan declined in 1974 from the value in 1973. The value of imports from Japan of hammers and battery terminal clamp lifters continued to decline in January-August 1975; in addition, the value of imports of c-clamps declined during January-August 1975.

U.S. imports from all countries in comparison with U.S. imports from Japan of the tools under consideration recorded larger increases (or smaller declines) in 1974 (over 1973) for all classes of tools except vises and c-clamps. For the tools under consideration, combined, the value of U.S. imports from all countries increased about 14 percent from 1973 to 1974 compared with an overall increase

^{1/} The analysis of import trends is based on responses to U.S. International Trade Commission questionnaires, statistics of the U.S. Department of Commerce, and estimates by the U.S. International Trade Commission.

^{2/} Probably overstated by a value equivalent to the imports of sledges from Hirota Tekko K.K.

of about 10 percent in U.S. imports from Japan in the same period. However, the value of U.S. imports from all countries increased by about 10 percent during January-August 1975, compared with an overall increase of about 19 percent in imports from Japan during that period.

This overall larger increase in value of U.S. imports from Japan in January-August 1975 is the result of a substantial increase in imports of vises. The data are summarized in the tables 9 and 10.

Table 9.--U.S. imports of specified tools from Japan at LTFV, 1971-74, January-August 1974, and January-August 1975

| Item | Value | | | | Percentage change | | | |
|--------------------------|-------|-------|-------|-------|-------------------|----------------|----------------|------------------------------------|
| | 1971 | 1972 | 1973 | 1974 | 1971 over 1972 | 1972 over 1973 | 1973 over 1974 | Jan.-Aug. 1975 over Jan.-Aug. 1974 |
| | 400 | 567 | 744 | 648 | 41.8 | 31.2 | 12.9 | 6.4 |
| Chisels | 132 | 187 | 245 | 214 | 41.7 | 31.0 | 12.7 | 6.7 |
| Punches 1/ | 667 | 1,229 | 1,222 | 931 | 84.3 | 0.6 | 23.8 | 30.2 |
| Hammers 2/ | 279 | 521 | 762 | 1,289 | 86.7 | 46.3 | 69.2 | 2.1 |
| Sledges 3/ | 4/ | 999 | 905 | 1,170 | 4/ | 9.4 | 29.3 | 123.6 |
| Vises | 4/ | 407 | 584 | 709 | 4/ | 43.5 | 21.4 | 15.3 |
| C-clamps 5/ | | | | | | | | |
| Battery terminal lifters | 21 | 54 | 134 | 80 | 157.1 | 148.1 | 40.3 | 58.6 |
| Total | 1,499 | 3,964 | 4,596 | 5,041 | 4/ | 15.9 | 9.7 | 19.2 |

1/ Estimated by U.S. International Trade Commission on the basis of information from the trade.

2/ Excludes value of imports from Imoto Hamono Co., Ltd., and Kyoto Tool Co., Ltd., excluded from the Treasury Department notice.

3/ Value of imports from Hirota Tekko K.K. were not identified in the respondents' returns.

4/ Not available.

5/ Imports estimated at 85 percent of the value of imports under TSUSA item 649.3720.

Source: Compiled from responses to U.S. International Trade Commission questionnaires, U.S. Department of Commerce statistics, and estimates by the U.S. International Trade Commission.

Import market penetration at LTFV

The market penetration of U.S. imports from Japan at LTFV 1/ for all the tools under consideration, combined, remained at about 6 to 7 percent during the period 1972-74 and January-August 1975.

However, the market penetration of imports of sledges from Japan 2/ increased markedly from about 8 percent in 1971 to about 17 percent in 1974 and remained at that level during January-August 1975. By contrast, the market penetration of imports of hammers from Japan 3/ declined from about 6 percent in 1972 to less than 3 percent in 1974 and January-August 1975.

The market penetration of imports of vises from Japan had remained at about 6 to 7 percent during 1972-74 but increased sharply to about 15 percent during January-August 1975. The data are summarized in table 11

1/ Based on value of imports.

2/ Probably overstated by a value equivalent to the imports of sledges from Hirota Tekko K.K. excluded from the Treasury Department LTFV sales determination.

3/ Excludes imports of hammers from Imoto Hamono Co., Ltd., and Kyoto Tool Co., Ltd., excluded from the Treasury Department LTFV sales determination.

Table 11.--Market penetration of imports from Japan at LTFV, 1971-74,
January-August 1974, and January-August 1975

(In percentages)

| Item | 1971 | 1972 | 1973 | 1974 | Jan.-Aug.-- | |
|----------------------------------|----------------|------|------|------|-------------|------|
| | | | | | 1974 | 1975 |
| Chisels----- | 5.1 | 6.0 | 6.8 | 4.8 | 5.2 | 6.2 |
| Punches----- | 4.7 | 5.8 | 6.4 | 4.4 | 5.0 | 5.8 |
| Hammers <u>1</u> /----- | 3.9 | 5.8 | 4.9 | 2.8 | 3.4 | 2.7 |
| Sledges <u>2</u> /----- | 8.2 | 12.1 | 14.9 | 17.0 | 16.5 | 16.9 |
| Vises----- | <u>3</u> / | 7.6 | 6.1 | 6.8 | 6.7 | 14.7 |
| C-clamps----- | <u>3</u> / | 3.6 | 4.3 | 4.5 | 4.4 | 3.7 |
| Battery terminal lifters----- | 6.0 | 14.0 | 25.0 | 15.2 | 20.5 | 13.4 |
| Total----- | <u>4</u> / 3.4 | 6.3 | 6.3 | 5.5 | 5.6 | 7.1 |

1/ Excludes imports of hammers from Imoto Hamono Co., Ltd., and Kyoto Tool Co., Ltd., exempted from the LTFV determination.

2/ Probably overstated by a value equivalent to the imports of sledges from Hirota Tekko K.K. excluded from the LTFV determination.

3/ Not available.

4/ Does not include imports of vises and c-clamps.

Source: Compiled from responses to U.S. International Trade Commission questionnaires, U.S. Department of Commerce statistics, and estimates by the U.S. International Trade Commission.

Loss of sales by domestic producers

It was established during the investigation that some domestic distributors of the tools under consideration have either turned to Japanese imports or increased such imports because of the difficulties experienced by domestic producers in making shipments during recent raw materials shortages. Other alleged losses of sales by domestic producers to imports were not substantiated; the firms involved have, in fact, been importing or purchasing imported Japanese tools for more than a decade and have not significantly increased such purchases during the period of investigation. Several distributors indicated that their reason for accepting imported tools was to widen the selection to their dealers in terms of range of quality and price. The Commission could not corroborate allegations that the domestic industry had lost sales of the subject articles because of LTFV sales of certain Japanese imports.

U.S. importers

Some of the U.S. importers of the tools under consideration are listed below:

Akchurin Corp.
 American Kal Corp.
 Babcock Manufacturing Co.
 Daido Corp.
 Darwell Import Co., Inc.
 William Dixon Co., Division of Grobet File
 Company of America, Inc.
 Dollar Trading Corp.
 Equipment Importers, Inc.
 Fuller Tool Co., Inc.
 J. Gerber and Co., Inc.
 Globemaster, Inc.

Hollywood Accessories
 Jobbers Import Service
 S.S. Kresge Co.
 William J. McGee Co.
 Medallion Division, Midland International Corp.
 New Britain Hand Tools, division of Litton
 Industries
 Oxwall Tool Company
 Peerless International, Inc.
 R & O Industries, Inc.
 Sandvik, Inc.
 Sid Tool Co., Inc.
 F.W. Woolworth Co.
 Yuasa International, Inc.
 Zomax Industries, Ltd.

* * * * *

Of the other U.S. importers listed above, the * * * is also a domestic manufacturer of some of the tools under consideration. In addition, there are many other smaller U.S. importers that do not have any domestic manufacturing operations but only warehouse and repackage the imported tools.

The quality of the tools imported from Japan by the * * *, and several other domestic manufacturers is generally comparable to that of domestically produced tools. The quality of the tools imported by many other U.S. importers, however, is often poor.

Prices

Pricing and marketing practices

U.S. producers and importers of the subject nonpowered hand tools sell primarily to industrial and commercial distributors, hardware wholesalers and cooperatives, and automotive after-market wholesalers. Some producers and importers also sell directly to discount and other retail chains, and some retail chains import the subject hand tools directly.

Low-quality, low-priced hand tools are nearly all imported; most of them are sold directly to retail chains by importers or imported directly by the chains. Of the imported hand tools involved, the low-quality tools are the least comparable to domestically produced tools.

Medium- and high-quality hand tools are both produced domestically and imported (from Japan and other countries). The medium- and high-quality imports comprise the tools most nearly comparable to the domestically produced articles.

According to industry sources, United States and Japanese suppliers provide tools of comparable quality in the medium- and high-quality ranges, but Japanese suppliers produce against order rather than sell from stock. For this reason, distributors generally prefer them as secondary suppliers. Because of shortages of steel, plastics, and wood during the years 1972 and 1974, deliveries from domestic suppliers were often erratic; therefore, distributors utilized Japanese sources of supply.

Most of the U.S. hand-tool manufacturers issue price lists according to class of customer (i.e., wholesaler, retailer, or consumer). Most manufacturers grant a standard 5-percent discount on large-quantity purchases. Nearly all of the U.S. producers grant credit terms of 2 percent for payment made within 10 days, net 30 days. Several domestic manufacturers indicated that they had recently instituted special advertising or promotional allowances.

Most U.S. importers of hand tools do not grant any regular discount (e.g., 5 percent) on large-quantity sales; instead, the prices in large-volume sales to the wholesale trade are negotiated. The majority of U.S. importers of hand tools, however, grant credit terms of 2-percent discount for payment within 10 days, net 30 days.

The vise market and the c-clamp market are serviced by many distributors and hardware wholesalers, and hundreds of retail outlets of national mass-merchandising chains. Imported vises from Japan are distributed nationally mainly by * * * (which imports them from the Japanese company, * * *) and * * * (which imports them from the Japanese company * * *). * * * sells also c-clamps produced by the Japanese firm * * *, which sells also through its own subsidiary, * * *, located * * *. * * * is a major distributor of Japanese vises imported by * * *. These vises are sold under * * * own brand names.

Japan is the major source of imported hammers. The major distributors selling them in the U.S. market are * * *.

Japan is the major source of imported sledges. For the most part, the U.S. market is serviced by wholesalers and distributors selling to

regional markets rather than the national market. It is estimated that the domestically produced and imported sledges are sold as follows: About 75 percent to wholesalers, 21 percent to department stores, 2.5 percent to original-equipment manufacturers, and 1.5 percent to Government purchasers.

Most trade sources, both those handling domestic and imported tools, agree that Japanese tools must be priced somewhat less than the most nearly comparable domestic tools in order to sell. Almost no source was willing to estimate the margin of underselling that was necessary. The representatives of * * *, a domestic producer of * * * indicated that, in general, purchasers would have to be offered imported * * * at prices at least 15 percent below those of comparable domestic * * * in order to induce them to purchase foreign-made * * *.

Price trends

The prices of the subject hand tools, both domestically produced and imported, have risen steadily over the last 5 years, increasing more rapidly in 1974 and 1975 than in earlier years. ^{1/}

The U.S. Bureau of Labor Statistics (BLS) publishes prices for three of the subject hand tools, as well as a combined index for all hand tools. The price indexes for the three individual tools were about 40 to 50 percent higher in 1975 than in 1972; the combined index was about 43 percent higher (183.9 in 1975, compared with 128.5 in 1972; see tables 12 and 13 on the following page).

^{1/} According to information from the General Services Administration with regard to all types of hand tools, the Japanese were generally more competitive in 1972 and 1973 than in 1974 and 1975 (app. B).

Table 12.--U.S. wholesale price indexes for all commodities and for hardware and hand tools, 1967-74 and October 1975

| (1967=100) | | | |
|-------------------|-----------------|----------|------------|
| Year | All commodities | Hardware | Hand tools |
| 1967----- | 100.0 | 100.0 | 100.0 |
| 1968----- | 102.5 | 102.7 | 104.9 |
| 1969----- | 106.5 | 106.1 | 110.1 |
| 1970----- | 110.4 | 111.5 | 116.7 |
| 1971----- | 113.9 | 116.5 | 123.0 |
| 1972----- | 119.1 | 120.2 | 128.5 |
| 1973----- | 135.5 | 124.7 | 133.7 |
| 1974----- | 160.1 | 140.7 | 153.4 |
| October 1975----- | 178.9 | 166.1 | 183.9 |

Source: Compiled from official statistics of the U.S. Department of Labor, Bureau of Labor Statistics (BLS).

Table 13.--Wholesale price indexes for 1-inch wood chisels, standard vises and carpenter hammers, 1970-74 and January-June 1975

| (1967=100) | | | | | | |
|--------------------------|-------|-------|-------|-------|-------|-------------------|
| Item | 1970 | 1971 | 1972 | 1973 | 1974 | January-June 1975 |
| Wood chisel, 1-inch----- | 114.1 | 117.9 | 122.2 | 125.6 | 142.7 | 168.4 |
| Vise, standard----- | 118.5 | 124.5 | 129.7 | 134.7 | 157.9 | 194.8 |
| Hammer, carpenters'----- | 120.5 | 126.4 | 131.8 | 136.7 | 156.7 | 181.9 |

Source: U.S. Department of Labor, Bureau of Labor Statistics.

The increase in prices shown by the BLS indexes are corroborated by price data obtained by the Commission during its investigation. As shown in tables 14 and 15, prices of both the domestic and the imported hand tools of concern in this investigation have increased in recent years. The Commission's data indicate, however, that the extent of the increase varied widely, depending on the hand tool and the manufacturer or importer involved. For example, the prices of domestically produced hand tools in June 1975 were as little as 4 percent and as much as 86 percent greater than those in June 1972. Similarly, the prices of imported hand tools in June 1975, at one extreme, had not increased at all and, at the other extreme, had increased as much as 133 percent over those in June 1972. There appears to be no consistent pattern to explain the variation in the price increases; the differences are probably related to factors such as raw material and other costs, marketing channels, reputation a given toolmaker enjoys, extent of price competition in given product areas, and so forth.

Data showing the trends in prices of the domestic and imported hand tools are given in tables 14 and 15.

Table 14.--U.S. producers: Lowest delivered prices per unit of sales of specified hand tools, as of June 30 and December 31, 1972-74, and June 30, 1975

| Item | Speci- fica- tions 1/ | 1972 | | 1973 | | 1974 | | June 30, 1975 | Percent increase, June 1975 price over June 1972 price |
|--|-----------------------------|---------|---------|---------|---------|---------|---------|------------------|---|
| | | June 30 | Dec. 31 | June 30 | Dec. 31 | June 30 | Dec. 31 | | |
| <u>Cold chisels, blade width, 3/4 inch:</u> | | | | | | | | | 32 |
| *** | | | | | | | | | 20 |
| *** | | | | | | | | | 39 |
| *** | | | | | | | | | 33 |
| *** | | | | | | | | | 29 |
| <u>Wood chisels, blade width, 3/4 inch:</u> | | | | | | | | | 53 |
| *** | | | | | | | | | 16 |
| *** | | | | | | | | | 11 |
| *** | | | | | | | | | 36 |
| <u>Solid punches, 3/16 inch:</u> | | | | | | | | | 32 |
| *** | | | | | | | | | 10 |
| *** | | | | | | | | | 26 |
| *** | | | | | | | | | 38 |
| *** | | | | | | | | | 37 |
| <u>Pin punches, 3/16 inch:</u> | | | | | | | | | 29 |
| *** | | | | | | | | | 10 |
| *** | | | | | | | | | 50 |
| *** | | | | | | | | | 4 |
| <u>Center punches, 3/8 inch:</u> | | | | | | | | | 38 |
| *** | | | | | | | | | 10 |
| *** | | | | | | | | | 86 |
| *** | | | | | | | | | 44 |
| *** | | | | | | | | | 53 |
| *** | | | | | | | | | 42 |
| <u>Claw hammers, 16-ounce:</u> | | | | | | | | | 6 |
| *** | | | | | | | | | 38 |
| <u>Ball peen hammers, 16-ounce:</u> | | | | | | | | | 6 |
| *** | | | | | | | | | 35 |
| <u>Sledges, 6-pound:</u> | | | | | | | | | 6 |
| *** | | | | | | | | | 31 |
| *** | | | | | | | | | 34 |
| *** | | | | | | | | | 41 |
| *** | | | | | | | | | 26 |
| <u>Sledges, 8-pound:</u> | | | | | | | | | 6 |
| *** | | | | | | | | | 41 |
| *** | | | | | | | | | 34 |
| *** | | | | | | | | | 7 |
| *** | | | | | | | | | 24 |
| <u>Machinist's vises, channel type, swivel base, 3-1/2 inch:</u> | | | | | | | | | - |
| *** | | | | | | | | | 62 |
| *** | | | | | | | | | 33 |
| <u>Utility vises, channel type, swivel base, 3-1/2 inch:</u> | | | | | | | | | 79 |
| *** | | | | | | | | | 42 |
| <u>Utility vises, beam type, swivel base, 3-1/2 inch:</u> | | | | | | | | | 47 |
| *** | | | | | | | | | 47 |
| <u>C-clamps, stamped, 2 inch:</u> | | | | | | | | | 62 |
| *** | | | | | | | | | 74 |
| *** | | | | | | | | | 39 |
| <u>C-clamps, cast, 4 inch:</u> | | | | | | | | | 81 |
| *** | | | | | | | | | 81 |
| <u>C-clamps, drop forged, 3 inch:</u> | | | | | | | | | 42 |
| *** | | | | | | | | | 42 |
| <u>Battery terminal clamp lifter</u> | | | | | | | | | 37 |
| *** | | | | | | | | | 37 |

1/ Specifications code: A=alloy steel D=cold forged G=plated J=fiberglass handle M=steel tubular handle P=deep throat
 B=carbon steel E=cast H=polished K=hickory handle N=without handle Q=other--specify
 C=hot forged F=stamped I=rough L=oak handle O=heavy duty

2/ Not reported in questionnaire.

Source: Compiled from data submitted to the U.S. International Trade Commission

Table 15.--U.S. imports: Lowest delivered prices per unit of sales of specified hand tools, as of June 30 and December 31, 1972-74, and June 30, 1975

| Item | Speci- fica- tions 1/ | 1972 | | 1973 | | 1974 | | June 30, 1975 | Percent increase, June 1975 price over June 1972 price |
|--|-----------------------------|---------|---------|---------|---------|---------|---------|------------------|---|
| | | June 30 | Dec. 31 | June 30 | Dec. 31 | June 30 | Dec. 31 | | |
| <u>Wood chisels, blade width, 3/4 inch:</u> | | | | | | | | | |
| *** | | | | | | | | | 71 |
| *** | | | | | | | | | 12 |
| <u>Punch and chisel sets, 5 pieces:</u> | | | | | | | | | |
| *** | | | | | | | | | 35 |
| <u>Claw hammers, 16-ounce:</u> | | | | | | | | | |
| *** | | | | | | | | | 23 |
| *** | | | | | | | | | 43 |
| *** | | | | | | | | | 40 |
| *** | | | | | | | | | 31 |
| <u>Ball peen hammers, 16-ounce:</u> | | | | | | | | | |
| *** | | | | | | | | | 0 |
| *** | | | | | | | | | 29 |
| <u>Sledges, 6-pound:</u> | | | | | | | | | |
| *** | | | | | | | | | 133 |
| *** | | | | | | | | | 102 |
| <u>Sledges, 8-pound:</u> | | | | | | | | | |
| *** | | | | | | | | | 85 |
| *** | | | | | | | | | 104 |
| <u>Machinist's vises, channel type, swivel base, 3-1/2 inches:</u> | | | | | | | | | |
| *** | | | | | | | | | 0 |
| <u>Utility vises, channel type, swivel base, 3-1/2 inches:</u> | | | | | | | | | |
| *** | | | | | | | | | 0 |
| *** | | | | | | | | | 43 |
| *** | | | | | | | | | 60 |
| *** | | | | | | | | | 29 |
| <u>Utility vises, beam type, 3-1/2 inches:</u> | | | | | | | | | |
| *** | | | | | | | | | 51 |
| *** | | | | | | | | | 21 |
| <u>C-clamps, drop forged, 3 inches:</u> | | | | | | | | | |
| *** | | | | | | | | | 33 |
| *** | | | | | | | | | 53 |
| <u>C-clamps, drop forged, 4 inches:</u> | | | | | | | | | |
| *** | | | | | | | | | 37 |
| <u>Battery terminal clamp lifters:</u> | | | | | | | | | |
| *** | | | | | | | | | 4 |
| *** | | | | | | | | | 48 |

1/ Specifications code: A=alloy steel D=cold forged G=plated J=fiber glass handle M=steel tubular handle P=deep throat
 B=carbon steel E=cast H=polished K=hickory handle N=without handle Q=other--specify
 C=hot forged F=stamped I=rough L=oak handle O=heavy

Source: Compiled from data submitted to the U.S. International Trade Commission

Price comparisons

Although the price relationships differ considerably, the subject hand tools imported from Japan have generally undersold the most nearly comparable tool produced domestically. Such underselling has generally existed throughout the period under investigation, although in many instances the extent of the underselling was less in 1974 than it had been in prior years or in 1975.

Data showing typical price relationships for selected tools are given in tables 16, 17, and 18, which follow.

Table 16.--* * *: Purchases of specified hand tools of Japanese and domestic origin, 1972-74 and January-September 1975

* * * * *

Table 17.---* * *: Purchases of specified hand tools of Japanese and domestic origin, 1972-75

* * * * *

Table 18.---Specified hand tools: Prices to distributors by U.S. producers and importers,
as of June 30 and December 31, 1972-74, and June 30, 1975

* * * * *

Employment and Manhours

The average number of all persons employed in the reporting companies' facilities producing the subject hand tools increased from 1,009 in 1971 to 1,265 in 1974 (table 19); but from January-August 1974 to the corresponding period of 1975, the number of all persons employed declined slightly.

Average employment of production and related workers increased from 585 in 1971 to 740 in 1974. However, in January-August 1975 the number of production workers declined slightly from the number in January-August 1974. From 1971 to 1974 the number of man-hours worked by production and related workers increased by about 43 percent; and from January-August 1974 to January-August 1975, by about 9 percent.

The data of the Bureau of Labor Statistics indicate increases in employment and average weekly earnings, from 1971 through August 1974 for the cutlery, hand tools, and saws industries and all manufacturing industries. The data showed a decline in employment, however, from August 1974 to August 1975. The decline for the cutlery, hand tools, and saws industries was sharper than that for all manufacturing industries (tables 20 and 21).

Table 19.--Employment and man-hours for 11 domestic plants producing nonpowered hand tools, 1971-74, January-August 1974, and January-August 1975

| Year | :All employees of plant: | | :Production and related workers on non-powered hand tools | |
|------------------|--------------------------|-----------|---|-----------|
| | Number | Man-hours | Number | Man-hours |
| | | Thousands | | Thousands |
| 1971----- | 1,009 | 1,263 | 585 | 496 |
| 1972----- | 1,037 | 1,332 | 597 | 531 |
| 1973----- | 1,154 | 1,509 | 678 | 628 |
| 1974----- | 1,265 | 1,634 | 740 | 710 |
| January-August-- | | | | |
| 1974----- | 1,283 | 1,203 | 766 | 564 |
| 1975----- | 1,269 | 1,297 | 752 | 613 |

Source: Compiled from information supplied to the U.S. International Trade Commission.

Table 20.--Employment, production workers, average weekly earnings, average hourly earnings, and average hours worked per production worker in the industries producing cutlery, hand tools, and saws 1969-73, August 1974, and August 1975

| Period | All employees | Production workers | Average weekly earnings | Average hourly earnings | Average hours worked per week |
|-----------------|---------------|--------------------|-------------------------|-------------------------|-------------------------------|
| | Thousands | Thousands | | | |
| 1969----- | 65.8 | 51.0 | \$128.54 | \$3.12 | 41.2 |
| 1970----- | 63.2 | 48.6 | 130.87 | 3.28 | 39.9 |
| 1971----- | 61.6 | 47.9 | 139.09 | 3.46 | 40.2 |
| 1972----- | 65.2 | 51.6 | 151.20 | 3.67 | 41.2 |
| 1973----- | 71.5 | 56.9 | 161.09 | 3.91 | 41.2 |
| August 1974---- | 76.3 | 59.7 | 169.62 | 4.20 | 40.2 |
| August 1975---- | 65.4 | 49.1 | 177.58 | 4.43 | 38.5 |

Source: U.S. Bureau of Labor Statistics.

Table 21.--Employment, production workers, average weekly earnings, average hourly earnings, and average hours worked per worker per week in all manufacturing industries 1969-73, August 1974, and August 1975

| Period | All employees | Production workers | Average weekly earnings | Average hourly earnings | Average hours worked per week |
|-----------------|---------------|--------------------|-------------------------|-------------------------|-------------------------------|
| | Thousands | Thousands | | | |
| 1969----- | 20,167 | 14,767 | \$129.51 | \$3.19 | 40.6 |
| 1970----- | 19,349 | 14,020 | 133.73 | 3.36 | 39.8 |
| 1971----- | 18,529 | 13,434 | 142.04 | 3.56 | 39.9 |
| 1972----- | 19,090 | 13,838 | 154.69 | 3.81 | 40.6 |
| 1973----- | 20,068 | 14,575 | 165.65 | 4.07 | 40.7 |
| August 1974---- | 20,005 | 14,613 | 178.45 | 4.45 | 40.0 |
| August 1975---- | 18,255 | 13,957 | 190.87 | 4.82 | 39.5 |

Source: U.S. Bureau of Labor Statistics.

Profit-and-Loss Experience of U.S. Producers

The data in this section represent the profit-and-loss experience of the establishments of 16 producers within which certain nonpowered hand tools were produced during the period 1972-75. The 16 producers accounted for about 56 percent of the combined total net sales value of all chisels, punches, hammers, sledges, vises, c-clamps, and battery terminal clamp lifters shipped by U.S. producers in 1974. The data in this section also represent the profit-and-loss experience of 6 producers that were able to furnish usable profit-and-loss data on one or more of their nonpowered hand-tool operations considered in this investigation.

For the most part, producers of certain nonpowered hand tools covered in this investigation are small multiproduct firms lacking adequate accounting records necessary to separate their various product operations.

The accounting year for 11 of the 16 producers ended on December 31, and the accounting year for each of the other producers ended on March 31 or September 30, or between those dates. The data presented in this section for accounting year 1975 cover periods ranging from 4 months to 1 year.

Overall operations of the establishments within which chisels, punches, hammers, sledges, vises, c-clamps, and battery terminal clamp lifters are produced

Of the 16 producers that furnished usable profit-and-loss data on their establishment operations during the period 1972-75,

7 produced two or more of the nonpowered hand tools covered by this investigation. The other 9 producers manufactured only one tool of the specified type considered in this investigation.

Total net sales of all products made in the establishments within which certain nonpowered hand tools are produced increased yearly from \$150.7 million in 1972 to \$210.8 million in 1974, representing an increase of 40 percent (table 22). Net operating profit and net profit before income taxes followed a different trend from net sales--increasing in 1973 and then declining in 1974 below the 1972 level. Net operating profit and net profit before income taxes declined 10 and 14 percent, respectively, during the period 1972-74.

As a share of net sales, net operating profit averaged 11.5 percent in 1972, 10.2 percent in 1973, and 7.4 percent in 1974, while net profit before income taxes averaged 10.9 percent in 1972, 9.8 percent in 1973, and 6.7 percent in 1974 (table 22).

Of the 16 producers, 2--* * *, and * * *--incurred both operating and net losses in 1972. In 1973, * * * incurred an operating loss but made a profit before income taxes, and * * * sustained both operating and net losses. All 16 of the producers operated profitably in 1974.

Of the 16 producers, 13 furnished usable interim profit-and-loss data on their establishment operations for the accounting year 1975. As a share of net sales, net operating profit and net profit before income taxes averaged 11.0 and 10.4 percent, respectively (table 22).

As a percent of net sales, the net operating profit and net profit before income taxes were almost equal to those of 1972. All 13 of the producers operated profitably in 1975.

Chisels and punches

* * * * *

Hammers

* * * * *

Sledges

Three producers, which accounted for about 61 percent of the total sales value of all sledges shipped by U.S. producers in 1974, furnished usable profit-and-loss data on their sledge operations. Net sales of sledges increased yearly from \$2.3 million in 1972 to \$3.6 million in 1974--representing an increase of 60 percent (table 25). Net operating profit, following a trend opposite to that of net sales, declined yearly, from a profit of \$171,000 in 1972 to a loss of \$57,000 in 1974. As a share of net sales, net operating profits averaged 7.5 percent in 1972 and 5.0 percent in 1973. The net operating loss in 1974 was equal to 1.6 percent of net sales.

One producer--* * *--sustained an operating loss in 1972, and another producer--* * *--sustained an operating loss in each of the years 1973 and 1974.

Each of the three producers furnished usable partial-year profit-and-loss data on their sledge operations in 1975; the three producers combined made an operating profit of \$204,000 on net sales of \$2.6 million--equal to 7.9 percent of net sales--and one producer--* * *--sustained an operating loss.

Vises and c-clamps

Five producers, which accounted for about 70 percent of the total sales value of all nonpowered vises and c-clamps shipped by

U.S. producers in 1974, furnished usable profit-and-loss data on their vise and c-clamp operations. 1/

Total net sales of vises and c-clamps for the five producers increased yearly from \$16.6 million in 1972 to \$23.0 million in 1974--representing an increase of 39 percent (table 26). 2/ Net operating profit, following a trend similar to that of net sales, increased yearly from \$1.9 million in 1972 to \$2.4 million in 1974. As a share of net sales, net operating profit averaged 11.5 percent in 1972, 10.5 percent in 1973, and 10.6 percent in 1974.

One producer, * * *, sustained an operating loss on its vise and c-clamp operations in each of the years during the period 1972-74.

All five of the producers furnished usable interim profit-and-loss data for accounting year 1975. The five producers made an operating profit of \$1.7 million on net sales of \$10.0 million. The net operating profit was equal to 17.2 percent of net sales. Two producers--* * * and * * *--sustained operating losses in 1975.

Three of the five produced both vises and c-clamps. The other two produced no vises.

Battery terminal clamp lifters

The one producer--* * *--which submitted usable profit-and-loss data on its total establishment operations could not segregate

1/ One producer--* * *--does not maintain accounting records for its vise operations separate from those for its c-clamp operations. Hence, the vise and c-clamp operations of the other four producers have been grouped together as one operation.

2/ Total net sales include sales of * * *. Net sales of * * * amounted to about \$2.5 million in 1974.

its battery terminal clamp lifter operations from its other product operations.

Combined operations on chisels, punches, hammers, sledges, vises, and c-clamps

Profit-and-loss data of the six producers on their combined chisel, punch, hammer, sledge, vise, and c-clamp operations are summarized in table 27 for the period 1972-75.

Combined net sales increased yearly from \$28.5 million in 1972 to \$41.5 million in 1974--representing an increase of 46 percent. Net operating profit increased from \$2.7 million in 1972 to \$3.0 million in 1973 and then declined to \$2.6 million in 1974. As a share of net sales, net operating profit averaged 9.4 percent in 1972, 9.2 percent in 1973, and 6.3 percent in 1974.

For the interim period 1975, net operating profit increased to 11.4 percent--higher than that for 1972 and 1973, and substantially higher than that for 1974.

Capital expenditures for production facilities 1/

Seventeen producers furnished usable data on their capital expenditures for production facilities for the establishments within which certain nonpowered hand tools are produced. Data for capital expenditures for the 17 producers are summarized in table 28.

One producer--* * *--accounted for about three-fourths of the total capital expenditures for buildings and leasehold improvements

1/ Including capital expenditures for production facilities for tools other than those under consideration.

and for about two-thirds of the capital expenditures for machinery, equipment, and fixtures during the period 1970-75.

Summary

The establishments within which certain nonpowered hand tools are produced were profitable in each of the years 1972-74. However, while net sales increased 40 percent during this period, net operating profit and net profit before income taxes declined 10 and 14 percent, respectively.

Net sales of certain nonpowered hand tools--chisels and punches, hammers, sledges, and vises and c-clamps--increased during the years 1972-74. However, net operating profit for chisels and punches, hammers, and sledges declined sharply in 1974 from what it had been in 1972 and 1973. On the other hand, net operating profit for vises and c-clamps increased moderately--but to a lesser extent than net sales of vises and c-clamps--during the period 1972-74. The decline in profit in 1974 can be attributed primarily to the fact that production costs increased more rapidly than prices of the tools under consideration. Indexes of net sales, profits, and the ratios of profit to net sales for certain hand tool operations are presented in table 29.

Table 22.--Certain nonpowered hand tools: Profit-and-loss experience of 16 U.S. producers on the overall operations of their establishment(s) within which chisels, punches, sledges, hammers, c-clamps, and battery terminal clamp lifter tools are produced by companies, accounting years 1972-75 1/--Continued

| Year and company | Net sales of certain nonpowered hand tools 2/ | | Ratio of: | | Ratio of: | | Ratio of: | | Ratio of: | | Ratio of: | |
|------------------|---|----------------------------|--|---|--|---|--|---|--|---|--|---|
| | Net sales | operating profit or (loss) | operating profit or (loss) before income taxes | operating profit or (loss) before income taxes to net sales | operating profit or (loss) before income taxes | operating profit or (loss) before income taxes to net sales | operating profit or (loss) before income taxes | operating profit or (loss) before income taxes to net sales | operating profit or (loss) before income taxes | operating profit or (loss) before income taxes to net sales | operating profit or (loss) before income taxes | operating profit or (loss) before income taxes to net sales |
| | 1,000 dollars | 1,000 dollars | 1,000 dollars | Percent | 1,000 dollars | Percent | 1,000 dollars | Percent | 1,000 dollars | Percent | 1,000 dollars | Percent |
| 1973 | | | | | | | | | | | | |
| | 182,905 | 18,711 | 17,975 | 10.2 | 9.8 | 4,780 | 818 | 2,598 | 12,584 | 10,315 | *** | *** |
| Total or average | | | | | | | | | | | | |

See footnotes at end of table.

Table 23.--Chisels and punches: Profit-and-loss experience of U.S. producers on the overall operations of their establishment(s) producing chisels and punches and on chisels and punches, by companies, accounting years 1972-75

* * * * *

Table 24.--Hammers: Profit-and-loss experience of U.S. producer on the overall operations of establishments(s) producing hammers and on hammers, by companies, accounting years 1972-75

* * * * *

Table 25.--Sledges: Profit-and-loss experience of 3 U.S. producers on the overall operations of their establishment(s) producing sledges and on sledges, by companies, accounting years 1972-75 1/

| Year and company | Net operations of establishment(s) producing sledges | | | Sledges | | | Ratio of net sales of sledges to total net sales of establishment(s) | | |
|------------------|--|--------------------------------------|--|--|--|---------------------------|--|--|--|
| | Net sales : 1,000 dollars | Net operating profit : 1,000 dollars | Ratio of net operating profit to net sales : Percent | Net operating profit or (loss) : 1,000 dollars | Ratio of net operating profit or (loss) to net sales : Percent | Net sales : 1,000 dollars | Net operating profit or (loss) : 1,000 dollars | Ratio of net operating profit or (loss) to net sales : Percent | |
| <u>1972</u> | | | | | | | | | |
| Total or average | | | | 2,274 | | | | | |
| <u>1973</u> | | | | | | | | | |
| Total or average | | | | 2,589 | | | | | |
| <u>1974</u> | | | | | | | | | |
| Total or average | | | | 3,638 | (57) | | (1.6) | | |
| <u>1975</u> | | | | | | | | | |
| Total or average | | | | 2,578 | 204 | | 7.9 | | |

1/ The accounting year for the 3 producers ended on Dec. 31.

Source: Compiled from data submitted to the U.S. International Trade Commission.

Table 26.--Vises and c-clamps: Profit-and-loss experience of 5 U.S. producers on the overall operations of their establishment(s) producing vises and c-clamps and on vises and c-clamps, by companies accounting years 1972 1/

| Year and company | Net operations of establishment(s) producing sledges | | | Vises and c-clamps | | | Ratio of net sales of sledges to | | |
|-----------------------|--|----------------------|--|--------------------|----------------------|--|----------------------------------|----------------------|--|
| | Net sales | Net operating profit | Ratio of net operating profit to net sales | Net sales | Net operating profit | Ratio of net operating profit to net sales | Net sales | Net operating profit | Ratio of net operating profit to net sales |
| | 1,000 dollars | 1,000 dollars | Percent | 1,000 dollars | 1,000 dollars | Percent | 1,000 dollars | 1,000 dollars | Percent |
| <u>1972</u> | | | | | | | | | |
| Total or average----- | 150,461 | 16,264 | 12.5 | 16,586 | 1,901 | 11.5 | | | 12.7 |
| <u>1973</u> | | | | | | | | | |
| Total or average----- | 158,057 | 17,247 | 10.9 | 19,131 | 2,007 | 10.5 | | | 12.1 |
| <u>1974</u> | | | | | | | | | |
| Total or average----- | 180,699 | 13,644 | 7.6 | 22,980 | 2,435 | 10.6 | | | 12.7 |
| <u>1975</u> | | | | | | | | | |
| Total or average----- | 124,322 | 14,320 | 11.5 | 10,044 | 1,723 | 17.2 | | | 8.1 |

1/ The accounting year for * * * ended on Apr. 30 and the accounting year of the other 4 producers ended on Dec. 31.

Source: Compiled from data submitted to the U.S. International Trade Commission.

Table 27.--Profit-and-loss experience of 6 U.S. producers on their chisel, punch, hammer, sledge, and vise and c-clamp operations, accounting years 1972-75

| Year | Net sales | Net operating profit | Ratio of net operating profit to net sales |
|----------------------|--------------------------------|--------------------------------|--|
| | <u>1,000</u> <u>dollars</u> | <u>1,000</u> <u>dollars</u> | <u>Percent</u> |
| 1972----- | 28,469 | 2,688 | 9.4 |
| 1973----- | 32,924 | 3,020 | 9.2 |
| 1974----- | 41,459 | 2,594 | 6.3 |
| 1975 <u>1</u> /----- | 22,307 | 2,546 | 11.4 |

1/ Covers an interim period averaging 7 months.

Source: Compiled from data submitted to the U.S. International Trade Commission.

Table 28.--Capital expenditures of 17 U.S. producers for production facilities for the establishments within which certain nonpowered hand tools are produced, accounting years 1970-75

* * * * *

Table 29.--Certain nonpowered handtools: Indexes of net sales and profit, and ratio of profit-or-loss to net sales, 1972-75

| (Indexes 1972=100) | | | | | |
|--|----------------------|---------------------------------|---|--|--|
| Year and Item | Indexes of net sales | Indexes of net operating profit | Indexes of net profit before income taxes | Ratio of net operating profit or (loss) to net sales | Ratio of net profit before income taxes to net sales |
| | | | | Percent | Percent |
| Total establishment operations (16 producers): | | | | | |
| 1972----- | 100 | 100 | 100 | 11.5 | 10.9 |
| 1973----- | 121 | 98 | 110 | 10.2 | 9.8 |
| 1974----- | 140 | 90 | 86 | 7.4 | 6.7 |
| 1975----- | - | - | - | 11.0 | 10.4 |
| Chisels and punches (2 producers): | | | | | |
| 1972----- | 100 | 100 | *** | | |
| 1973----- | *** | | | | |
| 1974----- | *** | | | | |
| 1975----- | *** | | | | |
| Hammers (1 producer): | | | | | |
| 1972----- | 100 | 100 | *** | | |
| 1973----- | *** | | | | |
| 1974----- | *** | | | | |
| 1975----- | *** | | | | |
| Sledges (5 producers): | | | | | |
| 1972----- | 100 | 100 | *** | | |
| 1973----- | 114 | *** | - | | |
| 1974----- | 160 | (33) | - | (1.6) | - |
| 1975----- | - | - | - | 7.9 | - |
| Vises and c-clamps (5 producers): | | | | | |
| 1972----- | 100 | 100 | - | 11.5 | - |
| 1973----- | 115 | 106 | - | 10.5 | - |
| 1974----- | 139 | 128 | - | 10.6 | - |
| 1975----- | - | - | - | 17.2 | - |
| Chisels, punches, hammers, sledges, vises, and c-clamps (6 producers): | | | | | |
| 1972----- | 100 | 100 | - | 9.4 | - |
| 1973----- | 116 | 112 | - | 9.2 | 69 |
| 1974----- | 146 | 97 | - | 6.3 | - |
| 1975----- | - | - | - | 11.4 | - |

Source: Compiled from data submitted to the U.S. International Trade Commission.

Appendix A
U.S. Department of the Treasury Memoranda

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Appendix B
U.S. General Services Administration
Procurement Records

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C-1

Appendix C
Statements on Lost Sales and Late Deliveries

