

CLOTHESPINS

Report to the President on
Investigation No. TA-203-12
Under Section 203 of the
Trade Act of 1974



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Note.--The whole of the Commission's report to the President may not be made public since it contains 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
INVESTIGATION NO. TA-203-12
CLOTHESPINS

U.S. International Trade Commission
December 7, 1981

To the President:

In accordance with section 203(i)(2) and 203(i)(3) of the Trade Act of 1974 (19 U.S.C. 2253(i)(2) and (i)(3)), the United States International Trade Commission herein reports the results of an investigation concerning clothespins.

Summary of advice of the Commission

Commissioners Alberger, Calhoun, Stern, Eckes, and Frank advise, on the basis of information obtained in the investigation, that the termination or reduction of the import relief presently in effect will have an adverse economic effect on the domestic industry producing clothespins and that such relief therefore should be extended at the level presently in effect for the full 3-year period allowed.

Background

The Commission instituted this investigation on July 20, 1981, following receipt, on July 10, 1981, of a petition filed on behalf of Diamond International Corp., Forster Manufacturing Co., National Clothespin Co., and Penley Corp. Public notice of the investigation and hearing was given by posting copies of the notice at the office of the Secretary, U.S. International Trade Commission, Washington, D.C., and by publishing the notice in the Federal Register of July 29, 1981 (46 F.R. 38779). A public hearing was held in connection with this investigation on October 5, 1981, in Portland, Maine. All interested persons were afforded an opportunity to be present, to present evidence, and to be heard.

The information in this report was obtained from field work, questionnaires sent to domestic producers and importers, the Commission files, other Government agencies, briefs filed by interested parties, and other sources.

STATEMENT OF THE COMMISSION

Based on information presented to the Commission in this investigation, it is our judgment that termination or reduction of import relief for spring-type clothespins would have an adverse economic effect on the domestic clothespin industry. 1/ We therefore recommend extending this relief at existing levels for an additional 3 years to provide the domestic industry more time to complete its orderly adjustment to import competition.

This advice is based on our assessment of several factors. These include the present condition of the industry, levels and trends of imports during the relief period, the effectiveness of further relief, efforts made by the industry to adjust during the relief period, and the factors set forth in section 202(c) of the Trade Act of 1974.

In essence, the Commission believes that the domestic clothespin industry can become efficient and profitable without the aid of import restraints if temporary protection is extended now to allow the industry to implement fully its adjustment plans.

The product

Import relief covers two categories of clothespins--spring-type clothespins of wood and spring-type clothespins of plastic. It does not cover spring-type clothespins of materials other than wood or plastic or nonspring-type clothespins (such as round-head clothespins).

1/ The relief presently in effect is that provided for in Presidential Proclamation 4640 of Feb. 23, 1979.

Imported wooden clothespins are in two sizes, a small clothespin measuring 2 7/8 inches in length and a larger "regular-sized" clothespin measuring 3 to 3 1/4 inches in length. The smaller clothespins are imported primarily from Taiwan and China, and the larger primarily from Poland, West Germany, and other European countries. Plastic clothespins are imported primarily from Taiwan and Hong Kong. The larger European clothespins are considered to be stronger and more durable than those from the Far East and are also considerably more expensive.

Domestic producers manufacture four types of clothespins--spring-type clothespins of wood, spring-type clothespins of plastic, roundhead (or square head) nonspring-type clothespins of wood, and roundhead nonspring-type clothespins of wood that are iron bound. The bulk of domestic production is in the form of spring-type clothespins of wood, which are the second least expensive of the four types. For their principal use the different types of imported and domestic clothespins are functionally interchangeable.

Imports during the relief period

Import relief has been effective. As a result of quantitative restrictions, imports have declined both in absolute terms and relative to U.S. consumption. The share of the U.S. market accounted for by imports declined from an average of 48 percent in 1976-77 to approximately *** percent during the relief period. 2/ Imports of wood spring clothespins exceeded 3 million gross in 1976 and 1977, declined to slightly over 2 million gross in 1978 and fell below 2 million gross as the quota became effective. 3/

2/ Confidential Commission Report to the President, p.A-86.

3/ Id., pp. A-19, A-81.

The import quotas cover three price categories of clothespins (not over 80 cents per gross, over 80 cents but not over \$1.35 per gross, and \$1.35 but not over \$1.70 per gross) and are on a fiscal-year basis (February 23 to February 22), with quarterly limitations. The quotas limit total imports for the three categories to 2 million gross annually. The quarterly quotas for each of the two lower price categories have been filled in each quarter since the relief went into effect, indicating that imports in those price categories could have been substantially higher in the absence of quotas. Quarterly quotas for the highest price category have been substantially filled in recent quarters. 4/

Taiwan has been the most important supplier of imported wood and plastic spring-type clothespins since 1976. Its share of imports during the relief period ranged from 47 percent in 1978 to 88 percent in 1979, 60 percent in 1980, and 62 percent in January-June 1981. The bulk of the imports from Taiwan enter in the two lower price categories. Imports from the traditional European suppliers of more expensive clothespins declined during the relief period in terms of quantity, value, and share of total imports.

Condition of the domestic industry

With the domestic industry's recapture of a 70 percent share of the U.S. market as a result of the relief, its condition has improved significantly. Production, capacity utilization, and employment have all increased, and the industry, which had operated at a loss in 1978, is once again profitable.

4/ Report, p. A-28.

U.S. production of clothespins (including the nonspring types) increased from 4.4 million gross in 1978, the year prior to the imposition of relief, to 4.9 million gross in 1979, before declining slightly to 4.8 million gross in 1980. 5/ Production increased from 2.4 million gross in January-June 1980 to 3.1 million gross in January-June 1981, an increase of 29 percent, largely due to a significant increase in spring-type wood clothespin production. 6/

Capacity utilization similarly increased during the period from 59 percent in 1978 to 65 percent in 1979, 64 percent in 1980, 65 percent in January-June 1980, and 84 percent in January-June 1981. 7/ Industry capacity remained at a constant 7.5 million gross during the period. 8/

Employment rose irregularly during the relief period. The number of persons employed in producing clothespins rose from 387 in 1978 to 400 in 1979, declined to 388 in 1980, and increased to 427 in January-June 1981. Hours worked followed similar trends. 9/ Hourly compensation increased modestly during the period from \$4.14 per hour in 1978 to \$4.40 per hour in 1979, \$4.51 per hour in 1980, and \$4.93 per hour in January-June 1981. 10/ Labor productivity, as measured in gross per hour, was at its highest level of the period in January-June 1981. 11/

The net operating profit (before income taxes) of wood spring-type clothespin operations of U.S. producers increased substantially from a

5/ Id., p. A-32.

6/ Id., pp. A-31 through A-32.

7/ Id., p. A-31. Capacity utilization data are helpful in measuring trends but are not necessarily accurate in measuring actual capacity utilization levels.

8/ Report, p. A-31.

9/ Id., p. A-42.

10/ Id., p. A-47.

11/ Id.

negative (i.e., loss) of \$614,000 in 1978 to a positive \$499,000 in 1979 and \$1.2 million in 1980. 12/ The net profit in January-June 1980 was \$487,000, and it increased to \$895,000 in January-June 1981. 13/ The ratio of net operating profit (before income taxes) to sales increased from a negative 8.2 percent in 1978 to a positive 5.6 percent in 1979, and 10.3 percent in 1980. 14/ This ratio increased further from 8.6 percent in January-June 1980 to 12.8 percent in January-June 1981. 15/

In summary, the relevant economic indicators show the industry to be in considerably better condition at the present time than it was in 1978, the year before import relief was proclaimed. This improved condition is primarily the result of import relief. 16/ The industry, however, clearly has not yet adjusted to import competition. As discussed more thoroughly below under "Extension of relief," the economic conditions indicating serious injury which existed just prior to the imposition of relief are likely to return quickly if import relief is terminated at this time.

12/ Id., p. A-55.

13/ Id.

14/ Id.

15/ Id. Commissioner Stern points out that financial information is not evaluated in a vacuum. It is assessed in light of all relevant market conditions. For example, in investigation No. TA-203-7 on non-rubber footwear, the improved profitability of the domestic industry indicated some adjustment toward open trading conditions. Improvements in the profitability of footwear producers occurred despite the fact that imports did not decline over the relief period. In contrast, for clothespin producers, profitability rose as import levels fell and most likely reflects the assistance given the industry by the quotas.

16/ Commissioner Frank notes, notwithstanding the industry's short-term improvement manifested by certain operational and profitability indices, that its overall financial condition remains hampered by an inability to attract outside equity investment and debt capital.

Efforts to adjust

U.S. producers have invested approximately \$700,000 in plant and equipment since January 1979. 17/ However, this represents only about 20 per cent of the domestic industry's total planned adjustment effort. Producers project an additional \$3.3 million investment in 1982-84. 18/ The magnitude of these investments is significant given the cash-generating capabilities of the industry today.

To date, most of the funds invested have been allocated to modify or repair existing equipment to improve machine efficiency. 19/ The current relief period has also been used to develop plans for more substantial changes. There is no machine building industry oriented to the production of clothespins. Therefore, machinery improvements must be self-instituted and implemented by the clothespin producers. Future expenditures would be used to purchase and install new systems and equipment, simplify production methods, and improve productivity. 20/ These changes would require several years for further planning and implementation.

If the domestic producers are to compete successfully with imports when restrictions are removed, the margin of import underselling must be reduced. 21/ This will not be possible unless domestic industry costs are lowered through improved production methods. Profitability increases realized during import relief have underwritten improvements already made. Unless

17/ Report, p. A-63.

18/ Id., p. A-65.

19/ Id., pp. A-63, A-115 through A-120.

20/ Id., pp. A-65, A-115 through A-120.

21/ Pricing data are set forth in the report at pp. A-67 through A-81.

relief is continued, however, producers may not be willing or able to commit or attract funds for the more substantial changes envisioned. 22/

Reduction of the price differential is only one element in establishing a competitive posture. The domestic industry also reports that it has adopted or is devising new marketing strategies. As part of this effort, firms have improved their sales forces and changed their product mix. 23/ Further improvements in this area along with reduction of the margin of import underselling should place the industry in a more competitive position at the end of the 3-year relief extension period.

Extension of relief

We believe relief should be extended for the maximum 3-year period at present levels for three reasons.

First, we believe that any effective long-term adjustment to import competition is contingent upon implementation of the industry's plan to bring on-stream new equipment and production techniques. In the absence of relief, the industry is unlikely to have adequate profits or the ability to attract capital to finance the acquisition of new equipment. 24/

Second, and corollary to the first point, we believe that there would be a substantial increase in clothespin imports, especially of those in the two lower price categories, if import relief were terminated. As noted above, the import quotas for the two lower priced categories have been filled in all of

22/ Report, p. A-87.

23/ Id., pp. A-63 through A-64.

24/ Id., p. A-87.

the quarterly periods under the relief program, and the quarterly quotas for the third category have been substantially filled in recent quarters. 25/

Imports exceeded 3 million gross in 1976 and 1977 and thus were more than 50 percent above the present annual quota level of 2 million gross. 26/ We have no information that would lead us to believe that foreign producers are not capable of reestablishing the import levels they obtained in 1976 and 1977. In fact, if relief is terminated, imports may exceed the 1976-77 levels. If increases in imports since 1977 from countries included in the 1976 and 1977 figures are added to the 1976 and 1977 totals, one can easily conceive of imports doubling in the absence of quotas. 27/

Taiwan has clearly strengthened its position as a supplier of inexpensive clothespins during the relief period. 28/ The largest supplier of imported clothespins since 1976, its 1979 exports to the U.S. market were fully double the 1976 levels. While imports from Taiwan declined in 1980 to 1.16 million gross from the 1979 level of 1.49 million gross, imports in January-June 1981 were running about 44 percent over the January-June 1980 level and, if continued for the duration of 1981, will nearly equal the 1979 level. 29/

China remains an important threat to the domestic industry. Imports from China, which had been nil as late as 1974, rose to 669,000 gross in 1976 before declining to 24,000 gross in 1979 and 48,000 gross in 1980. 30/

25/ Id., p. A-28. Commission Frank notes that during most recent 1981-82 quota year (running from Feb. 23, 1981, through Feb. 22, 1982) quarterly quotas for each of the two lower price categories were filled at the opening of each quarter.

26/ Report, pp. A-19 through A-20.

27/ Id., pp. A-81 through A-82.

28/ Id., p. A-82.

29/ Id., pp. A-19 through A-20, A-82.

30/ Id., pp. A-20, A-84.

However, imports from China of 89,000 gross in the first 6 months of 1981 have already exceeded total imports from China for calendar years 1978 and 1979, and China reportedly is committed to exporting several times that amount to the U.S. market in 1982. 31/

Other past significant suppliers such as Poland, Hong Kong, West Germany, Romania, and Czechoslovakia could pose a significant threat to the U.S. industry if they resume exporting to the U.S. market at the levels of the years preceding the imposition of relief. 32/ There is also a potential for increased imports from Portugal. 33/

Third, we are convinced that the domestic clothespin industry could be viable, although we believe it is unlikely that its prices will match those of low-valued imports for the foreseeable future. 34/ 35/ Competition in the clothespin industry encompasses many factors besides price. These include service, quality, delivery, diversified product line, and long-term business relationships. 36/ In these areas, the domestic industry often has a comparative advantage over imports.

31/ Id., pp. A-84 through A-85.

32/ Id., p. A-85.

33/ Id.

34/ During the last few years the domestic firm that gained significant market share in wood spring clothespins advanced its delivered prices on these clothespins faster than any of the other three producers. This company has increased its sales despite the fact that its prices were frequently higher than those of its competitors. Report, p. A-89.

35/ Commissioner Frank believes, in the absence of detailed comparative production and other relevant cost data between such imported and domestic products and despite oft-recognized labor cost advantage held by certain imported products, such a view on future price differential patterns cannot be made with sufficient assurance at this time.

36/ See generally, report, pp. A-4 through A-5, A-7 through A-11.

Reduction of relief

In instituting the investigation under section 203(i)(2) as well as section 203(i)(3), the Commission indicated it would consider reduction of relief as an alternative to termination or full extension. Since apparent consumption of clothespins is relatively constant at 6.0 to 6.5 million gross a year, any reduction in import relief will most likely result in significantly increased market penetration by imports with a concomitant decrease in domestic market share. 37/ As we have already indicated above (under extension of relief), a decline in market share would jeopardize the industry's impressive adjustment efforts planned for the next 3 years. We therefore advise against any reduction of relief.

We note that inflation is reducing the effective protection provided in the quota categories. 38/ The extent of inflation-induced reduction cannot be quantified. 39/ However, the large increases in imports in the \$1.35-\$1.70 per gross quota category and in imports outside the quota over the relief period indicate that this effect is occurring.

Recognizing that relief is already being phased down over time as a result of inflation, we advise against any further reduction. Possible actions that could reduce the effect of relief include: (1) increasing the size of the quota; (2) eliminating or reallocating the value categories; (3) substituting an annual for a quarterly restriction; or (4) exempting a product now covered by the quota, such as plastic clothespins.

37/ Report, p. A-86.

38/ Id., p. A-93.

39/ Id., pp. A-93 through A-94.

Increasing the size of the quota obviously would increase the flow of imports and harm the domestic adjustment program. 40/ These negative effects need no further explanation, but the other options warrant discussion. The second option, eliminating or reallocating the value categories, would result in increased imports of lower valued clothespins, the very ones that create the most competition for U.S. producers. 41/ The third option, eliminating the quarterly provision, would put increasing downward price pressure on both domestic and imported clothespins of lower value during the peak selling season and would increase the volume of imported clothespins available at that time. 42/ It would have no effect on the total annual volume of imports of clothespins valued under \$1.35 per gross but possibly could lead to an increase in imports of clothespins valued at \$1.35-\$1.70 per gross. 43/

The fourth option, exempting plastic clothespins from relief, is the most difficult to assess. 44/ Shipments of plastic clothespins comprise only a small volume of total industry shipments. However, planned adjustment efforts will increase domestic industry competitiveness in this market and import penetration is still quite high. Imports of plastic clothespins under the lower two quota categories have been limited, 45/ and the third category has not had a restraining effect on imports. Information is not presently available concerning the potential of foreign producers to supply plastic

40/ Id., p. A-91.

41/ Id.

42/ Id., pp. A-91 through A-92.

43/ Id., p. A-92.

44/ Id., pp. A-92 through A-93.

45/ These quotas have been predominantly filled by wood clothespins, leaving little access for plastic clothespins.

clothespins at low prices. The extent to which plastic clothespins compete with wood clothespins also has not been documented. Domestic producers have stated that wood and plastic clothespins are often sold as companion products, leading to the conclusion that removing plastic clothespins from the quota would result in lost sales of both wood and plastic clothespins. Some producers have reported that plastic clothespins are an important part of their profit picture, although separate profitability data for plastic clothespins were not available. Since higher value plastic clothespins are not specifically limited by the quota and inflation causes an increasing number of plastic clothespin imports to fall outside the quotas, we have concluded that an exemption for plastic clothespins, while providing little additional benefit to U.S. consumers, could jeopardize the industry's adjustment plans.

Section 202(c) considerations

We have examined the considerations set forth in section 202(c) of the Trade Act and our detailed findings with respect to each of the nine considerations are set forth in the attached report. 46/ In those findings, we conclude that the relief has been very effective in limiting imports, and that relief has had a minimal effect on consumers. 47/ Also, because of the concentration of domestic production in four small towns in Maine and two in Vermont, we conclude that termination or reduction of relief could have a significant adverse impact on the communities involved. 48/ We also noted

46/ Report, pp. A-94 through A-99.

47/ Id., pp. A-95 through A-97.

48/ Id., pp. A-98 through A-99.

that several of the largest exporters to the U.S. market are not signatories to the GATT and that there have been no requests for compensation under Article XIX of the GATT. 49/

Conclusion

Based on the information before us, the Commission advises that relief be extended at present levels for 3 years. The domestic industry needs additional time in which to complete its adjustment process. Termination or reduction in relief at this time is likely to lead to a large increase in imports. This result would seriously undermine the adjustment effort.

49/ Id., pp. A-97 through A-98.

INFORMATION OBTAINED IN THE INVESTIGATION

Introduction

On July 20, 1981, the United States International Trade Commission instituted investigation No. TA-203-12 under section 203(i)(2) and 203(i)(3) of the Trade Act of 1974 (19 U.S.C. 2253(i)(2) and (i)(3)) for the purpose of gathering information in order that it might advise the President of its judgment as to the probable economic effect on the industry concerned of the extension, reduction, or termination of import relief presently in effect with respect to clothespins, spring type, of wood or plastics, valued not over \$1.70 per gross, provided for in item 790.05 of the Tariff Schedules of the United States (TSUS). Relief in the form of quantitative restrictions described in items 925.11, 925.12, and 925.13 of the Appendix to the TSUS is provided for in Presidential Proclamation 4640 (issued Feb. 23, 1979). 1/ Import relief presently in effect with respect to such merchandise is scheduled to terminate at the close of business on February 22, 1982, unless extended by the President.

This relief was obtained following an investigation completed by the Commission in December 1978 (No. TA-201-36) under section 201 of the Trade Act of 1974. In that investigation, the Commission (Commissioner Stern not participating 2/) unanimously determined that clothespins provided for in items 790.05, 790.07, and 790.08 of the TSUS were being imported in such increased quantities as to be a substantial cause of serious injury to the domestic industry producing articles like or directly competitive with the imported articles. 3/

The Commission instituted the present investigation upon its own motion and after receipt of a petition on July 10, 1981, filed by Diamond International Corp., Forster Manufacturing Co., National Clothespin Co., and Penley Corp. 4/ Public notice of the investigation and hearing was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, D.C., and by publishing the notice in the Federal Register of July 29, 1981 (46 F.R. 38779). 5/

1/ The Presidential Proclamation is presented in app. A.

2/ Commissioner Stern assumed her duties as a Commissioner on Oct. 16, 1978, and was not a Commissioner at the time of the public hearing or during most of the investigative period.

3/ The Commission's recommended remedy only applied to wood and plastic spring clothespins, valued not over \$2.10 per gross. Nonspring clothespins were not included in the Presidential Proclamation granting import relief for the U.S. clothespin industry.

4/ The industry filed its petition under section 203(i)(3), which calls for the Commission to advise the President of its judgment as to the probable economic effect on the industry concerned of the extension, reduction, or termination of the import relief.

5/ A copy of the Commission's notice of investigation and hearing is presented in app. B.

A public hearing in connection with the investigation was held in Portland, Maine, October 5, 1981. 1/ The Commission is scheduled to make its determination on the investigation during the week of November 16, 1981; the administrative deadline for reporting the Commission's advice to the President is December 7, 1981.

Description and Uses

The imported clothespins

Two categories of imported clothespins are subject to import relief: spring-type clothespins of wood and spring-type clothespins of plastic. Other categories of imported clothespins not subject to import relief are spring-type clothespins of material other than wood or plastic, and nonspring-type clothespins of wood, (roundheads) and of other materials. While the various types of imported clothespins are generally interchangeable as to function, prices vary substantially from type to type. For the past few years spring-type clothespins of wood have accounted for the vast majority of clothespin imports.

There are two sizes of wood spring clothespins being imported into the United States; a small wood spring clothespin measuring 2-7/8 inches in length and a regular-size wood spring clothespin measuring 3-1/4 inches in length. The smaller wood spring clothespins are imported predominately from Taiwan, Hong Kong, or China, and the regular-size wood spring clothespins are imported primarily from Poland, West Germany, 2/ and other European countries. Polish and West German clothespins of wood are manufactured from hornbeam or beech, and clothespins from Taiwan, Hong Kong, and China are made of jelutong or ramie. All of these woods are hardwood; however, the types of wood used to manufacture clothespins in the United States and in Europe are generally considered superior to the types used in the Far East. According to industry sources the types of wood used to produce clothespins in Taiwan are manufactured from "scrap wood," discarded during the production of more expensive wood products.

The smaller imported wood spring clothespins are interchangeable in their function with the larger clothespins, but they lack strength and durability. However, since the smaller wood spring clothespins are sold at prices well below the larger sized clothespins, they now account for approximately 50 percent of total imports. At the public hearing the domestic industry introduced evidence that imported clothespins from Taiwan were experiencing quality problems. 3/ However, K-Mart, a major U.S. importer, stated at the public hearing that it had not had any consumer complaints on its imported clothespins. 4/ * * *.

1/ A list of hearing participants is presented in app. C.

2/ West German wood spring clothespins measure 3 inches in length.

3/ Transcript of the public hearing, pp. 61-62.

4/ Transcript of the public hearing, p. 179.

In 1979, a Taiwan producer began to export a new clothespin product, a spring wire clothespin of metal with a plastic coating. However, because of its relatively high cost and unusual appearance this product has not attained a significant share of the U.S. market.

The domestic clothespins

There are four major types of domestically produced clothespins: spring-type clothespins of wood, spring-type clothespins of plastic, roundhead or squarehead nonspring-type clothespins of wood, and roundhead nonspring-type clothespins that are iron bound. While the various types of clothespins are generally interchangeable as to function, prices vary substantially from type to type. U.S. produced clothespins of wood are manufactured primarily from beech; maple is often substituted if beech is unavailable. The higher priced wood ironbound clothespins and plastic spring clothespins account for a substantially smaller market share than the lower priced wood spring clothespins. Other key consumer factors are size, strength, and durability. Besides being used on clotheslines, clothespins may be used in certain agricultural applications and in film developing.

In the domestic manufacturing process for wood spring clothespins, the wood is sawed to the length of the prospective clothespins and then grooved. The wood is then sawed or sliced to the required widths. The unassembled clothespin parts are then tumble dried for 8 to 10 hours in large dryers. Small amounts of paraffin wax are also added during the tumble drying stage. The drying process provides the clothespin parts with a smooth, "finished" appearance. Finished unassembled clothespin parts are then fed into an assembly machine, where small galvanized steel wire springs are attached to complete the wood spring clothespins. The galvanized steel wire from which the springs are made is usually imported from Belgium. However Diamond International is currently using U.S.-made steel wire in its clothespins.

In late 1977, Forster Manufacturing Co. started production of a "down sized" wood spring clothespin. This smaller clothespin is 2-7/8 inches in length compared with the normal 3-1/4 inches in length; the smaller clothespin uses a smaller 16-gage wire, as opposed to the regular 15-gage wire. The smaller clothespin was developed in order to reduce costs and to compete head-on with small wood spring clothespins from China, Taiwan, and Hong Kong.

Unassembled plastic spring clothespin parts are made by the injection-molding process and then assembled on the same assembly machines as the wood spring clothespins. However, since the cost of producing plastic spring-type clothespins has been rapidly increasing because of rising petroleum prices, their production in recent years has been small, accounting for only * * * percent of U.S. producers' shipments of clothespins during January-June 1981.

Domestic roundhead nonspring clothespins of wood are manufactured from the same hardwoods as wood spring clothespins. In the manufacturing process, the wood is sawed and shaped into thin poles, which are then cut to clothespin

size. The roundhead of the clothespin is formed on a wood-molding machine, and the slit is made by a grooving process. Like the unassembled wood spring clothespin parts, the roundhead clothespins are tumbled with paraffin wax in large dryers to give them a smooth, finished appearance.

Ironbound wooden clothespins are actually roundhead clothespins with a wrapping of steel wire to prevent them from splitting. Currently, only Forster Manufacturing Co., Wilton, Maine, manufactures ironbound clothespins; they are higher in price per gross than any other type of clothespin.

U.S. Tariff Treatment

Clothespins are provided for eo nomine in items 790.05, 790.07, and 790.08 of the Tariff Schedules of the United States. The column 1 (most-favored-nation) rate of duty for all spring clothespins (TSUS item 790.05) is 10 cents per gross; the column 2 rate is 20 cents per gross. 1/ Nonspring clothespins of plastic (TSUS item 790.07) are dutiable at the column 1 rate of 7.7 percent ad valorem and the column 2 rate of 80 percent ad valorem. All other nonspring clothespins, including wood roundhead clothespins (TSUS item 790.08) are dutiable at the column 1 rate of 7.5 percent ad valorem and the column 2 rate of 35 percent ad valorem. In January 1978, TSUS item 790.05 was subdivided into two subcategories for statistical purposes, one covering wood spring clothespins and the other plastic spring clothespins. Only nonspring plastic clothespins provided for in TSUS item 790.07 are eligible for duty-free treatment when imported from beneficiary developing countries under the Generalized System of Preferences (GSP). 2/

1/ The rates of duty in rate of duty column numbered 1 are most-favored-nation (MFN) rates, and are applicable to imported products from all countries except those Communist countries and areas enumerated in general headnote 3(f) of the TSUS. However, such rates would not apply to products of developing countries which are granted preferential tariff treatment under the GSP or under the "LDDC" rate of duty column.

The rates of duty in rate of duty column "LDDC" are preferential rates (reflecting the full U.S. MTN concession rate for a particular item without staging) and are applicable to products of the least developed developing countries designated in general headnote 3(d) of the TSUS which are not granted duty-free treatment under the GSP. If no rate of duty is provided in the "LDDC" column for a particular item, the rate of duty provided in column numbered 1 applies.

The rates of duty in rate of duty column numbered 2 apply to imported products from those Communist countries and areas enumerated in general headnote 3(f) of the TSUS.

2/ The GSP under title V of the Trade Act of 1974, provides duty-free treatment of specified eligible articles imported directly from designated beneficiary developing countries. GSP, implemented by Executive Order No. 11888 of Nov. 24, 1975, applies to merchandise imported on or after Jan. 1, 1976, and is scheduled to remain in effect until Jan. 3, 1985, unless modified by the President or terminated.

Following the imposition of import relief (Feb. 23, 1979) on wood and plastic spring clothespins, item 790.05 was subdivided into nine statistical categories as shown in table 1. Eight of the categories are based on entered value as shown on the following page. The quantitative import restrictions imposed by Presidential Proclamation No. 4640 are provided for on a quarterly basis in items 925.11, 925.12, and 925.13 of the Tariff Schedules of the United States, as shown in table 2. The import relief is scheduled to terminate on February 22, 1982.

U.S. Producers

There are currently five producers of clothespins in the United States, and their names and locations are as follows:

- (1) Diamond International Corp.
Springfield, Mass.
(Production plant in Peru, Maine)
- (2) Forster Manufacturing Co., Inc.
Wilton and Mattawamkeg, Maine
- (3) Penley Corp.
West Paris, Maine
- (4) National Clothespin Co., Inc.
Montpelier, Vt.
- (5) Addison Industries
North Ferrisburg, Vt.

The following tabulation shows the clothespin product lines of the five domestic producers:

Company	Wood spring clothespins	Roundhead or squarehead wood clothespins	Plastic spring clothespins	Ironbound roundhead wood clothespins	Articles other than clothespins
Diamond Inter- national-----	X				X
Forster-----	X	X	X	X	X
Penley-----	X	X	X		X
National Clothespin-----	X	<u>1/</u>			
Addison Industries-----			X		X

1/ National purchases its requirements of roundhead clothespins from Forster.

Table 1.-- Spring-type clothespins: Statistical subdivisions of TSUS item 790.05

TSUS No.	Stat. suffix	Description	Units of quantity	Rate of duty		
				1	LDDC	2
790.05		Clothespins:				
		Spring type		10¢ per gross:		20¢ per gross
		Of plastics:				
	12	Valued not over 80 cents per gross.	Gross			
	15	Valued over 80 cents but not over \$1.35 per gross.	Gross			
	18	Valued over \$1.35 but not over \$1.70 per gross: Gross.	Gross			
	21	Valued over \$1.70 per gross.	Gross			
		Of wood:				
	24	Valued not over 80 cents per gross.	Gross			
	27	Valued over 80 cents but not over \$1.35 per gross.	Gross			
	30	Valued over \$1.35 but not over \$1.70 per gross.	Gross			
	33	Valued over \$1.70 per gross.	Gross			
	55	Other.....	Gross			

Table 2.--Spring-type clothespins: Quantitative restrictions provided for in schedule 9 of the Tariff Schedules of the United States

		(Quota quantity in gross)			
TSUS item No.	Descriptions	Entered during the restraint period--			
		Feb. 23, : through : May 22	May 23, : through : Aug. 22	Aug. 23, : through : Nov. 22	Nov. 23, : through : Feb. 22
	: Whenever the respective aggregate quantity	:	:	:	:
	: of clothespins specified below for items	:	:	:	:
	: 925.11, 925.12 and 925.13, has been entered	:	:	:	:
	: in any restraint period, no article in such	:	:	:	:
	: item may be entered during the remainder of	:	:	:	:
	: such restraint period, except as provided	:	:	:	:
	: for in headnote 7:	:	:	:	:
	: Clothespins, spring type of wood or	:	:	:	:
	: plastics, valued not over \$1.70 per gross,	:	:	:	:
	: provided for in item 790.05, entered on or	:	:	:	:
	: after February 23, 1979, and before the	:	:	:	:
	: close of February 22, 1982:	:	:	:	:
925.11	: Valued not over 80 cents per gross.....	125,000	125,000	125,000	125,000
925.12	: Valued over 80 cents but not over \$1.35	:	:	:	:
	: per gross.....	150,000	150,000	150,000	150,000
925.13	: Valued over \$1.35 but not over \$1.70 per	:	:	:	:
	: gross.....	225,000	225,000	225,000	225,000

Forster is a privately held family corporation with annual sales of all products amounting to more than * * * in 1980. * * *. However, virtually all of its product lines are derived from forest products. Among the other products produced and sold by Forster are rolling pins, tongue depressors, ice cream sticks, wooden dowels, wooden eating and cooking utensils, croquet sets, toboggans, and other wooden articles. In addition, Forster has also developed a line of plastics products such as clothespins and plastic eating utensils.

Penley, * * *, is also a privately held corporation. Wood and plastic clothespins account for virtually the entire output of the firm. * * *.

Diamond International is a multinational conglomerate, which is the only firm of the five U.S. producers of clothespins that is a publicly held corporation. * * *. Most of Diamond's product lines are heavily dependent upon the raw materials harvested from Diamond's private forest lands. They include lumber, lumber products, plywood, pulp, paperboard, other paper products, packaging materials, wood stick matches, book matches, and toothpicks, as well as clothespins. Other product lines include the manufacture and sale of machinery for packaging, egg handling, and paper and paperboard manufacture. In addition, Diamond operates numerous retail outlets specializing in lumber and other home improvement materials.

National Clothespin Co., with 1980 sales of clothespins valued at * * *, is the * * * U.S. producer. It, too, is a privately held corporation with clothespins accounting for virtually all of its annual sales. * * *. On December 25, 1978, National's production plant sustained extensive fire damage. However, with help from the other domestic producers, National was able to continue its scheduled shipments and repair the fire damage. * * *. National informed the Commission that it has experienced increased import competition for its sales to its main customers, * * *.

Addison Industries is a privately owned firm with annual sales of plastic spring clothespins valued at * * * for April-December 1980. Vermont Plastics, which became the first U.S. company to develop the plastic spring clothespin in 1946, was purchased by Addison in May 1980; * * * is Addison's largest customer for plastic spring clothespins.

U.S. Importers

Approximately 200 firms currently import clothespins of all types. However three firms are dominant in this area; in 1980 they accounted for * * * percent of all wood and plastic spring clothespin imports. The names of the three largest importing firms and the quantity of wood and plastic clothespins imported in 1980 are as follows:

<u>Firm</u>	<u>Quantity</u> <u>(Gross)</u>
Metropolitan Housewares, Inc. Ozone Park, N.Y.	* * *

NEVCO
 Division of U.S. Industries
 Lyndhurst, N.J. * * *

K-Mart Corp.
 Troy, Mich. * * *

Prior to 1979 a number of discount department store chains imported clothespins for retail sales in their own stores. However, with the advent of the quota on imported wood and plastic spring clothespins, most of these companies have either ceased importing or decreased the volume of their clothespin imports. These companies now rely on U.S. producers or other U.S. importers for their clothespin purchases.

K-Mart is the largest retailer of clothespins in the United States. In 1980, K-Mart sold \$1.8 million of imported clothespins in its stores. ^{1/} Besides its own direct imports of clothespins, K-Mart has purchased imported clothespins from * * * in order to obtain a sufficient quantity to supply demand for its stores' retail sales. * * *

* * * * *

* * * The Polish, West German, and Portugese clothespins are currently being entered in the highest value category of the quota, valued over \$1.35 but not over \$1.70 per gross. * * * believes that the superior quality of the European clothespins (over those from the Orient), and their comparability in strength and endurance to the domestic product, more than offset their higher price to the purchaser. However it should be noted that the European clothespins are still priced well below the domestic product.

Foreign producers

The major exporters of clothespins to the United States are Taiwan, China, Poland, West Germany, and Portugal. In January-September 1981, these countries accounted for 95 percent of U.S. clothespin imports.

Taiwan has been the largest exporter of spring clothespins to the United States in the last 4 years. According to industry sources, prior to institution of the quota the majority of made-in-Taiwan spring clothespins were exported to the United States, with the remainder being exported to South America. The largest clothespin producer in Taiwan is Greenpine Industrial, Kaohsiung, Taiwan, which services the larger Taiwan trading companies (e.g., Collins Co., Ltd., Taipei, Taiwan). According to industry sources, Greenpine has the estimated capacity to export * * * gross of wood spring clothespins per month (or * * * per year). Greenpine manufactures spring clothespin parts

^{1/} Transcript of public hearing, p. 164.

mechanically and uses manual labor to assemble and package the finished product. The company can switch to the production of other wood products if demand for clothespins slackens. * * * This would make Greenpine's spring clothespin products available to other U.S. importers. Although Greenpine also sells plastic spring clothespins, it is not known if it manufactures the product itself or subcontracts the plastics production to a plastics contractor.

The second largest Taiwanese clothespin producer is Goldfield Industries, Inc., Keelung, Taiwan. Goldfield produces both wood and plastic clothespins in the same manner as Greenpine, but has a smaller production capacity. The only other known significant Taiwan producer is Carlin Plastic Products, Taipei, Taiwan, which only produces the plastic spring variety of clothespins. * * *. Large quantities of these clothespins have been exported to European countries in recent years.

China has two known clothespin factories. The first is in Kwangtung Province; it produces a lower quality wood spring clothespin, which sells for approximately * * * cents per gross, c.i.f. Hong Kong. According to industry sources the Kwangtung factory has an annual capacity in excess of * * * gross. * * *. China's other factory is in Kwangsi Province. The Kwangsi factory produces a higher quality clothespin from a native hardwood, but its product is more expensive and sells for approximately * * * per gross, c.i.f. Hong Kong. The annual capacity of the Kwangsi factory is not known. However, it should be noted that clothespin production in China is not a "cottage industry" and the Kwangsi factory should have a fair amount of production capabilities.

Poland has three clothespin factories located in Kielce, Gorlice, and Stachowicze. These factories are mechanized for the entire production of wood spring clothespins, except the assembly procedure which is done manually. According to industry estimates, the United States currently imports * * * of Poland's clothespin production which would make Poland's clothespin capacity approximately * * * gross per year. * * *.

The largest clothespin producer in West Germany is Gebr. Oldemeier Gmbh, Luegde, West Germany. The Oldemeier plant is completely mechanized for the production of wood spring clothespin parts and nonspring roundhead clothespins of wood. The company contracts out to "institutional labor" (with government assistance) for manual assembly of the spring clothespins. Oldemeier has over 100 employees and also manufactures toilet seat covers from pressed sawdust. The other known West German plant is Lorenz, Heckelmann and Soehne, Waldfenster, Germany. According to industry sources the Lorenz factory manufactures plastic spring clothespins. The company also purchases wood spring clothespin parts from Oldemeier and then uses "institutional labor" to assemble them. However, their relatively high selling price makes importing these clothespins into the United States cost prohibitive. The Lorenz factory also produces wooden shoe heels.

* * * has become the exclusive importer of a brand of Portugese wood spring clothespins. The factory is located in Lisbon and has an estimated capacity in excess of * * * gross of wood spring clothespins per year. * * *

U.S. Market

Clothespins are generally sold in supermarkets, hardware stores, and discount, chain, and variety stores. Sales of clothespins are more concentrated in less affluent areas, where gas and electric clothes dryers are luxuries, and in areas where the climate is favorable for the use of outdoor clotheslines year round.

According to industry sources, clothespins are considered to be an "impulse product." In other words, consumers do not go to the supermarket or discount chainstores specifically to buy clothespins, but rather they buy them on impulse after seeing them on a clothespin display. Furthermore, clothespins are usually bought by consumers only once or twice a year. Buyers for department stores and supermarkets usually purchase clothespins as a spring season promotional product and as a regular stock shelf item. At the public hearing, representatives of the domestic industry stated that retail stores rarely carry more than one brand (imported or domestic) of clothespins. ^{1/} Prior to the imposition of the quota on wood and plastic spring clothespins, buyers often purchased large quantities of inexpensive imported clothespins for the spring promotions and lesser quantities from domestic producers for the regular shelf trade. In 1980, the unavailability of the inexpensive imported clothespins forced many department stores to purchase all of their clothespin products from U.S. producers. However, when less expensive imported clothespins are available in sufficient quantities, the store buyers have switched back to the imported product.

Total U.S. consumption of all types of clothespins declined from 7.6 million gross in 1976 and 1977 to 6.9 million gross in 1978, but then rebounded to 7.1 million gross in 1980. In January-June of 1981, total consumption of all clothespins increased by 17 percent over the corresponding period in 1980, as shown in table 3.

During 1978-80, apparent U.S. consumption of wood spring clothespins increased by * * * percent, from * * * million gross in 1978 to * * * million gross in 1980. In January-June 1981, apparent U.S. consumption of wood spring clothespins increased by * * * percent over the corresponding period in 1980, indicating continued growth in the market. The consumption of plastic spring clothespins declined from * * * gross in 1978 to * * * gross in 1979, but then rebounded to * * * gross in 1980. Trends for January-June 1981, also show increasing consumption of plastic spring clothespins. In contrast, consumption of nonspring wood clothespins declined by * * * percent, from 1.1 million gross in 1976 to * * * gross in 1980.

^{1/} Transcript of public hearing, p. 63.

Table 3.--Clothespins: U.S. apparent consumption, by types, 1976-80,
January-June 1980, and January-June 1981

Type	(In thousands of gross)							
	1976	1977	1978	1979	1980	January- June--		
						1980	1981	
Wood spring clothespins-----	1/	1/	***	***	***	***	***	***
Plastic spring clothespins-----	1/	1/	***	***	***	***	***	***
Total spring clothespins--	6,533	6,520	***	***	***	***	***	***
Nonspring wood clothespins-----	1,052	1,063	***	***	***	***	***	***
Total, all clothes-								
pins 2/-----	7,585	7,583	6,881	6,887	7,147	3,599	4,214	

1/ Not available

2/ Includes imports of spring clothespins of material other than wood and plastic (TSUSA item 790.0555) and nonspring clothespins of material other than wood (TSUS item 790.07).

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission and official statistics of the U.S. Department of Commerce.

U.S. Imports

U.S. imports of all clothespins declined each year during 1978-80, from 2.3 million gross in 1978 to 2.1 million gross in 1980, as shown in the following tabulation:

	<u>All clothespins</u> <u>(1,000 gross)</u>
1978-----	2,310
1979-----	2,131
1980-----	2,056
January-June--	
1980-----	874
1981-----	1,154

However, in January-June 1981 imports increased by 32 percent over the corresponding period in 1980.

Wood and plastic spring clothespins

Prior to 1978, wood and plastic spring clothespin imports were not separately provided for in the Tariff Schedules of the United States. The following paragraphs trace the trends in these imports together, separately, and by quota category.

U.S. imports of wood and plastic spring clothespins declined from 1.9 million gross in 1973 to 1.7 million gross in 1974 (table 4), and then increased over the next 2 years to 3.2 million gross in 1976. In 1977, however, imports declined slightly to 3.1 million gross. Imports of wood and plastic spring clothespins dropped by 31 percent to 2.1 million gross in 1978, and continued to decline to the 1.9 million gross level in both 1979 and 1980. However in January-June 1981, imports increased by 33 percent from the corresponding period of 1980. During 1978-80, Taiwan was the dominant supplier of imports of wood and plastic spring clothespins. In 1977, Taiwan accounted for 27 percent of these imports and that share grew to 47 percent in 1978 and to 77 percent in 1979; however, in 1980, Taiwan's share dropped back to 60 percent. China, which ranked second behind Taiwan in 1977, fell from 669,000 gross in 1977 to 241,000 gross in 1978, and then plummeted to only 24,000 gross in 1979, and 48,000 gross in 1980.

* * * * *

Wood spring clothespins accounted for over 72 percent of total U.S. imports of all types of clothespins during 1978-80. Such imports were 1.8 million gross in 1978, and then declined thereafter to 1.6 million gross in 1979 and 1.5 million gross in 1980 (table 5). However in January-July 1981, imports of wood spring clothespins increased by 30 percent from the level entered in the corresponding period of 1980. Taiwan accounted for 48 percent of imports of wood spring clothespins in 1978, 80 percent in 1979, and 52 percent in 1980.

As shown in table 6, wood spring clothespins dominated the imports in the lowest two valuation categories, in 1979, 1980, and January-June 1981. As shown in table 7, all of the quotas for each of the two lower valued categories have been filled almost every quarter since the imposition of the quota in February 1979. However, the one category of the quota which showed the largest growth was that for clothespins valued over \$1.35 but not over \$1.70 per gross. In that group, imports amounted to only 327,000 gross in in quota year 1979-80, or only 36 percent of the quota. However, quota year 1980-81, imports in this group were 616,000 gross, or 68 percent of the quota, and in the first 3 quarters of the 1981-82 quota year, imports have amounted to 559,000 gross or 83 percent of the quota to date. Poland is the largest exporter of wood spring clothespins in this quota category.

U.S. imports of plastic spring clothespins declined from 380,000 gross in 1978 to 283,000 gross in 1979 but then rebounded to 342,000 gross in 1980 (table 5). In January-July 1981, imports of plastic spring clothespins increased by 16 percent over the corresponding period of 1980. Taiwan is the largest exporter of plastic spring clothespins to the United States, followed by Hong Kong. Together these countries accounted for 98 percent all U.S. plastic spring clothespin imports in 1980. The largest amounts of plastic spring clothespin imports in 1980 entered in the nonquota category of over \$1.70 per gross. It appears, based on the data in table 6, that the quota has had a large effect on low-value imports of plastic spring clothespins. Importers must choose, because of the quota, between importing wood clothespins and plastic clothespins in the lower value categories of the quota.

Table 4.--Wood and plastic spring clothespins (TSUS item 790.05) 1/: U.S. imports for consumption, by countries, 1973-80, January-June 1980 and January-June 1981

Country	1973	1974	1975	1976	1977	1978	1979	1980	January-June 1980	January-June 1981
Quantity (gross)										
Taiwan-----	556	4,200	341,721	742,716	827,687	1,010,928	1,486,452	1,155,158	462,236	667,075
China-----	0	0	25,675	160,931	669,009	240,489	24,434	47,623	8,753	88,527
Poland-----	281,275	237,177	432,557	458,623	506,116	232,050	186,607	364,050	163,578	142,287
Hong Kong-----	312,313	352,478	508,112	505,127	353,812	175,048	114,277	115,458	61,735	37,185
West Germany-----	355,272	266,017	450,641	464,791	306,447	247,529	105,095	154,594	77,321	61,057
Romania-----	20,000	240,848	82,292	181,308	244,930	112,375	0	0	0	0
The Netherlands-----	282,400	170,896	167,069	220,612	151,788	58,357	4,435	0	0	0
Czechoslovakia-----	135,800	130,217	116,367	141,383	18,000	0	0	34,500	23,000	0
Singapore-----	0	0	0	0	8,175	10,083	0	0	0	0
France-----	12,417	417	934	1,661	5,432	9,770	1,933	3,162	1,196	333
Spain-----	0	0	20,000	2,400	2,400	0	0	0	0	0
Denmark-----	221,529	87,457	68,975	26,500	1,740	3,632	1,200	0	0	1,272
Dominican Republic-----	0	0	0	0	1,375	0	0	0	0	0
Sweden-----	82,974	68,523	28,000	155,202	500	0	0	500	0	0
United Kingdom-----	1,998	0	0	21	480	0	161	0	0	0
Japan-----	7,650	600	18,015	5,138	35	18,383	242	1,632	0	200
Belgium-----	131,122	82,977	69,402	53,635	0	0	0	0	0	0
Italy-----	52,707	10,650	0	30,668	0	5,994	9,278	1,523	1,223	694
Bulgaria-----	0	0	0	5,100	0	0	0	0	0	0
Malaysia-----	0	0	0	0	0	11,352	0	0	0	0
Portugal-----	0	1,327	10,851	1,932	0	0	0	34,299	0	68,598
Thailand-----	0	0	104	0	0	0	4	0	0	0
Switzerland-----	0	6,000	0	0	0	0	284	0	0	0
Korea-----	8,750	0	0	0	0	12,971	300	600	600	167
Norway-----	4,000	1,000	0	0	0	0	0	0	0	0
Total-----	1,910,763	1,660,784	2,340,715	3,157,748	3,097,926	2,148,961	1,934,702	1,913,099	799,642	1,067,599

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See footnote at end of table.

Table 4.--Wood and plastic spring clothespins (TSUS item 790.05) ^{1/}: U.S. imports for consumption, by country, 1973-80, January-June 1980-81--Continued

Country	1973	1974	1975	1976	1977	1978	1979	1980	January-June 1981	January-June 1981
	Value (1,000 dollars)									
Taiwan-----	4	4	249	560	707	885	1,449	1,611	652	857
China-----	-	-	24	92	447	162	21	53	8	91
Poland-----	185	163	413	428	513	222	252	493	227	216
Hong Kong-----	261	362	521	504	394	276	228	306	159	129
West Germany-----	253	207	439	429	338	287	134	212	108	90
Romania-----	11	112	51	113	167	80	0	0	0	0
The Netherlands-----	230	168	226	250	226	76	10	-	-	-
Czechoslovakia-----	70	64	73	99	11	-	-	51	33	-
Singapore-----	-	-	-	-	5	7	-	-	-	-
France-----	10	1	3	4	15	35	8	15	5	1
Spain-----	-	-	29	3	3	-	-	-	-	-
Denmark-----	168	91	94	28	3	6	3	-	-	-
Dominican Republic-----	-	-	-	-	1,372	-	-	-	-	-
Sweden-----	61	56	32	135	1	-	-	2	-	-
United Kingdom-----	1	-	-	2	-	-	4	-	-	-
Japan-----	6	1	11	9	1	8	4	3	-	1
Belgium-----	87	71	79	50	-	-	-	-	-	-
Italy-----	63	15	-	44	-	8	14	6	4	5
Bulgaria-----	-	-	-	3	-	8	-	-	-	-
Malaysia-----	-	-	-	1	-	-	-	-	-	-
Portugal-----	-	3	12	2	-	-	-	46	-	93
Thailand-----	-	-	1	-	-	-	1	-	-	-
Switzerland-----	-	5	-	-	-	-	1	-	-	-
Korea-----	6	-	-	-	-	13	1	1	1	1
Norway-----	4	1	-	-	-	-	-	-	-	-
Total-----	1,420	1,324	2,257	2,756	2,833	2,059	2,130	2,799	1,197	1,484

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^{1/} Includes small amounts of spring clothespins of material other than wood or plastic.

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

Table 5.--Clothespins: U.S. imports for consumption of wood spring clothespins and plastic spring clothespins, by specified sources, 1978-80, January-July 1980, January-July 1981

Source	1978	1979	1980	January-July--	
				1980	1981
Quantity (gross)					
Wood spring clothespins:					
Sweden-----	0	0	500	0	0
Denmark-----	600	0	0	0	0
France-----	2,895	0	0	0	0
West Germany-----	232,662	104,509	137,271	77,206	57,297
Czechoslovakia-----	0	0	34,500	23,000	0
Poland-----	232,050	186,607	364,050	175,764	180,819
Portugal-----	0	0	34,299	0	91,464
Romania-----	95,169	0	0	0	0
Malaysia-----	11,352	0	0	0	0
Singapore-----	10,083	0	0	0	0
China-----	226,406	24,434	47,623	18,153	88,527
Korea-----	9,995	0	0	0	0
Hong Kong-----	88,239	5,532	2,063	1,243	4,066
Taiwan-----	841,595	1,306,074	864,287	413,278	499,862
Japan-----	18,175	0	0	0	0
Total-----	1,769,221	1,627,156	1,484,593	708,644	922,035
Plastic spring clothespins:					
Canada-----	0	284	0	0	0
Denmark-----	3,032	1,200	0	0	1,272
United Kingdom-----	0	161	0	0	0
Netherlands-----	58,357	4,435	0	0	0
France-----	6,875	149	786	0	0
West Germany-----	14,867	586	2,823	2,823	3,760
Italy-----	5,994	9,278	1,522	1,222	69
Romania-----	17,206	0	0	0	0
Philippines-----	0	0	0	0	204
China-----	14,083	0	0	0	0
Korea-----	2,976	300	600	600	167
Hong Kong-----	86,809	108,241	112,795	74,213	33,019
Taiwan-----	169,333	157,942	221,916	127,881	202,420
Japan-----	208	48	1,632	1,632	200
Total-----	379,740	282,624	342,074	208,371	241,111

Table 5.--Clothespins: U.S. imports for consumption of wood spring clothespins and plastic spring clothespins, 1978-1980, January-July 1980, January-July 1981--Continued

Source	1978	1979	1980	January-July	
				1980	1981
Value (1,000 dollars)					
Wood spring clothes-					
pins:					
Sweden-----	\$0 :	\$0 :	\$2 :	\$0 :	\$0
Denmark-----	1 :	0 :	0 :	0 :	0
France-----	11 :	0 :	0 :	0 :	0
West Germany-----	269 :	132 :	183 :	103 :	77
Czechoslovakia-----	0 :	0 :	51 :	33 :	0
Poland-----	222 :	251 :	493 :	243 :	268
Portugal-----	0 :	0 :	46 :	0 :	124
Romania-----	68 :	0 :	0 :	0 :	0
Malaysia-----	8 :	0 :	0 :	0 :	0
Singapore-----	7 :	0 :	0 :	0 :	0
China P-----	153 :	21 :	53 :	16 :	91
Korean-----	8 :	0 :	0 :	0 :	0
Hong Kong-----	110 :	9 :	4 :	2 :	4
Taiwan-----	710 :	1,163 :	1,026 :	424 :	500
Japan-----	6 :	0 :	0 :	0 :	0
Total-----	1,572 :	1,577 :	1,858 :	821 :	1,064
Plastic spring clothes-					
pins:					
Canada-----	\$0 :	\$1 :	\$0 :	\$0 :	\$0
Denmark-----	5 :	3 :	0 :	0 :	3
United Kingdom-----	0 :	4 :	0 :	0 :	0
Netherlands-----	76 :	10 :	0 :	0 :	0
France-----	24 :	1 :	4 :	0 :	0
West Germany-----	18 :	2 :	4 :	4 :	13
Italy-----	8 :	14 :	5 :	4 :	3
Romania-----	12 :	0 :	0 :	0 :	0
Philippines-----	0 :	0 :	0 :	0 :	1
China-----	9 :	0 :	0 :	0 :	0
Korea-----	5 :	1 :	1 :	1 :	1
Hong Kong-----	166 :	217 :	300 :	206 :	134
Taiwan-----	175 :	236 :	331 :	148 :	410
Japan-----	1 :	2 :	3 :	3 :	1
Total-----	501 :	490 :	648 :	366 :	566

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Table 6.--Wood and plastic spring clothespins: U.S. imports for consumption, by periods and quota valuations, and by sources, 1978-80, January-June 1980, and January-June 1981.

Item and source	1978	January-February: 1979	March-December: 1979	1980	January-June: 1980	January-June: 1981
	Quantity (gross)					
Wood spring clothespins:						
Valued not over 80 cents per gross:						
China-----	1/	1/	0	0	0	65,414
Taiwan-----	1/	1/	434,951	478,137	120,890	194,995
Total-----	1/	1/	434,951	478,137	120,890	260,406
Valued over 80 cents but not over \$1.35 per gross:						
West Germany-----	1/	1/	30,779	16,815	8,374	5,700
Poland-----	1/	1/	0	123,198	13,200	2,010
Portugal-----	1/	1/	0	11,433	0	0
China-----	1/	1/	24,434	45,319	8,753	23,113
Korean-----	1/	1/	0	0	0	0
Hong Kong-----	1/	1/	0	1,540	1,020	404
Taiwan-----	1/	1/	526,750	356,460	197,804	268,323
Total-----	1/	1/	581,963	554,765	229,151	299,550
Valued over \$1.35 but not over \$1.70 per gross:						
West Germany-----	1/	1/	0	120,456	51,624	51,597
Czechoslovakia-----	1/	1/	0	34,500	23,000	0
Poland-----	1/	1/	157,797	240,852	150,378	138,972
Portugal-----	1/	1/	0	22,866	0	68,598
Taiwan-----	1/	1/	0	1,881	0	0
Total-----	1/	1/	157,797	420,555	225,002	259,167
Valued over \$1.70 per gross:						
Sweden-----	1/	1/	0	500	0	0
Poland-----	1/	1/	0	0	0	1,305
China-----	1/	1/	0	2,304	0	0
Hong Kong-----	1/	1/	287	523	223	3,665
Taiwan-----	1/	1/	4,594	27,809	2,038	17,172
Total-----	1/	1/	4,881	31,136	2,261	22,142
Total, all wood spring clothespins-----	1,769,221	447,564	1,179,592	1,484,593	577,304	841,265

See footnotes at end of table.

Table 6.--Wood and plastic spring clothespins: U.S. imports for consumption, by periods and quota valuations, by sources, 1978-80, January-June 1980, and January-June 1981--Continued

Item and sources	1978		1979		March-December: 1980		January-June: 1980		January-June: 1981	
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
Plastic spring clothespins:										
Valued not over 80 cents per gross:										
Hong Kong	1/		1/	2,200	0		0		0	
Taiwan	1/		1/	0	60,000		30,000		0	
Total	1/		1/	2,200	60,000		30,000		0	
Valued over 80 cents but not over \$1.35 per gross:										
Germany	1/		1/	0	2,363		2,363		0	
Hong Kong	1/		1/	16,872	12,081		7,410		6,040	
Taiwan	1/		1/	34,582	43,777		32,084		21,322	
Total	1/		1/	51,454	58,221		41,857		27,362	
Valued over \$1.35 but not over \$1.70 per gross:										
Italy	1/		1/	9,000	0		0		0	
Korea	1/		1/	0	600		600		0	
Hong Kong	1/		1/	47,086	26,810		22,155		0	
Taiwan	1/		1/	18,520	45,380		14,850		61,016	
Total	1/		1/	74,606	72,790		37,605		61,016	
Valued over \$1.70 per gross:										
Canada	1/		1/	284	0		0		0	
Denmark	1/		1/	1,200	0		0		1,272	
Netherlands	1/		1/	625	0		0		0	
France	1/		1/	0	786		0		0	
West Germany	1/		1/	586	460		460		3,760	
Italy	1/		1/	278	1,522		1,222		69	
Philippines	1/		1/	0	0		0		204	
Korea	1/		1/	300	0		0		167	
Hong Kong	1/		1/	22,298	73,904		30,327		26,119	
Taiwan	1/		1/	32,694	72,759		9,507		102,902	
Japan	1/		1/	17	1,632		0		200	
Total	1/		1/	58,282	151,063		41,516		134,693	
Total, all plastic spring clothespins		379,740		96,082	186,542		342,074		150,978	
Total, wood and plastic spring clothespins		2,148,961		543,646	1,366,134		1,826,667		728,282	

1/ Not available.

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

Table 7.--Clothespins: U.S. imports of clothespins, by quota category and by quota period, February 23, 1979-February 22, 1982

Period	Valued not over 80 cents per gross (125,000 gross per quarter)	Valued over 80 cents but not over \$1.35 per gross (150,000 gross per quarter)	Valued over \$1.35 but not over \$1.70 per gross (225,000 gross per quarter)
	Gross	Gross	Gross
1979-80 quota year:			
Feb. 23, 1979-			
May 22, 1979----	Filled Mar. 26, 1979	Filled Apr. 9, 1979	0
May 23, 1979-			
Aug. 22, 1979---	Filled at opening (73.3% allocation)	Filled at opening (41.8% allocation)	36,885
Aug. 23, 1979-			
Nov. 22, 1979---	Filled Aug. 27, 1979	Filled at opening (36.5% allocation)	176,312
Nov. 23, 1979-			
Feb. 22, 1980---	Filled Jan. 28, 1980.	Filled at opening (30.2% allocation)	114,690
Total-----	500,000 (filled)	601,938 (filled) <u>1/</u>	327,887 (36% of quota)
1980-81 quota year:			
Feb. 23, 1980-			
May 22, 1980----	42,390 gross	Filled at opening (37.6% allocation)	150,824
May 23, 1980-			
Aug. 22, 1980---	190,250 gross	Filled at opening (42.4% allocation)	71,754
Aug. 23, 1980-			
Nov. 22, 1980---	Filled Sept. 22, 1980	Filled at opening (37.5% allocation)	201,646
Nov. 23, 1980-			
Feb. 22, 1981---	Filled Dec. 12, 1980	Filled at opening (44.8% allocation)	191,712
Total-----	500,000 (filled) <u>2/</u>	600,000 (filled)	615,936 (68% of quota)
1981-82 quota year:			
Feb. 23, 1981-			
May 22, 1981----	Filled at opening (67.6% allocation)	Filled at opening (37.6% allocation)	142,788
May 23, 1981-			
Aug. 22, 1981---	Filled at opening (59.2% allocation)	Filled at opening (52.2% allocation)	182,264
Aug. 23, 1981-			
Nov. 22, 1981---	Filled Sept. 22, 1980 (54.4% allocation)	Filled at opening (51.3% allocation)	<u>3/</u> 234,313
Nov. 23, 1981-			
Feb. 22, 1982---	Filled at opening (83.6% allocation)	Filled at opening (57.7% allocation)	<u>4/</u>
Total-----	500,000 (filled) <u>2/</u>	600,000 (filled)	559,364 (as of Nov. 27, 1981-- 83% of quota to date)

1/ Overfilled by 1,938 gross due to field reporting error.

2/ Unused quota allocation for first two quarters was filled during the third quarter.

3/ Estimate from the U.S. Custom Service.

4/ Not available.

Source: Compiled from data obtained from U.S. Customs Service.

The institution of the import quota for wood and plastic spring clothespins and subsequent restructuring of the tariff schedules opened up a new category of spring clothespins--spring clothespins of material other than wood or plastic. Such imports--mainly metal spring clothespins with a plastic coating--increased from 25,000 gross in 1979 to 86,000 gross in 1980 (table 8). These clothespins were apparently too high in price to capture and maintain a substantial market share and in January-June 1981, such imports numbered only 3,000 gross compared with 71,000 gross in the corresponding period in 1980.

Nonspring clothespins

Imports of nonspring clothespins were excluded from the quota. As shown in table 9, imports of nonspring clothespins of wood increased from 158,000 gross in 1978 to 189,000 in 1979, but then declined to 133,000 gross in 1980. In January-June 1981 imports of nonspring clothespins of wood declined 19 percent from the corresponding period of 1980. West Germany still accounts for the vast majority of these imports.

Imports of nonspring clothespins of materials other than wood are usually made of plastic. Such imports increased from 3,000 gross in 1978 to 10,000 gross in 1980. In January-June 1981, 26,000 gross of plastic nonspring clothespins entered the United States, compared with zero in the corresponding period of 1980.

Status of the domestic industry 1/

U.S. capacity, production, and capacity utilization

U.S. capacity to produce all types of clothespins declined from 8 million gross in 1977 to 7.5 million gross in 1978. * * * During 1978-80, U.S. capacity to produce all clothespins remained stable at 7.5 million gross (see table 10). In contrast, production of all clothespins increased irregularly from 4.4 million gross in 1978 to 4.9 million gross in 1979, but then fell back to 4.8 million gross in 1980. However in January-June 1981, production increased by 29 percent over what it was in the corresponding period of 1980. Capacity utilization for all clothespins increased from 59 percent in 1978 to 64 percent in 1980. However, in January-June 1981, capacity utilization leaped to 84 percent compared with 65 percent for the corresponding period of 1980.

1/ Addison Industries, the smallest of the U.S. clothespin producers. Addison does not produce wood spring clothespins.

Table 8.--Clothespins: U.S. imports for consumption of spring clothespins of material other than wood or plastic, 1978-80, January-June 1980, January-June 1981.

Country	:March-Dec.: : 1979 :	1980	:January-June : : 1980 :	:January-June : 1981
	Quantity (gross)			
France-----	1,784	2,376	1,196	333
FR Germany-----	0	14,500	14,500	0
Italy-----	0	1	1	625
Thailand-----	4	0	0	0
Hong Kong-----	504	600	600	960
Taiwan-----	22,436	68,955	55,063	1,345
Japan-----	194	0	0	0
Total-----	24,922	86,432	71,360	3,263
	Value (1,000 Dollars)			
France-----	\$7	\$11	\$5	\$1
FR Germany-----	0	24	24	0
Italy-----	0	0	0	3
Thailand-----	1	0	0	0
Hong Kong-----	2	2	2	3
Taiwan-----	51	254	207	4
Japan-----	2	0	0	0
Total-----	63	291	238	11

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

Table 9.--Clothespins: U.S. imports for consumption of nonspring clothespins of wood and other materials, by principal sources, 1978-80, January-June 1980, and January-June 1981.

Source	1978	1979	1980	January-June 1980	January-June 1981
Quantity (gross)					
Nonspring clothespins of material other than wood:					
Canada	21	0	0	0	0
Netherlands	0	0	0	0	0
France	0	0	0	0	0
West Germany	0	0	0	0	0
Switzerland	70	0	0	0	0
Portugal	0	111	0	0	0
Italy	0	0	9,936	0	338
China	354	0	0	0	0
Hong Kong	2,951	746	1	746	26,111
Taiwan	0	6,432	58	0	0
Total	3,396	7,289	9,995	0	26,449
Nonspring wood clothespins:					
France	0	2,857	0	0	0
West Germany	144,923	180,273	132,878	73,746	58,774
Italy	0	3	0	0	838
Thailand	0	4	0	0	0
China P.	0	0	0	0	0
Hong Kong	0	0	0	0	0
Taiwan	13,110	5,972	0	0	25
Japan	2	0	0	0	0
Total	158,035	189,109	132,878	73,746	59,637
Value (1,000 dollars)					
Nonspring clothespins of material other than wood:					
Canada	-	-	-	-	-
Netherlands	-	-	-	-	-
France	-	-	-	-	-
West Germany	-	-	-	-	-
Switzerland	1	-	-	-	-
Portugal	-	1	-	-	-
Italy	-	-	3	-	2
China	1	-	-	-	-
Hong Kong	3	17	-	-	7
Taiwan	-	13	2	-	-
Total	5	31	5	0	9
Nonspring wood clothespins:					
France	-	1	-	-	-
West Germany	174	266	192	115	62
Italy	-	-	-	-	4
Thailand	-	-	-	-	-
China	-	-	-	-	-
Hong Kong	-	-	-	-	-
Taiwan	13	17	-	-	1
Japan	-	-	-	-	-
Total	187	284	192	115	66

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

Table 10.--Clothespins: U.S. production, production capacity, and capacity utilization, by firms, and by types 1978-80, January-June 1980, and January-June 1981

Period and firm	U.S. production				Capacity				Capacity utilization				
	Spring type		Nonspring type	Total	Spring type		Nonspring type	Total	Spring type		Nonspring type	Total	
	Wood	Plastic	Wood		Wood	Plastic	Wood		Wood	Plastic	Wood		
	1,000 gross								Percent				
1978:													
Forster-----	***	***	***	***	***	***	***	***	***	***	***	***	***
Penley-----	***	***	***	***	***	***	***	***	***	***	***	***	***
Diamond-----	***	***	***	***	***	***	***	***	***	***	***	***	***
National-----	***	***	***	***	***	***	***	***	***	***	***	***	***
Total-----	***	***	***	4,445	***	***	***	7,509	***	***	***	***	59
1979:													
Forster-----	***	***	***	***	***	***	***	***	***	***	***	***	***
Penley-----	***	***	***	***	***	***	***	***	***	***	***	***	***
Diamond-----	***	***	***	***	***	***	***	***	***	***	***	***	***
National-----	***	***	***	***	***	***	***	***	***	***	***	***	***
Total-----	***	***	***	4,901	***	***	***	7,511	***	***	***	***	65
1980:													
Forster-----	***	***	***	***	***	***	***	***	***	***	***	***	***
Penley-----	***	***	***	***	***	***	***	***	***	***	***	***	***
Diamond-----	***	***	***	***	***	***	***	***	***	***	***	***	***
National-----	***	***	***	***	***	***	***	***	***	***	***	***	***
Total-----	***	***	***	4,793	***	***	***	7,541	***	***	***	***	64
January-June 1980:													
Forster-----	***	***	***	***	***	***	***	***	***	***	***	***	***
Penley-----	***	***	***	***	***	***	***	***	***	***	***	***	***
Diamond-----	***	***	***	***	***	***	***	***	***	***	***	***	***
National-----	***	***	***	***	***	***	***	***	***	***	***	***	***
Total-----	***	***	***	2,442	***	***	***	3,779	***	***	***	***	65
January-June 1981:													
Forster-----	***	***	***	***	***	***	***	***	***	***	***	***	***
Penley-----	***	***	***	***	***	***	***	***	***	***	***	***	***
Diamond-----	***	***	***	***	***	***	***	***	***	***	***	***	***
National-----	***	***	***	***	***	***	***	***	***	***	***	***	***
Total-----	***	***	***	3,137	***	***	***	3,721	***	***	***	***	84

1/ Includes a small amount of ironbound nonspring clothespins.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Of the four types of clothespins, the wood spring variety accounted for * * * percent of U.S. capacity and * * * percent of total U.S. production in 1980. U.S. capacity for wood spring clothespins remained stable during 1978-80 at approximately * * * million gross. However, production increased from * * * million gross in 1978 to * * * million gross in 1980, and in January-June 1981 production increased again to a level over * * * million gross above the level reported in the corresponding period of 1980. Capacity utilization for wood spring clothespins increased from * * * percent in 1978 to * * * percent in 1980, and then rose to * * * percent for January-June 1981.

The nonspring wood clothespins ^{1/} accounted for * * * percent of U.S. capacity, but only * * * percent of U.S. clothespin production in 1980. Industry capacity to produce nonspring wood clothespins remained at * * * million gross for the entire 1978-80 period, but production declined sharply in 1980 to * * * gross from * * * gross in 1979. Capacity utilization in 1980 was * * * percent compared with * * * percent in 1978 and 1979. In January-June 1981, production of nonspring wood clothespins appeared to be returning to the 1978 and 1979 production levels. The remainder of U.S. capacity is used in the production of plastic spring clothespins. During 1978-80, U.S. capacity to produce plastic spring clothespins remained constant at * * * gross but production increased dramatically by * * * percent, from * * * gross in 1978 to * * * gross in 1980. Capacity utilization for plastic spring clothespins similarly increased from * * * percent in 1978 to * * * percent in 1980. The small plastic spring clothespin product line is becoming an * * *.

In general, wood spring clothespins have accounted for a gradually increasing share of U.S. production, whereas the other categories of clothespins have declined in importance.

* * * Forster is the only U.S. producer to manufacture five different models of clothespins; the mini-wood spring clothespin, regular-size wood spring clothespins, plastic spring clothespins, nonspring wood clothespins (or roundhead) and the ironbound nonspring wood clothespin. The mini-wood spring clothespin was introduced in 1978 to compete with similar small-size clothespins imported from Taiwan and China. Table 11 shows Forster's production for its five types of clothespins.

* * * * * * *

^{1/} Includes ironbound nonspring wooden clothespins.

Table 11.--Clothespins: Forster Manufacturing Co.'s production of clothespins, by types, 1978-80, January-June 1980, and January-June 1981

(In thousand of gross)

Period	Spring type			Nonspring type	
	Small wood	Regular-size wood	Plastic	Round	Ironbound
1978-----	***	***	***	***	***
1979-----	***	***	***	***	***
1980-----	***	***	***	***	***
January-June--					
1980-----	***	***	***	***	***
1981-----	***	***	***	***	***

Source: Compiled from data submitted in response to questionnaire of the U.S. International Trade Commission.

U.S. producers' shipments

U.S. producers' shipments of all clothespins increased each year during 1978-80. Starting from 4.1 million gross in 1977, domestic shipments grew to 5.1 million gross by 1980, or by 23 percent (table 12). In January-June 1981, domestic shipments increased by 335,000 gross (or 12 percent) from the amount of shipments in the corresponding period of 1980.

Table 12.--Clothespins: U.S. producers' shipments, by firms, and by types, 1978-80, January-June 1980 and January-June 1981

(In thousand of gross)

Period and firm	Spring type		Nonspring type		Total
	Wood	Plastic	Wood, except: ironbound	Wood ironbound	
1978:					
Forster-----	***	***	***	***	***
Penley-----	***	***	***	***	***
Diamond-----	***	***	***	***	***
National-----	***	***	***	***	***
Total-----	***	***	***	***	4,571
1979:					
Forster-----	***	***	***	***	***
Penley-----	***	***	***	***	***
Diamond-----	***	***	***	***	***
National-----	***	***	***	***	***
Total-----	***	***	***	***	4,756
1980:					
Forster-----	***	***	***	***	***
Penley-----	***	***	***	***	***
Diamond-----	***	***	***	***	***
National-----	***	***	***	***	***
Total-----	***	***	***	***	5,091
Jan.-June 1980--					
Forster-----	***	***	***	***	***
Penley-----	***	***	***	***	***
Diamond-----	***	***	***	***	***
National-----	***	***	***	***	***
Total-----	***	***	***	***	2,725
Jan.-June 1981--					
Forster-----	***	***	***	***	***
Penley-----	***	***	***	***	***
Diamond-----	***	***	***	***	***
National-----	***	***	***	***	***
Total-----	***	***	***	***	3,060

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

In 1980, wood spring clothespins accounted for *** percent of all domestic clothespin shipments. Domestic shipments of wood spring clothespins increased from * * * gross in 1978 to * * * gross in 1980. Again, in January-June 1981, domestic shipments of wood spring clothespins showed continued growth over the number of shipments in the corresponding period of 1980. While U.S. shipments of wood spring clothespins were

increasing, U.S. imports of wood spring clothespins were declining, from 1.8 million gross in 1978 to 1.5 million gross in 1980.

Domestic shipments of plastic spring clothespins also experienced dramatic gains during 1978-80, increasing from * * * gross in 1978 to * * * gross in 1980 (representing an increase of * * * percent). In contrast, domestic shipments of nonspring wood clothespins declined from * * * gross to * * * gross in 1980. Similarly imports of nonspring wood clothespins declined irregularly from 158,000 gross in 1978 to 133,000 gross in 1980. According to industry sources, the continued shift by consumers to wood spring clothespins will cause the nonspring wood clothespin market to continue to shrink in future years.

Forster's shipments of wood spring clothespins increased by * * * gross during 1978-80. Forster's small wood spring clothespin * * * , as shown in the following tabulation:

	<u>Small wood spring clothespins (1,000 gross)</u>	<u>Regular-size wood spring clothespins (1,000 gross)</u>	<u>Total (1,000 gross)</u>
1978-----	***	***	***
1979-----	***	***	***
1980-----	***	***	***
January-June--			
1980-----	***	***	***
1981-----	***	***	***

* * * * * * *

U.S. producers' inventories

During the recent 1978-80 period, U.S. producers' yearend inventories of all clothespins increased from 752,000 gross in 1978 to 962,000 gross in 1979. The industry's large increase in inventories in 1979 was primarily accounted for by * * *. In 1980, all of the companies except * * * managed to significantly cut their inventories, and the industry's inventory level for all clothespins declined by 33 percent to 648,000 gross (table 13). * * *

Table 13.--Clothespins: U.S. producers' inventories, by firms, as of Dec. 31, 1978-80, and as of June 30, 1980-81

(In thousand of gross)						
Dates and firm	Spring type		Nonspring type		Total	
	Of wood	Of other materials	Of wood except ironbound	Of wood ironbound		
Dec. 31, 1978:						
Forster-----	***	***	***	***	***	
Penley-----	***	***	***	***	***	
Diamond-----	***	***	***	***	***	
National-----	***	***	***	***	***	
Total-----	***	***	***	***	751,945	
Dec. 31, 1979:						
Forster-----	***	***	***	***	***	
Penley-----	***	***	***	***	***	
Diamond-----	***	***	***	***	***	
National-----	***	***	***	***	***	
Total-----	***	***	***	***	961,830	
Dec. 31, 1980:						
Forster-----	***	***	***	***	***	
Penley-----	***	***	***	***	***	
Diamond-----	***	***	***	***	***	
National-----	***	***	***	***	***	
Total-----	***	***	***	***	648,444	
June 30, 1980:						
Forster-----	***	***	***	***	***	
Penley-----	***	***	***	***	***	
Diamond-----	***	***	***	***	***	
National-----	***	***	***	***	***	
Total-----	***	***	***	***	663,945	
June 30, 1981:						
Forster-----	***	***	***	***	***	
Penley-----	***	***	***	***	***	
Diamond-----	***	***	***	***	***	
National-----	***	***	***	***	***	
Total-----	***	***	***	***	768,750	

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

U.S. importers' inventories

The Commission received data on importers' inventories from the three largest importers, which accounted for * * * percent of all wood and plastic spring clothespin imports in 1980 (see U.S. importers' section, p. A-8). Since the end of 1977, importers' inventories of wood spring clothespins increased from * * * gross to * * * gross in 1980--representing an increase of * * * percent (table 14). * * *

Table 14.--Clothespins: U.S. importers' inventories by firms, as of Dec. 31, 1977-80, and June 30, 1980-81

(In thousands of gross)			
Firms	Spring type		Nonspring type
	Of wood	Of plastic	of wood
Dec. 31, 1977:			
K-Mart-----	***	***	***
Metropolitan-----	***	***	***
NEVCO-----	***	***	***
Total-----	***	***	***
Dec. 31, 1978:			
K-Mart-----	***	***	***
Metropolitan-----	***	***	***
NEVCO-----	***	***	***
Total-----	***	***	***
Dec. 31, 1979:			
K-Mart-----	***	***	***
Metropolitan-----	***	***	***
NEVCO-----	***	***	***
Total-----	***	***	***
Dec. 31, 1980:			
K-Mart-----	***	***	***
Metropolitan-----	***	***	***
NEVCO-----	***	***	***
Total-----	***	***	***
June 30, 1980:			
K-Mart-----	***	***	***
Metropolitan-----	***	***	***
NEVCO-----	***	***	***
Total-----	***	***	***
June 30, 1981:			
K-Mart-----	***	***	***
Metropolitan-----	***	***	***
NEVCO-----	***	***	***
Total-----	***	***	***

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

* * *. At the public hearing, K-Mart stated that it had "\$1 million at retail value tied up in embargoed clothespin inventory in bonded, customs warehouses 1/." K-Mart later informed the Commission that it had as of October 19, 1981, * * * gross of wood spring clothespins in bonded warehouses. NEVCO informed the Commission that it currently has * * * * gross of wood spring clothespins in bonded warehouses, whereas Metropolitan has * * * gross currently in bonded warehouses. Under the current quota system, importers' inventories in bonded warehouses would be at their highest level just prior to the opening of the quarterly quota to ensure the ability to withdraw the material after the importing companies have received their quota allocations from the Customs Service.

Employment, Person-Hours Worked and Hourly Compensation

Table 15 presents average employment data for all persons employed in the establishments in which clothespins are produced, production and related workers employed by these establishments, and production and related workers employed in clothespin manufacturing only. 2/ Data are presented for each of the four firms as well as for the aggregate clothespin industry and includes annual rates of change for the appropriate time periods.

Employment in the domestic clothespin industry showed modest gains in 1979 compared with 1978, followed by slight declines in 1980. Marked improvement, however, is evident for January-June 1981, when compared with January-June 1980. Employment levels for production and related workers employed only in the production of clothespins increased 3.4 percent in 1979, when compared with 1978, and fell 3.0 percent in 1980. Production and related workers engaged only in clothespin manufacturing grew 10.9 percent in January-June 1981, as 42 employees were added, when compared with the corresponding period of 1980.

* * * * *

1/ Transcript of public hearing, p. 164.

2/ In the Forster and Diamond plants where clothespins are produced, other products are also made. Penley and National produce clothespins only, and for this reason the latter two employment categories are the same for these two firms.

Table 15.--Average number of persons employed in U.S. establishments producing clothespins, total number of production and related workers engaged in the manufacture of all products and of clothespins only, and percentage changes 1978-80, January-June 1980, and January-June 1981

Item	1978	1979	1980	January-June--	
				1980	1981
Forster					
All persons-----number--:	***	***	***	***	***
Percentage change-----:	***	***	***	***	***
Production/related workers:					
All products-----number--:	***	***	***	***	***
Percentage change-----:	***	***	***	***	***
Clothespins-----number--:	***	***	***	***	***
Percentage change-----:	***	***	***	***	***
Diamond					
All persons-----number--:	***	***	***	***	***
Percentage change-----:	***	***	***	***	***
Production/related workers:					
All products-----number--:	***	***	***	***	***
Percentage change-----:	***	***	***	***	***
Clothespins-----number--:	***	***	***	***	***
Percentage change-----:	***	***	***	***	***
Penley					
All persons-----number--:	***	***	***	***	***
Percentage change-----:	***	***	***	***	***
Production/related workers:					
All products-----number--:	***	***	***	***	***
Percentage change-----:	***	***	***	***	***
Clothespins-----number--:	***	***	***	***	***
Percentage change-----:	***	***	***	***	***
National					
All persons-----number--:	***	***	***	***	***
Percentage change-----:	***	***	***	***	***
Production/related workers:					
All products-----number--:	***	***	***	***	***
Percentage change-----:	***	***	***	***	***
Clothespins-----number--:	***	***	***	***	***
Percentage change-----:	***	***	***	***	***
Total					
All persons-----number--:	788	794	786	784	843
Percentage change-----:	-	0.8	-1.0	-	7.5
Production/related workers:					
All products-----number--:	728	731	721	722	774
Percentage change-----:	-	0.4	-1.4	-	7.2
Clothespins-----number--:	387	400	388	385	427
Percentage change-----:	-	3.4	-3.0	-	10.9

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Table 16 presents the person-hours paid for 1/ for workers engaged in the manufacture of all products and of clothespins only in those establishments producing clothespins. Table 17 presents data on compensation paid to production and related workers involved in the production of all products at the reporting firms and involved in the production of clothespins only.

Combining the information detailed in tables 10, 15, and 16 for clothespin production only, table 18 presents firm and industry estimates and annual rates of change for labor productivity (gross per hour), hourly compensation (dollars per hour) and unit labor costs (dollars per gross). For the clothespin industry on the average, labor productivity declined 3.0 percent in 1979 compared with 1978 and declined further by 6.3 percent in 1980 compared with what it was in 1979. During January-June 1981, the fall in labor productivity was reversed, increasing by 7.5 percent, when compared with January-June 1980. In each of these time periods, hourly compensation rose, varying only in the amount of increase. The ratio of hourly compensation to labor productivity (unit labor costs), rose 9.5 percent in 1979 compared with 1978 and then rose again in 1980 by 8.7 percent, when compared with the ratio of 1979. Both annual increases may be explained by rising hourly compensation relative to declining labor productivity. In January-June 1981, however, rising unit labor costs were halted as a result of the strong productivity growth and showed no change relative to January-June 1980.

* * *. Similarly, 1979 when compared with 1978, is characterized by declining or unchanged productivity growth, rising hourly compensation, and increased unit labor costs * * *.

Although the clothespin industry as a whole made advances in productivity growth sufficient to offset the rise in hourly compensation during the first six months of 1981, when compared with January-June 1980, * * *.

Selected Third Quarter Economic Data For U.S. Producers

At the public hearing the U.S. producers informed the Commission that their apparent economic health was illusory because third quarter data (July-September 1981) showed declining trends for spring clothespins when compared with the corresponding period in 1980 2/. On October 19, 1981, the U.S. clothespin producers submitted the economic data set forth in table 19. U.S. production of wood spring clothespins increased by * * * percent in July-September 1981 compared with the corresponding period of 1980, but domestic shipments fell by * * * percent in the same period of 1981. Furthermore, U.S. producers' inventories of wood spring clothespins as of September 30, 1981, were * * * percent higher than inventories as of the corresponding date of

1/ Person-hours include hours worked plus hours of paid leave because regardless of whether the employee is actively engaged in work or not, paid leave hours enter into the costs of production.

2/ Transcript of public hearing, pp. 25 and 26.

Table 16.--Person-hours paid for 1/ for production and related workers engaged in the manufacture of all products and of clothespins only, in establishments producing clothespins, and percentage changes 1978-80, January-June 1980, and January-June 1981

Item	1978	1979	1980	January-June--	
				1980	1981
Forster:					
Production/related workers:					
All products--1,000 hours--:	***	***	***	***	***
Percentage change-----:	***	***	***	***	***
Clothespins---1,000 hours--:	***	***	***	***	***
Percentage change-----:	***	***	***	***	***
Diamond:					
Production/related workers:					
All products--1,000 hours--:	***	***	***	***	***
Percentage change-----:	***	***	***	***	***
Clothespins---1,000 hours--:	***	***	***	***	***
Percentage change-----:	***	***	***	***	***
Penley					
Production/related workers:					
All products--1,000 hours--:	***	***	***	***	***
Percentage change-----:	***	***	***	***	***
Clothespins---1,000 hours--:	***	***	***	***	***
Percentage change-----:	***	***	***	***	***
National					
Production/related workers:					
All products--1,000 hours--:	***	***	***	***	***
Percentage change-----:	***	***	***	***	***
Clothespins---1,000 hours--:	***	***	***	***	***
Percentage change-----:	***	***	***	***	***
Total					
Production/related workers:					
All products--1,000 hours--:	1,329.0	1,434.3	1,454.1	716.3	755.1
Percentage change-----:	-	7.9	1.4	-	5.4
Clothespins---1,000 hours--:	678.0	764.9	797.0	362.1	433.8
Percentage change-----:	-	12.8	4.2	-	19.8

1/ Includes hours worked plus hours of paid leave time.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Table 17.--Labor compensation paid ^{1/} for production and related workers engaged in the manufacture of all products and of clothespins only in establishments producing clothespins, and percentage changes, 1978-80, January-June 1980, and January-June 1981

Item	1978	1979	1980	January-June--	
				1980	1981
Forster:					
Production/related workers:					
All products-1,000 dollars--:	***	***	***	***	***
Percentage change-----:	***	***	***	***	***
Clothespins--1,000 dollars--:	***	***	***	***	***
Percentage change-----:	***	***	***	***	***
Diamond:					
Production/related workers:					
All products-1,000 dollars--:	***	***	***	***	***
Percentage change-----:	***	***	***	***	***
Clothespins--1,000 dollars--:	***	***	***	***	***
Percentage change-----:	***	***	***	***	***
Penley:					
Production/related workers:					
All products-1,000 dollars--:	***	***	***	***	***
Percentage change-----:	***	***	***	***	***
Clothespins--1,000 dollars--:	***	***	***	***	***
Percentage change-----:	***	***	***	***	***
National:					
Production/related workers:					
All products-1,000 dollars--:	***	***	***	***	***
Percentage change-----:	***	***	***	***	***
Clothespins--1,000 dollars--:	***	***	***	***	***
Percentage change-----:	***	***	***	***	***
Total:					
Production/related workers:					
All products-1,000 dollars--:	5,801.7	6,797.6	7,471.0	3,829.9	4,206.8
Percentage change-----:	-	17.2	9.9	-	9.8
Clothespins--1,000 dollars--:	2,803.9	3,364.1	3,590.9	1,653.5	2,136.8
Percentage change-----:	-	20.0	6.7	-	29.2

^{1/} Includes wages and contributions to Social Security and other employee benefits.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Table 18.--Labor productivity, hourly compensation, and unit labor costs, and percentage changes, in the production of clothespins, 1978-80, January-June 1980, and January-June 1981

Item	1978	1979	1980	January-June--	
				1980	1981
Forster:					
Labor productivity <u>1</u> /-gross--	***	***	***	***	***
Percentage change-----	***	***	***	***	***
Hourly compensation <u>2</u> /-----	***	***	***	***	***
Percentage change-----	***	***	***	***	***
Unit labor costs <u>3</u> /-----	***	***	***	***	***
Percentage change-----	***	***	***	***	***
Diamond:					
Labor productivity <u>1</u> /-gross--	***	***	***	***	***
Percentage change-----	***	***	***	***	***
Hourly compensation <u>2</u> /-----	***	***	***	***	***
Percentage change-----	***	***	***	***	***
Unit labor costs <u>3</u> /-----	***	***	***	***	***
Percentage change-----	***	***	***	***	***
Penley:					
Labor productivity <u>1</u> /-gross--	***	***	***	***	***
Percentage change-----	***	***	***	***	***
Hourly compensation <u>2</u> /-----	***	***	***	***	***
Percentage change-----	***	***	***	***	***
Unit labor costs <u>3</u> /-----	***	***	***	***	***
Percentage change-----	***	***	***	***	***
National:					
Labor productivity <u>1</u> /-gross--	***	***	***	***	***
Percentage change-----	***	***	***	***	***
Hourly compensation <u>2</u> /-----	***	***	***	***	***
Percentage change-----	***	***	***	***	***
Unit labor costs <u>3</u> /-----	***	***	***	***	***
Percentage change-----	***	***	***	***	***
Total:					
Labor productivity <u>1</u> /-gross--	6.6	6.4	6.0	6.7	7.2
Percentage change-----	-	-3.0	-6.3	-	7.5
Hourly compensation <u>2</u> /-----	\$4.14	\$4.40	\$4.51	\$4.57	\$4.93
Percentage change-----	-	6.3	2.5	-	7.9
Unit labor costs <u>3</u> /-----	\$0.63	\$0.69	\$0.75	\$0.68	\$0.68
Percentage change-----	-	9.5	8.7	-	0.0

1/ Per hour.

2/ Per hour.

3/ Per gross.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Table 19.-- Clothespins: U.S. producers' production, shipments, inventories, employees, and person-hours worked by them, July-September, 1980 and 1981

Firm & product	Production		Shipments		Inventories as of Sept.30--		Employees		Person-hours		
	1980	1981	1980	1981	1980	1981	1980	1981	1980	1981	
	-----1,000 gross-----								-----1,000 hours-----		
Wood spring:											
Forster:											
Mini-pin-----	***	***	***	***	***	***	1/	1/	1/	1/	
Standard pin-----	***	***	***	***	***	***	1/	1/	1/	1/	
Sub-total, Forster-----	***	***	***	***	***	***	***	***	***	***	
Diamond-----	***	***	***	***	***	***	***	***	***	***	
Penley-----	***	***	***	***	***	***	***	***	***	***	
National-----	***	***	***	***	***	***	***	***	***	***	
Total-----	***	***	***	***	***	***	375	368	203	194	
Plastic spring											
Forster-----	***	***	***	***	***	***	2/	2/	2/	2/	
Penley-----	***	***	***	***	***	***	2/	2/	2/	2/	
Total-----	***	***	***	***	***	***	2/	2/	2/	2/	

1/ Not available.

2/ Included in wood spring figures.

Source: Compiled from data submitted by the U.S. producers in support of the petition to extend import relief.

1980. Employment and person-hours also show declining trends. Plastic spring clothespin data for July-September 1981 also show declining trends, however, the declining trends are less than those noted for wood spring clothespins. The general downturn in the U.S. economy and high-interest rates have been cited as contributing factors to the recent decline.

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

Overall operations of the establishments or divisions

Four firms accounting for all of the 1978-80 U.S. production of wood spring clothespins furnished profit-and-loss data relative to the establishments or divisions within which such clothespins are manufactured. In summary, establishment or division net sales trended upward during the period covered in this report. Profit in absolute dollars followed the same trend as net sales. In relative terms, profit margins dipped in 1980 and then surged during January-June 1981.

Net sales of all products manufactured in the establishments or divisions within which wood spring clothespins are manufactured rose from \$20.6 million in 1978 to \$29.7 million in 1980, and in January-June 1981, amounted to \$17.2 million, topping net sales of the corresponding period of 1980 by \$2.9 million, or 21 percent (table 20). In the aggregate, the four firms derived about 36 percent of their overall establishment or division sales revenue from the sale of wood spring clothespins in 1978, 37 percent in 1979 and 1980, and 41 percent during January-June 1981.

Manufacturing expenses (cost of goods sold) increased at a lesser rate than net sales during 1978-80. As a result, net operating profit increased by \$1.7 million, or 196 percent during this period and net profit before income taxes increased \$1.8 million, or 251 percent. Operating profit rose to \$2.2 million during January-June 1981, surpassing operating profit of the corresponding period of 1980 by \$1.0 million or 87 percent. Pretax profit rose \$1.0 million, or 84 percent during January-June 1981 compared with the corresponding period of 1980. In relative figures, operating profit rose from 4.1 percent of net sales in 1978 to 9.8 percent in 1979, and then declined to 8.4 percent in 1980. The operating profit margin rose to 12.8 percent during January-June 1981, up 4.5 percent over the corresponding period of 1980. The pretax profit margin rose from 3.5 percent in 1978 to 9.7 percent in 1979 and then declined to 8.6 percent in 1980. The January-June 1981 pretax profit margin of 12.9 percent was 4.4 percentage points higher than that for the same period of 1980.

* * * * *

Table 20.--Profit-and-loss experience of 4 U.S. producers on the overall operations of their establishments or divisions producing wood spring clothespins, 1978-80, January-June 1980, and January-June 1981

Item	January-June-- <u>1/</u>				
	1978	1979	1980	1980	1981
Net sales-----1,000 dollars--	20,591	24,243	29,652	14,232	17,153
Cost of goods sold-----do----	16,718	18,399	22,734	10,921	12,581
Gross profit-----do-----	3,873	5,844	6,918	3,311	4,572
Selling and administrative expenses-----do----	3,029	3,479	4,423	2,132	2,373
Net operating profit-----do-----	844	2,365	2,495	1,179	2,199
Other income or (expense) net-----do----	(119)	(7)	49	27	17
Net profit before income taxes-----do----	725	2,358	2,544	1,206	2,216
Depreciation and amortization expense-----do----	388	401	425	197	203
Cash flow from operations-----do----	1,113	2,759	2,969	1,403	2,419
Ratio of gross profit to net sales--percent--	18.8	24.1	23.3	23.3	26.7
Ratio of net operating profit to net sales-----percent--	4.1	9.8	8.4	8.3	12.8
Ratio of net profit before income taxes to net sales-----do----	3.5	9.7	8.6	8.5	12.9
Ratio of cost of goods sold to net sales-----do----	81.2	75.9	76.7	76.7	73.3
Ratio of administrative and selling expenses to net sales-----do----	14.7	14.4	14.9	15.0	13.8
Net sales of wood spring clothespins included: in total net sales-----1,000 dollars--	7,433	8,865	11,056	5,632	6,960
Ratio of wood spring clothespin net sales to total establishment or division net sales-----percent--	36	37	37	40	41

1/ * * *

Source: Compiled from data submitted in response to questionnaires of the U.S. Interational Trade Commission.

Table 21.--Profit-and-loss experience of 4 U.S. producers on the overall operations of their establishments or divisions producing wood spring clothespins, by firms, 1978-80, January-June 1980, and January-June 1981

Year and firm	Net	Cost of	Gross	Selling and	Net	Other income or	Net profit or	Ratio of net	Ratio of net profit
	sales	goods sold	profit	administrative expenses	operating profit or (loss)	(expense) net	(loss) before income taxes	operating profit or (loss) to net sales	or (loss) before income taxes to net sales
	1,000 dollars								
	Percent								
1978:									
Diamond International Corp---	***	***	***	***	***	***	***	***	***
Forster Mfg. Co., Inc-----	***	***	***	***	***	***	***	***	***
National Clothespin Co-----	***	***	***	***	***	***	***	***	***
Penley Corp-----	***	***	***	***	***	***	***	***	***
Total or average-----	20,591	16,718	3,873	3,029	844	(119)	725	4.1	3.5
1979:									
Diamond International Corp---	***	***	***	***	***	***	***	***	***
Forster Mfg. Co., Inc-----	***	***	***	***	***	***	***	***	***
National Clothespin Co-----	***	***	***	***	***	***	***	***	***
Penley Corp-----	***	***	***	***	***	***	***	***	***
Total or average-----	24,243	18,399	5,844	3,479	2,365	(7)	2,358	9.8	9.7
1980:									
Diamond International Corp---	***	***	***	***	***	***	***	***	***
Forster Mfg. Co., Inc-----	***	***	***	***	***	***	***	***	***
National Clothespin Co-----	***	***	***	***	***	***	***	***	***
Penley Corp-----	***	***	***	***	***	***	***	***	***
Total or average-----	29,652	22,734	6,918	4,423	2,495	49	2,544	8.4	8.6
Jan.-June 1980: 1/									
Diamond International Corp---	***	***	***	***	***	***	***	***	***
Forster Mfg. Co., Inc-----	***	***	***	***	***	***	***	***	***
National Clothespin Co-----	***	***	***	***	***	***	***	***	***
Penley Corp-----	***	***	***	***	***	***	***	***	***
Total or average-----	14,232	10,921	3,311	2,132	1,179	27	1,206	8.3	8.5
Jan.-June 1981: 1/									
Diamond International Corp---	***	***	***	***	***	***	***	***	***
Forster Mfg. Co., Inc 2/-----	***	***	***	***	***	***	***	***	***
National Clothespin Co-----	***	***	***	***	***	***	***	***	***
Penley Corp-----	***	***	***	***	***	***	***	***	***
Total or average-----	17,153	12,581	4,572	2,373	2,199	17	2,216	12.8	12.9

1/ * * *
2/ * * *

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Profit-and-loss experience of U.S. producers on their
wood spring clothespin operations

Three of the four reporting firms supplied separate profit-and-loss data for their wood spring clothespin operations. For the other firm, the overall establishment operation was considered indicative of its wood spring clothespin operation, as such clothespins accounted for * * * percent or more of total establishment sales in each of the years 1978-80. Profit-and-loss data presented in table 22 show that net sales and profit for wood spring clothespin operations trended upward during 1978-80 and January-June 1981.

Net sales rose from \$7.5 million in 1978 to \$11.1 million in 1980, representing an increase of \$3.6 million, or 48 percent. Net sales during January-June 1981 reached \$7.0 million, up \$1.3 million, or 23 percent over net sales of the corresponding period of 1980.

In the aggregate, the four producers sustained operating and pretax losses of \$550,000 and \$614,000, respectively, in 1978. In 1979 and thereafter, profits trended upward. The 1980 operating profit topped that of 1979 by \$654,000, or 126 percent and the 1980 pretax profit surpassed that of 1979 by \$652,000, or 131 percent. The four producers reported a combined operating profit of \$886,000 for January-June 1981, representing an increase of \$395,000, or 80 percent over that for the corresponding period of 1980. The January-June 1981 pretax profit reached \$895,000, topping that of the corresponding period of 1980 by \$408,000 or 84 percent.

The 1978 operating and pretax losses were equal to 7.3 percent and 8.2 percent, respectively, of net sales. In 1979, operating and pretax profits were equal to 5.8 percent and 5.6 percent, respectively, of net sales, and for 1980, 10.5 percent and 10.3 percent, respectively. Operating profit margin rose to 12.7 percent during January-June 1981, compared with 8.7 percent for the corresponding period of 1980, and pretax margin rose to 12.8 percent during January-June 1981, compared with 8.6 percent for the corresponding period of 1980.

* * * * *

Profit-and-loss data showing the four firms' individual wood spring clothespin operations are presented in table 23. * * *

Value of U.S. producers' investment in productive facilities

Data pertaining to the value of U.S. producers' investment in productive facilities used in conjunction with the manufacture of wood spring clothespins are presented in table 24. All four of the clothespin producers supplied data relative to their investment in productive facilities, however, two firms use the same facilities to manufacture products other than clothespins. For both firms, * * *.

Table 22.--Profit-and-loss experience of 4 U.S. producers on their wood spring clothespin operations, 1978-80, January-June 1980, and January-June 1981 ^{1/}

Item	January-June ^{2/}				
	1978	1979	1980	1980	1981
Net sales-----1,000 dollars--:	7,506	8,937	11,141	5,658	6,984
Cost of goods sold-----do-----:	6,612	6,733	7,913	4,127	4,854
Gross profit-----do-----:	894	2,204	3,228	1,531	2,130
Selling and administrative expenses-----do-----:	1,444	1,684	2,054	1,040	1,244
Net operating profit or (loss)-----do-----:	(550)	520	1,174	491	886
Other income or (expense) net-----do-----:	(64)	(21)	(23)	(4)	9
Net profit or (loss) before income taxes-----do-----:	(614)	499	1,151	487	895
Ratio of gross profit to net sales--percent--:	11.9	24.7	29.0	27.1	30.5
Ratio of net operating profit or (loss) to net sales-----do-----:	(7.3)	5.8	10.5	8.7	12.7
Ratio of net profit or (loss) before income taxes to net sales-----do-----:	(8.2)	5.6	10.3	8.6	12.8
Ratio of cost of goods sold to net sales-----do-----:	88.1	75.3	71.0	72.9	69.5
Ratio of administrative and selling expenses to net sales-----do-----:	19.2	18.8	18.4	18.4	17.8

^{1/}* * *

^{2/}* * *

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Table 23.-- Profit-and-loss experience of 4 U.S. producers on their wood spring clothespin operations, by firms, 1978-80, January-June 1980, and January-June 1981

Year and firm	Net sales	Cost of goods sold	Gross profit	Selling and administrative expenses	Net operating profit or (loss)	Other income or (expense) net	Net profit or (loss) before income taxes	Ratio of net operating profit or (loss) to net sales	Ratio of net profit or (loss) before income taxes to net sales	Percent
1978:										
Diamond International Corp	***	***	***	***	***	***	***	***	***	***
Forster Mfg. Co., Inc	***	***	***	***	***	***	***	***	***	***
National Clothespin Co 1/	***	***	***	***	***	***	***	***	***	***
Penley Corp	***	***	***	***	***	***	***	***	***	***
Total or average	7,506	6,612	894	1,444	(550)	(64)	(614)	(7.3)	(8.2)	
1979:										
Diamond International Corp	***	***	***	***	***	***	***	***	***	***
Forster Mfg. Co., Inc	***	***	***	***	***	***	***	***	***	***
National Clothespin Co 1/	***	***	***	***	***	***	***	***	***	***
Penley Corp	***	***	***	***	***	***	***	***	***	***
Total or average	8,937	6,733	2,204	1,684	520	(21)	499	5.8	5.6	
1980:										
Diamond International Corp	***	***	***	***	***	***	***	***	***	***
Forster Mfg. Co., Inc 2/	***	***	***	***	***	***	***	***	***	***
National Clothespin Co 1/	***	***	***	***	***	***	***	***	***	***
Penley Corp	***	***	***	***	***	***	***	***	***	***
Total or average	11,141	7,913	3,228	2,054	1,174	(23)	1,151	10.5	10.3	
January-June 1980: 3/										
Diamond International Corp	***	***	***	***	***	***	***	***	***	***
Forster Mfg. Co., Inc	***	***	***	***	***	***	***	***	***	***
National Clothespin Co 1/	***	***	***	***	***	***	***	***	***	***
Penley Corp	***	***	***	***	***	***	***	***	***	***
Total or average	5,658	4,127	1,531	1,040	491	(4)	487	8.7	8.6	
January-June 1981 3/										
Diamond International Corp	***	***	***	***	***	***	***	***	***	***
Forster Mfg. Co., Inc	***	***	***	***	***	***	***	***	***	***
National Clothespin Co 1/	***	***	***	***	***	***	***	***	***	***
Penley Corp	***	***	***	***	***	***	***	***	***	***
Total or average	6,984	4,854	2,130	1,244	886	9	895	12.7	12.8	

1/ ***.
2/ ***.
3/ ***.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

There were no major changes in the value of U.S. producers' investment in productive facilities during the period covered in this report. Ratios of net operating profit or loss and pretax profit to investment in productive facilities at original cost and book value produce the same trends as when such profits are related to net sales.

Market Trends and U.S. Adjustment

Market penetration by imports

While U.S. imports of all clothespins were declining from 2.3 million gross in 1978 to 2.1 million gross in 1980, they were also losing market share from 34 percent in 1978 to 29 percent in 1980 (table 25). Imports of wood spring clothespins also lost market share during the 1978-80 period, declining from * * * percent in 1978 to * * * percent in 1980. Data for January-June 1981 show increases in the levels of market penetration for imports of wood spring clothespins and plastic spring clothespins.

Imports have in recent years dominated the relatively small plastic spring clothespin segment of the market. However, during the 1978-80 period, imports experienced a loss of * * * percentage points in their share of the plastic spring clothespins market, from * * * percent in 1978 to * * * percent in 1980. At the same time U.S. shipments of plastic spring clothespins increased by over * * * percent, from * * * gross in 1978 to * * * gross in 1980.

Imports of nonspring clothespins of wood increased their market share from * * * percent in 1978 to * * * percent in 1979, but then fell back to * * * percent in 1980. Nonspring wood clothespin imports experienced an even greater decline in January-June 1981, when compared with the corresponding period of 1980. Nonspring clothespins are not covered by the import restraints program.

Lost sales

Three of the domestic producers of wood spring clothespins ^{1/} (* * *) supplied the Commission with a list of 11 firms they allegedly lost, either partially or wholly, as customers to imported wood spring clothespins.

^{1/} There were no allegations of lost sales of plastic spring clothespins.

Table 24.--Investment in productive facilities and relationship of net operating profit and net profit before income taxes to such assets, 1978-80, January-June 1980, and January-June 1981

Item	1978	1979	1980	January-June--	
				1980	1981
Original cost-----1,000 dollars--	3,129	3,232	3,240	3,191	3,373
Book value-----do-----	764	721	653	643	679
Replacement cost-----do-----	1/	1/	1/	1/	1/
Ratio of net operating profit to:					
Net sales-----percent--	(7.3)	5.8	10.5	8.7	12.7
Original cost-----do-----	(17.6)	16.1	36.2	2/ 15.4	2/ 26.3
Book value-----do-----	(72.0)	72.1	179.8	2/ 76.4	2/ 130.5
Ratio of net profit before income taxes to:					
Net sales-----percent--	(8.2)	5.6	10.3	8.6	12.8
Original cost-----do-----	(19.6)	15.4	35.5	2/ 15.3	2/ 26.5
Book value-----do-----	(80.4)	69.2	176.3	2/ 75.7	2/ 131.8

1/ Data not available

2/ These ratios for 6-month data are not comparable to ratios based on 12-month data

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Table 25.--Clothespins: U.S. producer's shipments, imports for consumption, and apparent consumption, 1978-80, January-June 1980, and January-June 1981

Type and period	Producers shipments	Imports	Apparent consumption	Ratio of imports to consumption
	1,000 gross			Percent
Wood spring clothespins:				
1978-----	***	***	***	***
1979-----	***	***	***	***
1980-----	***	***	***	***
January-June--				
1980-----	***	***	***	***
1981-----	***	***	***	***
Plastic spring clothespins:				
1978-----	***	***	***	***
1979-----	***	***	***	***
1980-----	***	***	***	***
January-June--				
1980-----	***	***	***	***
1981-----	***	***	***	***
Nonspring wood clothespins:				
1978-----	***	***	***	***
1979-----	***	***	***	***
1980-----	***	***	***	***
January-June--				
1980-----	***	***	***	***
1981-----	***	***	***	***
Nonspring wood ironbound clothespins:				
1978-----	***	***	***	***
1979-----	***	***	***	***
1980-----	***	***	***	***
January-June--				
1980-----	***	***	***	***
1981-----	***	***	***	***
Total, all clothespins:				
1978-----	4,571	<u>1/</u> 2,310	6,881	34
1979-----	4,756	<u>1/</u> 2,131	6,887	31
1980-----	5,091	<u>1/</u> 2,056	7,147	29
January-June--				
1980-----	2,725	<u>1/</u> 874	3,599	24
1981-----	3,060	<u>1/</u> 1,154	4,214	27

1/ Includes TSUS item 790.0555 (spring clothespins of material other than wood and plastic) and 790.07 (nonspring clothespins of material other than wood).

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission and from official statistics of the U.S. Department of Commerce.

The Commission was able to verify one major lost sale and three partial lost sales. None of the firms contacted were able to supply firm data on their purchases of clothespins, instead they offered estimates of their recent purchases of clothespins. Details of the four cases of customers lost wholly or partially to imports are as follows:

<u>Purchasing company</u>	<u>Share of purchases accounted for by imports</u>	<u>Source</u>
(1) * * *	100 percent	West Germany and Portugal (* * *)
(2) * * *	10-15 percent	Taiwan and China (* * *)
(3) * * *	10-15 percent (* * *)	Taiwan and Hong Kong (* * *)
(4) * * *	Unknown	Unknown

* * * informed the Commission that it switched its clothespin purchases from * * * in 1979 to imports from West Germany supplied by * * *. * * * estimated that it purchases approximately * * * to * * * worth of spring clothespins a year. The company stated that the West German clothespins were of equal quality compared with the U.S. product and yet much lower in price, which prompted the switch in suppliers.

Both * * * and * * * reported that * * * percent of their purchases are of imported clothespins. Although a majority of their purchases are from domestic sources, both companies stated they purchased the cheaper imported product for spring promotions, and used domestic products as regular stock items. * * * stated that the company began to purchase imported clothespins in 1979. He was uncertain as to what share of his clothespin purchasers was domestic or imported.

Of the other respondents, two firms indicated that their purchases of domestic clothespins relative to their purchases of imported clothespins has risen since 1980. One of these firms estimated purchasing composition to be 2/3 domestic and 1/3 imported, as compared with 3/4 imported and 1/4 domestic in 1979. Similarly, the second firm reported that domestic clothespins rose from 30 percent of its purchases in 1979 to 50 percent currently.

Efforts to Compete

The Commission received written reports from four domestic clothespin producers assessing the economic viability of their firms and 1/ detailing specific efforts to meet and to adjust to foreign competition during the period of import relief. * * *.

Table 26 shows the specific questions that were directed to the clothespin producers in the Commission's questionnaires regarding efforts to compete. The results show that the industry has concentrated its rehabilitation in the general areas of production, sales, and marketing. All four companies indicated that they had invested in new plant and machinery, improved their use of raw materials, and adopted laborsaving equipment or processes. As shown in appendix D, the combined investment for * * *, * * * and * * * amounted to nearly \$700,000 during 1979-81. All of the companies * * * stated that they had improved their sales forces and had changed their product mix. Both * * * stated that they had adopted new marketing strategies. * * *.

* * * * *

In response to questions about future plans, all domestic firms indicated that they had specific plans for further investment in plant, equipment, and technology over the next 3 years. The industry unanimously indicated that this would improve competitiveness by increasing productivity and reducing labor costs, and in most instances by reducing material costs. All firms further indicated that 100 percent of the investment planned would be either initiated or continued (if ongoing) if protection was extended, and although some investment will be reviewed or modified in the event that protection is not extended, no firm indicated that its investment decisions would be cancelled altogether. All domestic clothespin producers would attempt to finance this investment internally because of the high-interest rate structure, * * * combined have projected approximately \$3.3 million in investments for the 1982-84 period (app. D).

Two final questions were asked of each firm regarding impediments to its efforts to adjust. The prevailing adverse economic conditions, particularly high interest rates, were cited as an impediment by * * *. With regard to inventories of imported clothespins being an impediment, most domestic firms indicated that this was true only in the first year of protection. Domestic producers have indicated recently, however, that there is indirect evidence of an importer's buildup in bonded warehouses based on the belief that continued protection will not be granted. A number of importers have confirmed this inventory buildup. Forster maintains that it is the continued low price for imported clothespins that presents the greatest impediment to domestic adjustment.

1/ Addison Industries, which did not produce clothespins during the most of the period of import relief is not included.

Table 26.--Domestic clothespins industry frequency of response to efforts to compete and adjust

Question	U.S. producers						Total
	Forster	Penley	Diamond	National			
a. Changes in upper management personnel-----	***	***	***	***	***	***	1
b. Changes in company organization such as acquisition by another corporation-----	***	***	***	***	***	***	2
c. Development of new marketing strategy-----	***	***	***	***	***	***	-
d. Vertical expansion of company operations-----	***	***	***	***	***	***	3
e. Improved sales forced operation-----	***	***	***	***	***	***	1
f. Better cash-flow management-----	***	***	***	***	***	***	4
g. Increased investment in new plant and machinery-----	***	***	***	***	***	***	1
h. Improved training for workers-----	***	***	***	***	***	***	4
i. Increased purchase of certain complementary products lines from outside sources-----	***	***	***	***	***	***	1
j. Improvements in material usage-----	***	***	***	***	***	***	-
k. Improvements in energy efficiency-----	***	***	***	***	***	***	4
l. Adoption of labor saving equipment and/or processes-----	***	***	***	***	***	***	2
m. Relocation of plants (for instance to be closer to major customers)-----	***	***	***	***	***	***	4
n. Divestiture of unprofitable clothespins operations-----	***	***	***	***	***	***	-
o. Increased exports of products-----	***	***	***	***	***	***	-
p. Improved and/or expanded service to your customers-----	***	***	***	***	***	***	1
q. Improved management techniques-----	***	***	***	***	***	***	-
r. Shift in product mix-----	***	***	***	***	***	***	-
s. New product development-----	***	***	***	***	***	***	3
t. Change in pricing policies-----	***	***	***	***	***	***	1
u. Improved quality control-----	***	***	***	***	***	***	1
v. Improved quality control-----	***	***	***	***	***	***	1
w. Other-----	***	***	***	***	***	***	1

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

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Prices

Domestic producers

The Commission requested domestic clothespin producers to furnish quarterly price information for January-March 1978 through April-June 1981, based on type of clothespins by gross, and in addition, similar data for woodspring clothespins only, by package size. The prices presented in tables 27-32, are delivered, i.e. freight charges have been included, and were derived from unit values determined on total sales volume 1/.

Table 27 presents delivered prices for the four domestic producers for wood spring clothespins, quarter-to-quarter rates of change, and the weighted industry average. Characteristic of the industry as well as of each firm are rising prices, although the quarter-to-quarter changes are typically modest. Prices for the industry increased from a low of \$2.12 per gross in January-March 1978 to a high of \$3.09 per gross in April-June of 1981. This represents a 46 percent price increase over the entire period for the clothespin industry, or 3.5 percent per quarter on average (or approximately 7.5 percent per year). The range of quarter-to-quarter industry price changes is from an 8-percent rise in April-June 1978 to a drop of 2.5 percent in January-March 1979.

* * * * * * *

Table 28 presents delivered prices for mini wood spring, plastic spring and wood nonspring clothespins produced by domestic firms. 3/ A downsized or mini wood spring clothespin is produced by Forster and has ranged in price from * * * per gross in January-March 1978 to * * * in April-June 1981. This represents a * * * price increase for the period, or * * * per quarter on average.

1/ Typically clothespins are shipped as mixed loads with other products either originating in clothespin plants or furnished by nonclothespin vendors to take advantage of lower full truckload rates. Because allocation of freight costs attributable to the clothespins would be arbitrary, delivered prices are used here rather than f.o.b. point of shipment prices. In determining price per gross, the largest volume sales usually involve different consumer pack sizes and hence prices which may change owing to the mix of a given shipment. This would introduce distortions in the price per gross. Therefore prices given here were derived from the ratio of total value to total quantity (unit value per gross). Although this problem is not encountered when determining per pack prices based on largest volume sales, prices based on unit value per pack were used in order to remain consistent.

2/ * * *

3/ Not all domestic firms are engaged in the production of these different kinds of clothespins.

Table 27.--Wood spring clothespins: Delivered prices of U.S. producers on average unit value sales by gross to their U.S. customers and percentage changes, by quarters, January 1978-June 1981

Period	U.S. producers									
	Forster		Diamond		Penley		National		Weighted Average	
	Price $\frac{1}{}$	Percentage change	Price $\frac{1}{}$	Percentage change	Price $\frac{1}{}$	Percentage change	Price $\frac{1}{}$	Percentage change	Price $\frac{1}{}$	Percentage change
1978:										
January-March	***	***	***	***	***	***	***	***	\$2.12	-
April-June	***	***	***	***	***	***	***	***	2.29	8.0
July-September	***	***	***	***	***	***	***	***	2.32	1.3
October-December	***	***	***	***	***	***	***	***	2.41	3.9
1979:										
January-March	***	***	***	***	***	***	***	***	2.35	-2.5
April-June	***	***	***	***	***	***	***	***	2.51	6.8
July-September	***	***	***	***	***	***	***	***	2.64	5.2
October-December	***	***	***	***	***	***	***	***	2.73	3.4
1980:										
January-March	***	***	***	***	***	***	***	***	2.71	-7
April-June	***	***	***	***	***	***	***	***	2.81	3.7
July-September	***	***	***	***	***	***	***	***	2.85	1.4
October-December	***	***	***	***	***	***	***	***	2.97	4.2
1981:										
January-March	***	***	***	***	***	***	***	***	2.97	0
April-June	***	***	***	***	***	***	***	***	3.09	4.0

$\frac{1}{}$ Per gross.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Table 26.--Other clothespins: Delivered prices of U.S. producers on average unit value sales by gross to their U.S. customers, by types and by quarters, and percentage changes, January, 1978-June 1981

Period	Mini wood spring clothespins		Plastic spring clothespins		Wood nonspring clothespins	
	Forster	Penley	Forster	Penley	Forster 1/	Penley
	Price	Price	Price	Price	Price	Price
	2/	2/	2/	2/	2/	2/
	change	change	change	change	change	change
	Weighted average	Weighted average	Weighted average	Weighted average	National	Weighted average
	Price	Price	Price	Price	Price	Price
	2/	2/	2/	2/	2/	2/
	change	change	change	change	change	change
1978						
Jan.-Mar---	---	---	---	---	---	---
Apr.-June---	---	---	---	---	---	---
July-Sept---	---	---	---	---	---	---
Oct.-Dec---	---	---	---	---	---	---
1979						
Jan.-Mar---	---	---	---	---	---	---
Apr.-June---	---	---	---	---	---	---
July-Sept---	---	---	---	---	---	---
Oct.-Dec---	---	---	---	---	---	---
1980						
Jan.-Mar---	---	---	---	---	---	---
Apr.-June---	---	---	---	---	---	---
July-Sept---	---	---	---	---	---	---
Oct.-Dec---	---	---	---	---	---	---
1981						
Jan.-Mar---	---	---	---	---	---	---
Apr.-June---	---	---	---	---	---	---

1/ Includes both plain and ironbound roundheads.
2/ Per gross.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

6.5
0
-6.1
6.5
6.7
21.9
4.3
-14.8
12.0
-7.7
12.1
-5.0
.9

* * * * *

Wood nonspring clothespins ("roundhead" and "squarehead" not covered under relief) are sold by all domestic firms, except Diamond. Price movements for these clothespins have been the same as for spring clothespins, increasing 37 percent, from \$1.69 per gross in January-March 1978 to \$2.31 per gross in April-June 1981 (representing an average quarterly increase of 2.8 percent), although a high of \$2.44 per gross was reached in October-December 1980.

Tables 29 through 32 present quarterly domestic producers' prices based on the different retail package sizes for wood spring clothespins for January-March 1978 through April-June 1981. Also shown are industry weighted average prices in tables 28 through 30, where more than one firm is involved and quarter-to-quarter rates of change for all price series. Typically, prices on the same count packages detailed in tables 26 through 28 do not vary appreciably by firm and thus the industry weighted average price is very close to each individual firms' prices. The prices and changes shown in tables 29 through 32 are more nearly aligned with retail prices and price changes, and the modest but continuous increases characteristic of prices per gross for clothespins remains unchanged for clothespin prices by package size.

The 50-count pack, recognized by the industry to be the most popular size, is produced by Forster, Diamond, and Penley (National does not package this volume). As shown in table 29, the industry weighted average price rose 44 percent, from \$0.72 per 50-count pack in January-March 1978 to \$1.04 in April-June 1981 for an average quarterly increase of 3.4 percent.

Table 30 details prices for the 36-count pack. The weighted average price for the three domestic producers of the 36-count pack rose 42 percent (3.2 percent per quarter on average), from \$0.57 per pack during January-March 1978 to \$0.81 in April-June 1981. All four domestic firms produce the 18-count pack, and the industry weighted quarterly price shown in table 29 increased 47 percent, from \$0.30 per pack in January-March 1978 to \$0.44 per pack in April-June 1981, or 3.6 percent per quarter on average.

Forster, Diamond, and National package wood spring clothespins in unique count packs, and the quarterly prices and rates of change for these are shown in Table 32. * * * .

Table 29.--Wood spring clothespins: Delivered prices of U.S. producers for 50-count packs sold to their U.S. customers, and percentage changes, by quarters, January 1978-June 1981

Period	U.S. producers							
	Forster		Diamond		Penley		Weighted average	
	Price <u>1/</u>	Percentage change	Price <u>1/</u>	Percentage change	Price <u>1/</u>	Percent change	Price <u>1/</u>	Percent change
1978:								
January-March-----	***	***	***	***	***	***	\$0.72	-
April-June-----	***	***	***	***	***	***	.76	5.6
July-September-----	***	***	***	***	***	***	.77	1.3
October-December-----	***	***	***	***	***	***	.82	6.5
1979:								
January-March-----	***	***	***	***	***	***	.82	0.0
April-June-----	***	***	***	***	***	***	.85	3.7
July-September-----	***	***	***	***	***	***	.89	4.7
October-December-----	***	***	***	***	***	***	.91	2.3
1980:								
January-March-----	***	***	***	***	***	***	.92	1.1
April-June-----	***	***	***	***	***	***	.96	4.4
July-September-----	***	***	***	***	***	***	.96	0.0
October-December-----	***	***	***	***	***	***	.99	3.1
1981:								
January-March-----	***	***	***	***	***	***	1.00	1.0
April-June-----	***	***	***	***	***	***	1.04	4.0

1/ Per 50-count pack.

2/ Not available.

Source: Compiled from data submitted in responses to questionnaires of the U.S. International Trade Commission.

Table 30.--Wood spring clothespins: Delivered prices of U.S. producers for 36-count packs sold to their U.S. customers and percentage change, by quarters, January 1978-June 1981

Period	U.S. producers							
	Forster		National		Penley		Weighted average	
	Price ^{1/}	Percentage change	Price ^{1/}	Percentage change	Price ^{1/}	Percentage change	Price ^{1/}	Percentage change
1978:								
January-March-----	***	***	***	***	***	***	\$0.57	-
April-June-----	***	***	***	***	***	***	.60	5.3
July-September-----	***	***	***	***	***	***	.63	5.0
October-December-----	***	***	***	***	***	***	.64	1.6
1979:								
January-March-----	***	***	***	***	***	***	.64	0
April-June-----	***	***	***	***	***	***	.66	3.1
July-September-----	***	***	***	***	***	***	.68	3.0
October-December-----	***	***	***	***	***	***	.71	4.4
1980:								
January-March-----	***	***	***	***	***	***	.71	0
April-June-----	***	***	***	***	***	***	.75	5.6
July-September-----	***	***	***	***	***	***	.75	0
October-December-----	***	***	***	***	***	***	.78	4.0
1981:								
January-March-----	***	***	***	***	***	***	.79	1.3
April-June-----	***	***	***	***	***	***	.81	2.5

^{1/} Per 36-count pack.

^{2/} Not available.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Table 31.--Wood spring clothespins: Delivered prices of U.S. producers for 18-count packs to their U.S. customers, and percentage changes, by quarters, January 1978-June 1981

Period	U.S. producers													
	Forster			Diamond			Penley			National			Weighted average	
	Price 1/	Percentage change	Price 1/	Percentage change	Price 1/	Percentage change	Price 1/	Percentage change	Price 1/	Percentage change	Price 1/	Percentage change	Price 1/	Percentage change
1978:														
January-March	***	***	***	***	***	***	***	***	***	***	***	***	***	***
April-June	***	***	***	***	***	***	***	***	***	***	***	***	***	***
July-September	***	***	***	***	***	***	***	***	***	***	***	***	***	***
October-December	***	***	***	***	***	***	***	***	***	***	***	***	***	***
1979:														
January-March	***	***	***	***	***	***	***	***	***	***	***	***	***	***
April-June	***	***	***	***	***	***	***	***	***	***	***	***	***	***
July-September	***	***	***	***	***	***	***	***	***	***	***	***	***	***
October-December	***	***	***	***	***	***	***	***	***	***	***	***	***	***
1980:														
January-March	***	***	***	***	***	***	***	***	***	***	***	***	***	***
April-June	***	***	***	***	***	***	***	***	***	***	***	***	***	***
July-September	***	***	***	***	***	***	***	***	***	***	***	***	***	***
October-December	***	***	***	***	***	***	***	***	***	***	***	***	***	***
1981:														
January-March	***	***	***	***	***	***	***	***	***	***	***	***	***	***
April-June	***	***	***	***	***	***	***	***	***	***	***	***	***	***

1/ Per 18-count pack.
2/ Not available.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Table 32.--Wood spring clothespins: Delivered prices of U.S. producers on average unit value sales of variable count packs to their U.S. customers, and percentage changes, by quarters, January 1978-June 1981

Period	U.S. producers and type of pack							
	Forster		Diamond		National		National	
	Mini 50 count		30 count		60 count		bulk pack 1/	
	Price ^{2/}	Percent change	Price ^{2/}	Percent change	Price ^{2/}	Percent change	Price ^{2/}	Percent change
1978:								
January-March-----	\$0.49	-	\$0.49	-	\$0.73	-	\$18.40	-
April-June-----	.50	2.0	.51	4.1	.76	4.1	20.50	11.4
July-September-----	.50	0	.51	0	.80	5.3	21.30	3.9
October-December-----	.53	6.0	.53	3.9	.80	0	21.00	-1.4
1979:								
January-March-----	.54	1.9	.54	1.9	.83	3.8	21.00	0
April-June-----	.61	13.0	.54	0	.80	-3.6	21.80	3.8
July-September-----	.63	3.3	.57	5.6	.86	7.5	21.50	-1.4
October-December-----	.67	6.4	.61	7.0	.82	-4.7	21.90	1.9
1980:								
January-March-----	.68	1.5	.60	-1.6	.82	0	20.80	-5.0
April-June-----	.68	0.0	.62	3.3	.85	3.7	20.80	0
July-September-----	.70	2.9	.64	3.2	.82	-3.5	21.00	1.0
October-December-----	.75	7.1	.67	4.7	.86	4.9	21.20	1.0
1981:								
January-March-----	.74	-1.3	.67	0	.90	4.7	23.00	8.5
April-June-----	.75	1.4	.68	1.5	.92	2.2	23.50	2.2

1/ National's bulk pack contains 60 gross of wood spring clothespins.

2/ Per pack.

Importers

Importers' delivered prices were reported by Metropolitan Housewares Corp. and NEVCO. The two firms accounted for approximately * * * percent of total U.S. imports of clothespins in 1980. Prices of wood spring clothespins for the two importers are shown in table 33 together with the weighted average price for domestic wood spring clothespins discussed earlier. 1/ Imported wood spring clothespins are priced considerably below domestically produced clothespins, ranging from a * * * per gross difference, or * * * margin of underselling in January-March 1978 (* * *), to a * * * per gross difference, or * * * margin of underselling in April-June 1981 (* * *). In comparison with the 42-percent increase in the domestic industry's weighted average price from January-March 1978 through April-June 1981, * * *.

* * * * *

Table 35 shows Metropolitan's prices to its customers for wood spring clothespins by pack size. However NEVCO did not report prices on this basis. No U.S. producer packages a 72-count pack, but comparisons indicate imported wood spring clothespins in 50-count, 36-count, and 18-count packs typically undersell the domestically produced counterpart.

* * * * *

Probable Economic Effects of Terminating or
Reducing Import Relief

Import relief in the form of a 3 year quota was provided to the domestic clothespin industry beginning on February 22, 1979. The clothespin quota was placed on wood and plastic spring clothespins only, and was applied on a quarterly basis to three separate valuation ranges. 2/

1/ No weighted average import prices were computed for wood spring clothespins because none of the firms reported quantity data.

2/ The quota limited imports of wood and plastic spring clothespins valued not over \$1.70 per gross to 500,000 gross per quarter--125,000 gross valued not over \$.80 per gross; 150,000 gross valued over \$.80 but not over \$1.35 per gross; and 225,000 gross valued over \$1.35 but not over \$1.70 per gross.

Table 33.--Wood spring clothespins: Delivered prices of importers and U.S. weighted average delivered prices for sales to U.S. customers, by quarters, January 1978-June 1981

Period	(Per gross)			U.S. weighted average 1/
	Metropolitan	NEVCO		
1978:				
January-March-----:	***	***		\$2.12
April-June-----:	***	***		2.29
June-July-----:	***	***		2.32
October-December--:	***	***		2.41
1979:				
January-March-----:	***	***		2.35
April-June-----:	***	***		2.51
June-July-----:	***	***		2.64
October-December--:	***	***		2.73
1980:				
January-March-----:	***	***		2.71
April-June-----:	***	***		2.81
June-July-----:	***	***		2.85
October-December--:	***	***		2.97
1981:				
January-March-----:	***	***		2.97
April-June-----:	***	***		3.01

1/ Derived from table 25.

2/ Not available.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Table 34.--Other clothespins: Delivered prices of importers and U.S. weighted average delivered prices on sales to U.S. customers, by quarters, January 1978-June 1981

(Per gross)					
Period	Plastic spring type		Wood nonspring type		
	Metropolitan	U.S. weighted average	Metropolitan	U.S. weighted average 1/	
1978:					
January-March-----:	***	***	***	***	\$1.69
April-June-----:	***	***	***	***	1.80
June-July-----:	***	***	***	***	1.80
October-December--:	***	***	***	***	1.69
1979:					
January-March-----:	***	***	***	***	1.80
April-June-----:	***	***	***	***	1.92
June-July-----:	***	***	***	***	2.34
October-December--:	***	***	***	***	2.44
1980:					
January-March-----:	***	***	***	***	2.08
April-June-----:	***	***	***	***	2.33
June-July-----:	***	***	***	***	2.15
October-December--:	***	***	***	***	2.41
1981:					
January-March-----:	***	***	***	***	2.29
April-June-----:	***	***	***	***	2.31

1/ Derived from table 26.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Table 35.--Wood spring clothespins: Importers' delivered prices on sales to U.S. customers, by type of pack, by quarters, January 1978-June 1981

	Metropolitan			
	72-count pack	50-count pack	36-count pack	18-count pack
1978:				
January-March-----:	***	***	***	***
April-June-----:	***	***	***	***
June-July-----:	***	***	***	***
October-December--:	***	***	***	***
1979:				
January-March-----:	***	***	***	***
April-June-----:	***	***	***	***
June-July-----:	***	***	***	***
October-December--:	***	***	***	***
1980:				
January-March-----:	***	***	***	***
April-June-----:	***	***	***	***
June-July-----:	***	***	***	***
October-December--:	***	***	***	***
1981:				
January-March-----:	***	***	***	***
April-June-----:	***	***	***	***

1/ Not sold in 1978.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

The probable effects of termination

Data on U.S. shipments, imports, apparent consumption, and market share are presented in table 36.

Table 36.--Wood and plastic spring clothespins: 1/ Domestic shipments, imports for consumption, apparent consumption, and market share, 1973-80, January-June 1981

Period	Domestic shipments	Imports	Apparent consumption	Market share
	1,000 gross			Percent
1973-----	***	***	***	***
1974-----	***	***	***	***
1975-----	***	***	***	***
1976-----	***	***	***	***
1977-----	***	***	***	***
1978-----	***	***	***	***
1979-----	***	***	***	***
1980-----	***	***	***	***
1981 (January-June)---	***	***	***	***

1/ Does not include spring clothespins made from material other than wood or plastic. Does include imports valued over \$1.70 per gross.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Imports exceeded 3 million gross in 1976 and 1977, declined to slightly over 2 million gross in 1978, and fell below 2 million gross as the quota became effective in February 1979. If the quota of 2 million gross was removed, the potential exists for imports to increase to 3 million gross or more. This potential depends on increases in imports from the principal current suppliers, Taiwan and Poland; the return to the market at prequota levels of imports from significant past suppliers, China, Hong Kong, West Germany, Romania, the Netherlands, and Czechoslovakia; or the entry of new suppliers, such as Portugal (table 4).

Taiwan has maintained and even increased its exports during the quota period in comparison with prequota years, and its position as a major exporter of relatively inexpensive wood spring clothespins to the United States appears to have strengthened under the quota. Although information is not available on Taiwan's current or future capacity, or shipment patterns to third-country markets, significantly increased imports from Taiwan would require increased capacity utilization, increases in capacity, or diversion of current shipments from other markets to the U.S. market. Taiwan's shipments are up one-third in January-June 1981, compared with the same period of 1980, and are at levels approaching the peak level of 1.5 million gross in 1979.

Taiwan, which accounted for about 47 percent of all wood and plastic spring clothespin imports in 1978, increased its share to 54 percent of wood spring clothespins and 83 percent of all plastic spring clothespins imported in the first 6 months of 1981. Ninety-six percent of wood spring clothespin imports from Taiwan were valued below \$1.35 per gross. Since the quota categories for clothespin imports valued less than \$1.35 per gross were filled, while the categories for imports valued between \$1.35 and \$1.70 per gross were not, lifting apparently effective restrictions on the lower value categories could result in even greater imports from Taiwan. 1/

Clothespin imports from Poland, the second leading supplier, are down significantly from import levels of one-half million gross in 1975-77. Thus, Poland apparently has the capacity to increase imports substantially. It is not clear whether imports will increase if the quota is removed. Poland has historically been capable of producing clothespins to sell in the under \$1.35 per gross category, the category where the quota has been effective, or the value category where imports would very likely increase if the quota was lifted. However, imports from Poland during the quota period have been concentrated in the quota range for clothespins valued over \$1.35 per gross but not over \$1.70 per gross, the quota range that has not been filled during the quota period. Therefore, removal of the quota would not necessarily result in immediate increases in imports in the short run. However, although the \$1.35-\$1.70 quota category has not been filled in the past, imports in this value category have been increasing. If these imports continue to increase, this quota category may become effectively restrictive and removal of the quota in the future could result in increased imports from Poland.

If the import relief is terminated, historically important suppliers--China, Hong Kong, West Germany, Romania, the Netherlands, and Czechoslovakia--could possibly resume large clothespin shipments to the U.S. market. These countries now supply only a fraction of the import levels of 1975 and 1976, or none at all. However, removal of the quota may not be the sole reason for decreased shipments as some of these suppliers had significantly reduced shipments to the United States as early as 1977, and all had significantly reduced shipments by 1978, prior to the imposition of the quota. Reduced shipments in 1978 may have resulted, in part, from the institution of 406 and 201 investigations of clothespins.

1/ K-Mart has indicated that it currently holds approximately * * * gross of wooden spring clothespins in bonded warehouses which would be released in the event that import relief is terminated (transcript of public hearing, p. 164). K-Mart's contention that the quota has created serious import shortages reflects the seasonality of clothespins sales and the fact that the quota is allocated quarterly. There is little doubt that restricting imported spring clothespins at the height of the sales season will create shortages of imports. However, this allocation allows domestic producers to increase their sales during such periods, apparently an intentional effect of the quarterly allotment.

Only three of these historical suppliers--China, Hong Kong, ^{1/} and West Germany--currently ship clothespins to the U.S. market. Of these three, only China appears to be competitive with Taiwan in supplying lower valued clothespins which have been effectively restricted by the quota. Thus, removal of the quota may result in significantly increased imports from China. Imports from China are up substantially in January-June 1981--89,000 gross compared with 9,000 in the same period of 1980, whereas, only 48,000 gross entered in all of 1980. * * *. These potential imports from China are valued * * * per gross and, if the quota remains in place, would compete directly with potential imports from Taiwan for the annual allocation of 500,000 gross in that value category.

Past import levels for Hong Kong and West Germany indicate that these suppliers have had the capacity to supply a much greater volume of clothespins than they currently supply. However, because over 80 percent of current imports from these countries are for clothespins not under quota or are for value categories not effectively restricted by quota, removal of the quota may not result in significantly increased imports from these countries. Both are suppliers of relatively high-value clothespins and do not appear to be competitive with Taiwan for imports in those value categories for which the quota has been restrictive.

The other historical suppliers--Romania, the Netherlands, and Czechoslovakia--have been very sporadic suppliers to the U.S. market during the quota period. Only Czechoslovakia has supplied any significant amount and that was only in 1980. Romania and Czechoslovakia appear to be competitive with Taiwan and removal of the quota may result in significantly increased imports. The Netherlands has traditionally supplied relatively high-valued clothespins, which have not been effectively restricted by the quota, and quota removal should not result in significantly increased imports.

The only new supplier is Portugal, which supplied 34,000 gross in 1980 and 114,000 gross in January-September 1981. Import statistics do not show Portugal's potential to supply and we do not know anything about production capacity, but the substantial increase in imports suggests a potential to increase imports in the future.

Import relief for the domestic clothespin industry has resulted in an increase in the domestic industry's share of apparent consumption from an average of * * * percent in 1975-78 to approximately * * * percent during the quota period. The * * * percent-market share is the share the domestic industry had enjoyed in 1973-74 before imports exceeded 2 million gross (table 36). Termination of import relief may very well result in a return to a prequota market share for the domestic industry of as low as * * * percent, the domestic industry's share during 1975-77, and a return for U.S. producers of clothespin operations at unprofitable capacity levels.

^{1/} Import data for Hong Kong in the mid-1970's very likely reflect transshipments from China and are probably not indicative of Hong Kong's productive capacity. Currently, Hong Kong supplies high-valued plastic clothespins almost exclusively.

With the exception of 1974 and 1975, consumption of spring-type clothespins has been in the * * * to * * * million gross range. Of this total demand, imports accounted for approximately 2 million gross, except in 1976 and 1977 when they rose to approximately 3 million gross. Since 1973, domestic shipments have ranged between * * * and * * * million gross except in 1975-77. The domestic industry's share of the wood and plastic spring clothespin market in 1978 recovered to * * * percent, reflecting simultaneously an approximate one-third drop in imports and a * * * gross increase in domestic shipments. While some of this may be attributed to import-relief investigations initiated by U.S. producers (the section 406 investigation and subsequent section 201 investigation conducted during May-December 1978), there is also evidence that * * *. 1/

The domestic industry's ability to increase prices in a protected market has permitted the domestic clothespin industry to become relatively profitable. Termination of the quota accompanied by a weakening of prices of domestically produced clothespins would jeopardize sales revenues, and the domestic industry's profitability would decline. The domestic industry's increased profitability has permitted a substantial investment program. Terminating import relief would probably hinder continued investment in cost-reducing equipment and production redesign which, according to testimony, is the only means by which domestic firms can establish competitiveness. The industry has invested \$700,000 since January 1979, but this represents only about 20 percent of the domestic industry's total planned effort. Three domestic firms have indicated that an additional \$3.3 million investment is projected for the 1982-84 period. The domestic firms have indicated that in the absence of extended import relief they would be reluctant to commit this entire sum. 2/

The industry's investment efforts are beginning to show results. During January-June 1981 the domestic clothespin industry improved its capacity utilization and labor productivity by significant margins, and greatly reduced the rise in unit labor costs. Under the protected market the domestic industry has been able to pass along some of these cost savings to consumers and price increases for domestically produced spring clothespins, particularly those made of wood, have moderated. 3/ Prices of domestically produced clothespins increased more slowly during the quota period than in the period prior to relief. From January-March 1973 through October-December 1977

1/ Clothespins, Report to the President on Investigation No. TA-201-36 . . . , USITC Publication 933, December 1978, p. 32.

2/ Some of this \$3.3 million investment has already been contracted out.
* * *

3/ Testimony offered at the hearing has favorably compared the increase in clothespin prices with increases in prices for all nondurable consumer goods (transcript p. 37). The CPI has increased at an average quarterly rate of 3.3 percent during the period of relief, whereas the quarterly rates of increase for clothespins are in the 3.0 percent range.

delivered prices for domestically produced wood spring clothespins rose 57 percent, from \$1.29 per gross to \$2.02 per gross, or by 3 percent per quarter, and delivered prices for domestically produced plastic spring clothespins rose * * * percent, from * * * per gross to * * * per gross, or by * * * percent per quarter. During 1978, the last prerelief year, delivered prices increased at a quarterly rate of 4.8 percent for wood spring clothespins and * * * percent for plastic spring clothespins. During the relief period from October-December 1978 through April-June 1981 prices of wood spring clothespins rose 2.8 percent per quarter, and prices of plastic spring clothespins rose * * * percent per quarter.

* * * * *

Table 37.--Wood & plastic spring clothespins: U.S. producers' share of total domestic shipments, 1973-80, January-June 1981

Year	Forster	Diamond	Penley	National
		Percent		
1973-----	***	***	***	***
1974-----	***	***	***	***
1975-----	***	***	***	***
1976-----	***	***	***	***
1977-----	***	***	***	***
1978-----	***	***	***	***
1979-----	***	***	***	***
1980-----	***	***	***	***
1981 (January-June):	***	***	***	***

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

* * * * *

The probable effects of reduction

Section 203(i)(2) of the Trade Act directs that the Commission also advise the President of the probable effect of reducing the import relief. Since apparent consumption of clothespins is relatively constant at * * * to * * * million gross, any reductions in import relief will result in increased market penetration by imports and a decrease in domestic market share. Possible actions which could reduce the effect of import relief are: increasing the size of the quota; eliminating or reallocating the value categories; eliminating the quarterly provision; or excepting an item now covered by the quota, such as plastic clothespins. It has also been suggested that some provision be made for the effects of inflation.

Reducing the restrictive effect of the quota can be accomplished directly by increasing the total annual quota amount, or possibly by eliminating or reallocating the value categories of the quota. Since the market has not grown, increasing the total quota would entail an arbitrary choice between enlargements of the current 500,000 gross quarterly quota by 5, 10, 15 percent, or higher. Because the largest quota category has not been filled during previous quota periods, elimination of all value categories would represent a relaxing of the quota in the short run as more lower valued clothespins could then be imported. This could also be accomplished by retaining the value categories but by reallocating some of the 225,000 gross per quarter not currently being imported in the \$1.35 to \$1.70 quota category to the lower value categories which are currently being filled. This would also represent a relaxing of the quota in the short run because increased imports of clothespins valued \$1.35 or less would be able to enter. However, imports have been increasing in the \$1.35-\$1.70 quota category. If these imports continue to increase, this quota category may become effectively restrictive and elimination or reallocation of quota value categories in the future may not result in increases in total imports. Changes in value categories could possibly result in importers choosing to bring in more of the types of clothespin that are most profitable--these may be clothespins valued less than \$1.35 per gross.

Another approach to relaxing the quota is to eliminate the quarterly allocation. Clothespins sales are seasonal and, according to K-Mart, serious import shortages arise as sufficient quantities of clothespins are unavailable during periods of peak demand. ^{1/} The alternative for importers is to import into bonded warehouses, thereby incurring additional costs. Since the quota has been filled for clothespins imports valued at \$1.35 per gross or less, * * * redistributing the quarterly allocation or eliminating it would have the primary effect of increasing the volume of imported clothespins available during the peak selling season. While elimination of the quarterly quota would have no effect on the total annual volume of imports of clothespins valued under \$1.35 per gross, it could possibly lead to an increase in imports of clothespins valued at \$1.35 - \$1.70 per gross. To the extent that removing the quarterly provision would allow more imports to be available during the

^{1/} * * *.

peak selling season, there would be downward pressure on prices of both domestic and imported clothespins in the value category of \$1.35 per gross or less.

The effect of import relief could be reduced by excepting an item now covered by quota, such as plastic spring clothespins. ^{1/} The effect of such a reduction on imports of plastic spring clothespins, however, would depend on whether foreign productive capacity for such items is expected to increase substantially, the degree plastic clothespins are currently imported in value categories not effectively restricted by quota or not covered by quota, and on the availability of plastic clothespins not now imported in lieu of imports of wood clothespins. Information is not available on potential foreign capacity to produce plastic clothespins. However, import statistics indicate that imports of plastic clothespins are not concentrated in effective quota categories, but are being imported in increased volumes in the higher value categories, especially in value categories not covered by the quota. In 1979, less than 60,000 gross of plastic clothespins entered in the \$1.35 or less per gross value category, the range including the two value categories that have consistently been filled. In 1980 these imports doubled as a result of 60,000 gross entering from Taiwan in the category valued not over 80 cents per gross. In the first 6 months of 1981 only 27,000 gross of plastic clothespins entered in the category valued not over \$1.35 per gross, and no imports entered in the 80 cents or less value category. In contrast, in the quota category that was not filled during 1979-80 and the value category not covered by quota, clothespins valued over \$1.70 per gross, imports of plastic clothespins were 133,000 gross in March-December 1979, 244,000 in 1980, and 196,000 in January-June 1981. If plastic clothespins valued less than \$1.35 per gross are currently available but are not being imported, then excepting plastic clothespins could result in increased imports and increased competition in the market for clothespins valued \$1.35 and under.

It has been suggested that some provision be made for the general effects of inflation. This is because specific clothespins of a certain class and grade originally restricted by one of the quota categories may have been shifted by inflation into the next higher value category. An inflationary adjustment would attempt to reestablish the original level of

^{1/} The effect exempting plastic spring clothespins from the quota while maintaining the current quantity limitations for each of the two lower value categories of spring clothespins would increase the number of wood spring clothespins that could be entered during each quarter for each category by the amount of plastic spring clothespins that would otherwise have entered. These amounts are relatively small however. In the calendar year 1980, imports of plastic spring clothespins valued under \$1.35 per gross amounted to 118,000 gross, but during January-June 1981, they amounted to only 27,000 gross.

restriction by adjusting the value categories upward. ^{1/} The effect of inflation cannot be determined from the price data on clothespins. A possible alternative approach is to adjust for possible quota shifts by indirectly measuring inflationary effects through increases in hourly compensation or by increases in costs of goods sold.

Section 202(c) considerations

Section 203(i)(4) of the Trade Act of 1974 directs that the Commission take into account all economic factors which it considers relevant, including the considerations set forth in section 202(c) when advising the President as to the probable economic effect on the industry concerned of the extension, reduction, or termination of import relief.

Section 202(c)(1).--Section 202(c)(1) directs that consideration be given to "information and advice from the Secretary of Labor on the extent to which workers in the industry have applied for, are receiving, or are likely to receive adjustment assistance under chapter 2 or benefits from other manpower programs."

In response to a request by the Commission for such information and advice, the U.S. Department of Labor indicated that no trade readjustment allowance payments as provided under the Trade Act of 1974 had been made to workers employed by the domestic clothespin producers during the period February 1979 through June 1981.

Section 202(c)(2).--Section 202(c)(2) directs that consideration be given to "information and advice from the Secretary of Commerce on the extent to which firms in the industry have applied for, are receiving, or are likely to receive adjustment assistance under chapters 3 and 4."

The Department of Commerce has reported that no domestic firm engaged in the production of clothespins has requested certification to receive adjustment assistance.

Section 202(c)(3).--Section 202(c)(3) directs that consideration be given to "the probable effectiveness of import relief as a means to promote adjustment, the efforts being made or to be implemented by the industry concerned to adjust to import competition, and other considerations relative to the position of the industry in the Nation's economy."

^{1/} Because each higher value category of the quota is larger in volume than the succeeding category, and because the quota ceases at values over \$1.70 per gross, inflation has, in effect, been modifying the quota by generally reducing the restrictive effect of the quota over time.

Import relief, the quarterly quota of 500,000 gross (2 million gross per year), has been very effective in limiting imports of wood and plastic spring clothespins valued not over \$1.70 per gross. Imports had exceeded 3 million gross per year in 1976-77, and 2 million gross in 1975-78. As a result the domestic producers' share of the U.S. market for wood and plastic spring clothespins has been restored to approximately * * * percent, after falling as low as * * * percent in 2 consecutive years. Labor productivity and capacity utilization rates have begun to improve and unit labor cost increases appear to have been arrested during the first half of 1981. Profitability has been significantly restored.

Three of the four domestic clothespin producing firms have budgeted nearly \$700,000 in investment funds during the relief period and have tentatively allocated another \$3.3 million for the 1982-84 period. Most of the investment thus far has been for modifications to existing equipment and plant design in preparation for future major expenditures on new machinery.

Section 202(c)(4).--Section 202(c)(4) directs that consideration be given to "the effect of import relief on consumers (including the price and availability of the imported article and the like or directly competitive article produced in the United States) and on competition in the domestic markets for such articles."

Apparent U.S. consumption of wood and plastic spring clothespins ranges between * * * and * * * million gross per year. Import relief in the form of a quota of 2.0 million gross has restored the domestic producers' share of the wood and plastic spring clothespins market to * * * percent from its low of approximately * * * percent in 1976-1977. This is an import relief induced shift in consumer purchases from imported clothespins to domestically produced clothespins of * * * percent. The annual consumer costs associated with this 20 percent shift range between \$1.2 million and \$1.3 million based on an estimated import/domestic price differential of \$1 per gross in 1980.

In addition to cost increases because of the shift from domestic to imported clothespins, consumer costs will be higher because of import relief to the extent that prices of all clothespins go up. Available data on price movements for both domestically produced and imported wood and plastic spring clothespins suggests that relief-induced price increases were minimal. There also does not appear to be any significant contraction in market demand as a result of higher prices. Therefore, although the estimated \$1.2 to \$1.3 million is a minimum estimate, a substantial portion of the consumer costs resulting from import relief appears to be accounted for by the * * * percent shift in market share.

If it were assumed that the entire price differential was due to import restrictions, consumer costs estimated on the domestic producers' * * * percent market share of * * * to * * * million gross would be approximately \$4.2 to \$4.6 million. However, import prices have historically been below domestic prices, and this differential has continued during the relief period.

The representative of K-Mart indicated during the Commission's hearing that the quota restriction had seriously limited the supply of imported wood and plastic spring clothespins available for retail in K-Mart outlets, and on occasion this resulted in empty shelves. K-Mart did not substitute domestic spring clothespins because the higher delivered price would have forced K-Mart to increase its retail price point on this product. However, Forster Manufacturing Co. informed the Commission that it has repeatedly approached K-Mart in an attempt to sell Forster clothespins to K-Mart. * * *. 1/ Other importers have not indicated difficulty in securing a sufficient supply of imported wood and plastic spring clothespins under the quota.

Sections 202(c)(5) and 202(c)(6).--Section 202(c)(5) and 202(c)(6) direct that consideration be given to "the effect of import relief on the international economic interests of the United States"; and "the impact on United States industries and firms as a consequence of any possible modification of duties or other import restrictions which may result from international obligations with respect to compensation."

In 1978, Taiwan, China, Poland, Hong Kong, West Germany, and Romania accounted for nearly 95 percent of all exports of wood and plastic spring clothespins to the U.S. market. Poland, West Germany, and Romania are signatories to the General Agreement on Tariffs and Trade (GATT), but have not requested compensation under Title XIX of the GATT. In a general statement reported in recent press releases, the Taiwan minister for economic affairs indicated that Taiwan may tighten its restrictions on U.S. products if some of the current U.S. import restrictions on Taiwan products are not loosened.

Section 202(c)(7).--Section 202(c)(7) directs that consideration be given to "the geographic concentration of imported products marketed in the United States."

Although the clothespin is a commodity which typically is used more widely in warmer climates, neither imports nor domestically produced clothespins are limited to these markets. There appears to be no geographical concentration of imported clothespins.

Section 202(c)(8).-- Section 202(c)(8) directs that consideration be given to "the extent to which the United States market is the focal point for exports of such article by reason of restraints on exports of such article to, or on imports of such article into, third country markets."

There appears to be no evidence to suggest that foreign produced clothespins would be diverted to the U.S. market because of varying levels of restraint existing in third country markets.

Section 202(c)(9).--Section 202(c)(9) directs that consideration be given to "the economic and social costs which would be incurred by taxpayers, communities, and workers, if import relief were or were not provided."

1/ Submission to the Commission by the domestic producers, October 21, 1981.

Three of the principal domestic clothespin producers operate 4 plants in rural areas of Maine, and the fourth principal producer is located in Montpelier, Vt. (approximate population, 8,000). An additional small producer is also located in rural Vermont. The firms located in Maine are typically one of about 2 or 3 firms within the area and employ just under * * * production and related workers. The Montpelier, Vt., firm employs about * * * workers. Clothespin production is an important source of business for the timbering industry located in the area. The economic and social costs to the communities would be considerable should any of these firms be required to layoff workers or shutdown operations because import relief was not available.

APPENDIX A

PRESIDENTIAL PROCLAMATION 4640

Proclamation 4640 of February 23, 1979

Temporary Quantitative Limitation on the Importation Into the United States of Certain Clothespins

By the President of the United States

A Proclamation

1. Pursuant to section 201(d)(1) of the Trade Act of 1974 (the Trade Act) (19 U.S.C. 2251(d)(1)), the United States International Trade Commission

(USITC) on December 12, 1978, reported to the President (USITC Report 201-36) the results of its investigation under section 201(b) of the Trade Act (19 U.S.C. 2251(b)). The USITC determined that clothespins provided for in items 790.05, 790.07, and 790.08 of the Tariff Schedules of the United States (TSUS) (19 U.S.C. 1202) are being imported into the United States in such increased quantities as to be a substantial cause of serious injury to the domestic industry producing articles like or directly competitive with the imported articles. In order to remedy the serious injury to the domestic industry that it has found to exist, the USITC recommended the imposition of a 5-year quota on U.S. imports of wood and plastic spring-type clothespins with a dutiable value not over \$2.10 per gross provided for under TSUS item 790.05.

2. On February 8, 1979, pursuant to section 202(b)(1) of the Trade Act (19 U.S.C. 2252(b)(1)), and after taking into account the considerations specified in section 202(c) of the Trade Act (19 U.S.C. 2252(c)), I determined to remedy the injury found to exist by the USITC through the proclamation of a 3-year quota on U.S. imports of wood and plastic spring-type clothespins with a dutiable value not over \$1.70 per gross provided for under TSUS item 790.05. On February 8, 1979, in accordance with section 203(b)(1) of the Trade Act (19 U.S.C. 2253(b)(1)), I transmitted a report to the Congress setting forth my determination and intention to proclaim a quota and stating the reasons why my decision differed from the action recommended by the USITC.

3. Section 203(e)(1) of the Trade Act (19 U.S.C. 2253(e)(1)) requires that import relief be proclaimed and take effect within 15 days after the import relief determination date.

4. Pursuant to sections 203(a)(3) and 203(e)(1) of the Trade Act (19 U.S.C. 2253(a)(3) and 2253(e)(1)), I am providing import relief through the temporary imposition of a quota on U.S. imports of wood and plastic spring-type clothespins with a dutiable value not over \$1.70 per gross provided for under TSUS item 790.05.

5. In accordance with section 203(d)(2) of the Trade Act (19 U.S.C. 2253(d)(2)), I have determined that the level of import relief hereinafter proclaimed pursuant to section 203(a)(3) of the Trade Act (19 U.S.C. 2253(a)(3)), permits the importation into the United States of a quantity or value of articles which is not less than the average annual quantity or value of such articles imported into the United States in the 73/78 period, which I have determined to be the most recent representative period for imports of such articles.

NOW, THEREFORE, I, JIMMY CARTER, President of the United States of America, acting under the authority vested in me by the Constitution and the statutes of the United States, including sections 203 and 604 of the Trade Act (19 U.S.C. 2253 and 2483), and in accordance with Article XIX of the General Agreement on Tariffs and Trade (GATT) (61 Stat. (pt. 5) A58; 8 UST (pt. 2) 1786), do proclaim that—

(1) Part 1 of Schedule XX to the GATT is modified to conform with the actions taken in the Annex to this proclamation.

(2) Subpart A, part 2 of the Appendix to the TSUS is modified as set forth in the Annex to this proclamation.

Proc. 4640

Title 3—The President

(3) This proclamation shall be effective as to articles entered, or withdrawn from warehouse, for consumption on or after February 23, 1979, and before the close of February 22, 1982, unless the period of its effectiveness is earlier expressly modified or terminated.

IN WITNESS WHEREOF, I have hereunto set my hand this twenty-third day of February, in the year of our Lord nineteen hundred and seventy-nine, and of the Independence of the United States of America the two hundred-third.

JIMMY CARTER

ANNEX

Subpart A, part 2 of the Appendix to the Tariff Schedules of the United States (19 U.S.C. 1202) is modified—

(a) by adding the following new headnote:

"6. *Quantitative limitations on certain clothespins.*—The provisions of this headnote apply to items 925.11, 925.12 and 925.13 of this subpart.

(a) *Definitions.*—For the purposes of this headnote—

(i) The term "*restraint period*" refers to the 3-month periods provided for in the Quota Quantity column for items 925.11, 925.12 and 925.13;

(ii) The term "*quota year*" refers to a 12-month period beginning February 23 in one year and ending at the close of February 22 of the following year.

(b) *Carryover.*—Whenever the quota quantity specified for an item has not been entered during any restraint period, the shortfall may be entered in the same item during the following restraint period in any quota year and not be counted against the quota quantity therefor.

(c) *Shortfall.*—Whenever the Special Trade Representative determines that the full quota quantity for item 925.11, 925.12, or 925.13, respectively, will not be used during a quota year, the Special Trade Representative may modify the quota quantities for that item during the remainder of that quota year to reallocate the shortfall to the other items; such modifications to be effective on the date of their publication in the Federal Register.; and

(b) by inserting in numerical sequence the following new provisions:

Item	Articles	Quota Quantity (in gross)			
		Entered during the restraint period—			
		Feb. 23, through May 22	May 23, through Aug. 22	Aug. 23, through Nov. 22	Nov. 23, through Feb. 22
	Whenever the respective aggregate quantity of clothespins specified below for items 925.11, 925.12 and 925.13, has been entered in any restraint period, no article in such item may be entered during the remainder of such restraint period, except as provided for in headnote 6:				
	Clothespins, spring type, of wood or plastics, valued not over \$1.70 per gross, provided for in item 790.05, entered on or after February 23, 1979, and before the close of February 22, 1982:				
925.11	Valued not over 80 cents per gross.....	125,000	125,000	125,000	125,000
925.12	Valued over 80 cents but not over \$1.35 per gross	150,000	150,000	150,000	150,000
925.13	Valued over \$1.35 but not over \$1.70 per gross	225,000	225,000	225,000	225,000"

APPENDIX B

**U.S. INTERNATIONAL TRADE COMMISSION
NOTICE OF INVESTIGATION AND HEARING**

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, D.C.

Investigation No. TA-203-12

CLOTHESPINS

Notice of Investigation and Hearing

AGENCY: United States International Trade Commission.

ACTION: Upon its own motion and on the basis of a petition filed on July 10, 1981, on behalf of Diamond International Corporation, Forster Manufacturing Company, National Clothespin Company and Penley Corporation, the Commission on July 20, 1981, instituted investigation No. TA-203-12 under section 203(i)(2) and 203(i)(3) of the Trade Act of 1974 (19 U.S.C. 2253(i)(2) and (i)(3)) for the purpose of gathering information in order that it might advise the President of its judgment as to the probable economic effect on the industry concerned of the extension, reduction, or termination of import relief presently in effect with respect to clothespins, spring type, of wood or plastics valued not over \$1.70 per gross, provided for in item 790.05 of the Tariff Schedules of the United States (TSUS). Relief in the form of quantitative restrictions described in items 925.11, 925.12, and 925.13 of the Appendix to the TSUS is provided for in Presidential Proclamation 4640 (issued February 23, 1979). Import relief presently in effect with respect to such merchandise is scheduled to terminate at the close of business on February 22, 1982, unless extended by the President.

EFFECTIVE DATE: July 20, 1981.

FURTHER INFORMATION CONTACT: John MacHatton, Supervisory Investigator, telephone 202-523-0439 or Bill Schechter, Investigator, telephone 202-523-0300, U.S. International Trade Commission, 701 E Street, NW., Room 341, Washington, D.C. 20436.

SUPPLEMENTARY INFORMATION:

Public hearing ordered. A public hearing in connection with this investigation will be held in Portland, Maine, at 10 a.m., e.d.t., on Monday, October 5, 1981, in the Holiday Inn West, 81 Riverside Street, Portland, Maine 04104. Requests for appearances at the hearing should be received in writing by the Secretary to the Commission at his office in Washington no later than the close of business on Monday, September 21, 1981.

Prehearing procedure. To facilitate the hearing process, it is requested that persons wishing to appear at the hearing submit prehearing briefs enumerating and discussing the issues which they wish to raise at the hearing. Nineteen copies of such prehearing briefs should be submitted to the Secretary to the Commission no later than the close of business on Monday, September 28, 1981. Copies of prehearing briefs submitted will be made available for public inspection in the Office of the Secretary. While

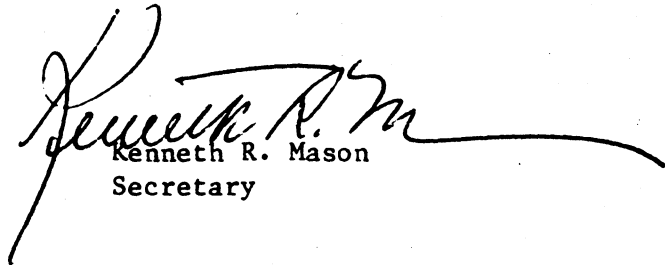
submission of prehearing briefs does not prohibit submission of prepared statements in accordance with section 201.12(d) of the Commission's Rules of Practice and Procedure (19 CFR 201.12(d)), it would be unnecessary to submit such a statement if a prehearing brief is submitted instead. Oral presentations should, to the extent possible, be limited to issues raised in the prehearing briefs.

A prehearing conference will be held on Tuesday, September 22, 1981, at 10:00 a.m., e.d.t., in Room 117 of the U.S. International Trade Commission Building.

Persons not represented by counsel or public officials who have relevant matters to present may give testimony without regard to the suggested prehearing procedures outlined above.

Inspection of petition. The petition filed in this case is available for public inspection at the Office of the Secretary, U.S. International Trade Commission.

By order of the Commission.


Kenneth R. Mason
Secretary

Issued: July 21, 1981.

APPENDIX C

LIST OF WITNESSES AT THE PUBLIC HEARING OCTOBER 5, 1981,
PORTLAND, MAINE

TENTATIVE CALENDAR OF PUBLIC HEARING

Those listed below appeared as witnesses at the United States International Trade Commission's hearing:

Subject : Clothespins

Inv. No. : TA-203-12

Date and time: October 5, 1981 - 10:00 a.m., e.d.t.

Sessions were held in connection with the investigation in the Holiday Inn West, 81 Riverside Street, Portland, Maine.

Congressional appearance:

Honorable George Mitchell, United States Senator, State of Maine

Honorable David F. Emery, United States Congressman, State of Maine

Edward S. O'Meara, State Representative, on behalf of Honorable William S. Cohen, United States Senator, State of Maine

State appearance:

Mrs. Barbara Cottrell, Director of State Development Office, appearing on behalf of Honorable Joseph E. Brennan, Governor, State of Maine

In support of the continuation of import relief:

Myron Solter--Counsel
Washington, D.C.
on behalf of

The U. S. Producers of Spring Clothespins

Forster Manufacturing Co., Inc., Wilton, Maine

A. J. Haug, President

R. Spencer Thompson, Director, Marketing and Sales

Diamond International Corporation, Springfield, Mass.

Byron A. Johnson, Vice President and General Manager

Penley Corporation

H. Don Penley, President

R. H. Penley, Vice President

Myron Solter--OF COUNSEL

In opposition to the continuation of import relief:

K Mart Corporation, Troy, Michigan

Howard C. Twietmeyer, Senior Buyer of Clothespins and
related items

James C. Tuttle)
Ms. Deborah L. Miela) --OF COUNSEL

APPENDIX D

IMPROVEMENTS MADE DURING THE PERIOD OF IMPORT RELIEF AND
FUTURE INVESTMENT PLANS OF THE U.S. PRODUCERS

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APPENDIX E

STATISTICAL TABLES TAKEN FROM INVESTIGATION NO. TA-201-36

Table E-1 Nonspring clothespins of wood (TSUS item 790.08): U.S. imports for consumption, by country, 1973-77

Source	1973	1974	1975	1976	1977
Quantity (gross)					
West Germany-----	173,640	150,618	158,028	219,453	298,567
Taiwan-----	0	0	6,750	1,067	6,550
China-----	0	0	3,205	6,000	0
Hong Kong-----	0	1,200	0	3,108	0
Switzerland-----	0	10,250	0	0	0
Belgium-----	9,932	0	0	0	0
Total, all countries--	183,572	162,068	167,983	229,628	305,117
Value (1,000 dollars)					
West Germany-----	76	87	109	163	255
Taiwan-----	-	-	2	1	7
China-----	-	-	1	5	-
Hong Kong-----	-	1	-	4	-
Switzerland-----	-	7	-	-	-
Belgium-----	4	-	-	-	-
Total, all countries--	80	95	112	173	262
Unit value (per gross)					
West Germany-----	\$0.44	\$0.58	\$0.69	\$0.74	\$0.85
Taiwan-----	-	-	.27	1.29	1.14
China-----	-	-	.44	.77	-
Hong Kong-----	-	1.00	-	1.41	-
Switzerland-----	-	.63	-	-	-
Belgium-----	.43	-	-	-	-
Average, all countries--	.44	.59	.67	.75	.86

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

Table E-2-Nonspring clothespins of plastic (TSUS item 790.07): U.S. imports for consumption, by principal sources, 1973-77

Source	1973	1974	1975	1976	1977
Quantity (gross)					
Taiwan-----	334	0	84	84	25,000
The Netherlands--	5,785	100	3,290	12,900	22,050
Hong Kong-----	5,110	878	10,259	3,227	5,654
France-----	885	0	0	0	684
Switzerland-----	0	0	0	0	96
China-----	0	0	0	0	0
Italy-----	0	0	0	2,460	0
West Germany-----	2,750	0	0	999	0
Denmark-----	4,500	0	0	0	0
Japan-----	510	0	0	0	0
Total-----	19,874	978	13,633	19,670	53,484
Value (1,000 dollars)					
Taiwan-----	1	-	1/	1/	27
The Netherlands--	5	2	6	5	27
Hong Kong-----	8	3	18	8	13
France-----	1	-	-	-	2
Switzerland-----	-	-	-	-	-
China-----	-	-	-	-	-
Italy-----	-	-	-	1	-
West Germany-----	3	-	-	1	-
Denmark-----	4	-	-	-	-
Japan-----	1/	-	-	-	-
Total-----	22	5	24	15	69
Unit value (per gross)					
Taiwan-----	\$2.70	-	\$4.69	\$4.56	\$1.09
The Netherlands--	.95	\$20.00	1.95	.39	1.23
Hong Kong-----	1.53	3.33	1.76	2.37	2.39
France-----	1.36	-	-	-	3.25
Switzerland-----	-	-	-	-	-
Italy-----	-	-	-	.60	3.81
China-----	-	-	-	-	-
West Germany-----	1.02	-	-	1.30	-
Denmark-----	.79	-	-	-	-
Japan-----	.83	-	-	-	-
Total-----	1.12	5.51	1.83	.80	1.32

1/ Less than \$500.

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

Table E-3--Clothespins: U.S. production, production capacity, and capacity utilization, by firms, 1973-77

Period	U.S. production					Capacity 1/					Capacity utilization				
	Spring type		Nonspring type		Total	Spring type		Nonspring type		Total	Spring type		Nonspring type		Total
	Of wood	Of other materials	Of wood, except iron-bound	Of iron-bound		Of wood	Of other materials	Of wood, except iron-bound	Of iron-bound		Of wood	Of other materials	Of wood, except iron-bound	Of iron-bound	
	1,000 gross	1,000 gross	1,000 gross	1,000 gross	1,000 gross	1,000 gross	1,000 gross	1,000 gross	1,000 gross	1,000 gross	Percent	Percent	Percent	Percent	Percent
1973:															
Forster	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Diamond	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Penley	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
National	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Vermont	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Total	4,189	153	***	***	5,317	4,471	298	***	***	7,321	94	51	***	***	73
1974:															
Forster	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Diamond	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Penley	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
National	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Vermont	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Total	3,775	126	***	***	4,801	5,257	322	***	***	8,131	72	39	***	***	59
1975:															
Forster	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Diamond	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Penley	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
National	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Vermont	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Total	3,056	97	***	***	3,959	5,257	322	***	***	8,131	58	30	***	***	49
1976:															
Forster	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Diamond	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Penley	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
National	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Vermont	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Total	3,192	101	***	***	4,106	5,257	273	***	***	8,082	61	37	***	***	51
1977:															
Forster	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Diamond	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Penley	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
National	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Vermont	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Total	3,586	92	***	***	4,326	5,278	248	***	***	7,998	68	37	***	***	54

Table E-4-Clothespins: U.S. producers' shipments, by companies, and by types, 1973-77

(In thousands of gross)

Period and firm	Spring type		Nonspring type		Total
	Of wood	Of other materials	Of wood, except ironbound	Of wood, ironbound	
1973:					
Forster-----	***	***	***	***	***
Diamond-----	***	***	***	***	***
Penley-----	***	***	***	***	***
National-----	***	***	***	***	***
Vermont-----	***	***	***	***	***
Total-----	4,132	157	***	***	5,366
1974:					
Forster-----	***	***	***	***	***
Diamond-----	***	***	***	***	***
Penley-----	***	***	***	***	***
National-----	***	***	***	***	***
Vermont-----	***	***	***	***	***
Total-----	3,854	123	***	***	4,897
1975:					
Forster-----	***	***	***	***	***
Diamond-----	***	***	***	***	***
Penley-----	***	***	***	***	***
National-----	***	***	***	***	***
Vermont-----	***	***	***	***	***
Total-----	3,163	99	***	***	4,100
1976:					
Forster-----	***	***	***	***	***
Diamond-----	***	***	***	***	***
Penley-----	***	***	***	***	***
National-----	***	***	***	***	***
Vermont-----	***	***	***	***	***
Total-----	3,271	104	***	***	4,178
1977:					
Forster-----	***	***	***	***	***
Diamond-----	***	***	***	***	***
Penley-----	***	***	***	***	***
National-----	***	***	***	***	***
Vermont-----	***	***	***	***	***
Total-----	3,328	94	***	***	4,126

Table E-5--Clothespins: U.S. producers' yearend inventories, by firms, as of Dec. 31 of 1973-77

(In thousands of gross)

Date and firm	Spring type		Nonspring type		Total
	Of wood	Of other materials	Of wood, except iron-bound	Of wood, iron-bound	
Dec. 31, 1973:					
Forster-----	***	***	***	***	***
Diamond-----	***	***	***	***	***
Penley-----	***	***	***	***	***
National-----	***	***	1/	***	***
Vermont-----	***	***	***	***	***
Total-----	1,037	23	***	***	1,304
Dec. 31, 1974:					
Forster-----	***	***	***	***	***
Diamond-----	***	***	***	***	***
Penley-----	***	***	***	***	***
National-----	***	***	1/	***	***
Vermont-----	***	***	***	***	***
Total-----	958	25	***	***	1,204
Dec. 31, 1975:					
Forster-----	***	***	***	***	***
Diamond-----	***	***	***	***	***
Penley-----	***	***	***	***	***
National-----	***	***	1/	***	***
Vermont-----	***	***	***	***	***
Total-----	837	22	***	***	1,045
Dec. 31, 1976:					
Foster-----	***	***	***	***	***
Diamond-----	***	***	***	***	***
Penley-----	***	***	***	***	***
National-----	***	***	1/	***	***
Vermont-----	***	***	***	***	***
Total-----	720	18	***	***	941
Dec. 31, 1977:					
Forster-----	***	***	***	***	***
Diamond-----	***	***	***	***	***
Penley-----	***	***	***	***	***
National-----	***	***	1/	***	***
Vermont-----	***	***	***	***	***
Total-----	675	14	***	***	835

Table E-6--Average number of employees in U.S. establishments ^{1/} producing clothespins, and total number of production and related workers engaged in the manufacture of all products and of clothespins, 1973-77

Item	1973	1974	1975	1976	1977
All persons-----	731	725	627	639	713
Production and related workers engaged in the manufacture of--					
All products of the establishments-----	659	657	561	576	653
Clothespins-----	429	422	370	382	387

^{1/} Includes all 5 domestic producers of clothespins.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Table C-7--Person-hours worked in establishments ^{1/} producing clothespins, 1973-77

(In thousands of person-hours)

Item	1973	1974	1975	1976	1977
Person-hours worked by production and related workers engaged in the production of--					
All products of the establishment-----	1,338	1,445	1,199	1,086	1,257
Clothespins-----	820	811	690	702	728

^{1/} Does not include Vermont Plastics. Vermont Plastics accounted for less than 0.5 percent of U.S. production of clothespins during the period 1973-77.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Table E-8.--Aggregate profit-and-loss experience of the CVPA companies, on their wood spring clothespin operations, 1973-77

Year and firm	Net sales	Cost of goods sold	Gross profit or (loss)	Administrative and selling expenses	Net operating profit or (loss) before taxes	Ratio of net operating profit or (loss) to net sales
	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	Percent
1973:						
National-----	***	***	***	***	***	***
Diamond-----	***	***	***	***	***	***
Forster-----	***	***	***	***	***	***
Penley-----	***	***	***	***	***	***
Total-----	4,863	4,243	620	813	(193)	(4.0)
1974:						
National-----	***	***	***	***	***	***
Diamond-----	***	***	***	***	***	***
Forster-----	***	***	***	***	***	***
Penley-----	***	***	***	***	***	***
Total-----	5,912	5,026	886	899	(13)	(.2)
1975:						
National-----	***	***	***	***	***	***
Diamond-----	***	***	***	***	***	***
Forster-----	***	***	***	***	***	***
Penley-----	***	***	***	***	***	***
Total-----	5,946	4,385	1,561	1,008	553	9.3
1976:						
National-----	***	***	***	***	***	***
Diamond-----	***	***	***	***	***	***
Forster-----	***	***	***	***	***	***
Penley-----	***	***	***	***	***	***
Total-----	6,191	5,156	1,035	1,033	2	1/
1977:						
National-----	***	***	***	***	***	***
Diamond-----	***	***	***	***	***	***
Forster-----	***	***	***	***	***	***
Penley-----	***	***	***	***	***	***
Total-----	6,298	5,295	1,003	987	16	.3

1/ Less than 0.05 percent.

2/ Diamond and Penley have a calendar fiscal year. Forster's fiscal year ends on August 31, and thus is the only company to have completed its fiscal 1978 accounting year. National's fiscal year ends on March 31.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Note.--Individual numbers may not add to totals due to rounding.

Table E-9.--Aggregate profit-and-loss experience of the CVPA companies, on all products manufactured at their reporting establishments, 1973-77

Year and firm	Net sales	Cost of goods sold	Gross profit	Administrative and selling expenses	Net operating profit or (loss) before taxes	Ratio of net operating profit or (loss) to net sales
	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	Percent
1973:						
National	***	***	***	***	***	***
Diamond	***	***	***	***	***	***
Forster	***	***	***	***	***	***
Penley	***	***	***	***	***	***
Total	13,568	10,295	3,273	2,068	1,205	8.9
1974:						
National	***	***	***	***	***	***
Diamond	***	***	***	***	***	***
Forster	***	***	***	***	***	***
Penley	***	***	***	***	***	***
Total	17,000	12,507	4,493	2,405	2,088	12.3
1975:						
National	***	***	***	***	***	***
Diamond	***	***	***	***	***	***
Forster	***	***	***	***	***	***
Penley	***	***	***	***	***	***
Total	15,252	10,569	4,683	2,470	2,213	14.5
1976:						
National	***	***	***	***	***	***
Diamond	***	***	***	***	***	***
Forster	***	***	***	***	***	***
Penley	***	***	***	***	***	***
Total	17,112	13,106	4,006	2,615	1,391	8.1
1977:						
National	***	***	***	***	***	***
Diamond	***	***	***	***	***	***
Forster	***	***	***	***	***	***
Penley	***	***	***	***	***	***
Total	18,429	13,727	4,700	2,594	2,106	11.4

1/ Diamond and Penley have a calendar fiscal year. Forster's fiscal year ends on August 31, and this is the only company to have completed its fiscal 1978 accounting year. National's fiscal year ends on March 31.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Note.--In responding to the Commission's questionnaires, the four CVPA companies included freight charges for delivery of their merchandise to their customers in both their net sales figures and in their administrative and selling expense figures. In tables 14 and 15 those charges have been deducted to provide an f.o.b. value for net sales and f.o.b. costs for administrative and selling expense, but in table 16, the net sales and administrative and selling expense figures are presented on a delivered basis, as supplied by the producers in their questionnaire responses.

Table E-10.--Wood spring clothespins: F.o.b. prices of U.S. producers on their largest volume sales to their U.S. customers and weighted average f.o.b. prices of imported clothespins, by quarters, January 1973-December 1977

Period	(Per gross)									
	U.S. producers				Representatives prices for imports					
	Forster	Diamond	Penley	National	Poland	China	Romania	Taiwan	West Germany	Sweden
1973:										
Jan.-Mar---	***	***	***	***	***	-	***	\$1.75	***	***
Apr.-June--	***	***	***	***	***	-	***	1.75	***	***
July-Sept--	***	***	***	***	***	-	***	1.75	***	***
Oct.-Dec---	***	***	***	***	***	-	***	1.75	***	***
1974:										
Jan.-Mar---	***	***	***	***	***	-	***	1.75	***	***
Apr.-June--	***	***	***	***	***	-	***	1.75	***	***
July-Sept--	***	***	***	***	***	-	***	1.75	***	***
Oct.-Dec---	***	***	***	***	***	-	***	1.75	***	***
1975:										
Jan.-Mar---	***	***	***	***	***	\$1.70	***	1.65	***	***
Apr.-June--	***	***	***	***	***	1.70	***	1.65	***	***
July-Sept--	***	***	***	***	***	1.70	***	1.50	***	***
Oct.-Dec---	***	***	***	***	***	1.70	***	1.61	***	***
1976:										
Jan.-Mar---	***	***	***	***	***	1.56	***	1.40	***	***
Apr.-June--	***	***	***	***	***	1.56	***	1.39	***	***
July-Sept--	***	***	***	***	***	1.56	***	1.41	***	***
Oct.-Dec---	***	***	***	***	***	1.39	***	1.42	***	***
1977:										
Jan.-Mar---	***	***	***	***	***	1.38	***	1.40	***	***
Apr.-June--	***	***	***	***	***	1.35	***	1.39	***	***
July-Sept--	***	***	***	***	***	1.30	***	1.31	***	***
Oct.-Dec---	***	***	***	***	***	1.36	***	1.39	***	***

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Table E-11-Plastic spring clothespins: Prices of U.S. producers on their largest volume sales to their U.S. customers, and weighted average prices of imported clothespins, by quarters, January 1973-December 1977

(Per gross)						
Period	U.S. producers			Representative weighted overall prices of imports		
	Forster	Penley	Vermont	The Netherlands	Italy	
1973:	:	:	:	:	:	:
January-March-----:	***	***	***	***	***	***
April-June-----:	***	***	***	***	***	***
July-September----:	***	***	***	***	***	***
October-December--:	***	***	***	***	***	***
1974:	:	:	:	:	:	:
January-March-----:	***	***	***	***	***	***
April-June-----:	***	***	***	***	***	***
July-September----:	***	***	***	***	***	***
October-December--:	***	***	***	***	***	***
1975:	:	:	:	:	:	:
January-March-----:	***	***	***	***	***	***
April-June-----:	***	***	***	***	***	***
July-September----:	***	***	***	***	***	***
October-December--:	***	***	***	***	***	***
1976:	:	:	:	:	:	:
January-March-----:	***	***	***	***	***	***
April-June-----:	***	***	***	***	***	***
July-September----:	***	***	***	***	***	***
October-December--:	***	***	***	***	***	***
1977:	:	:	:	:	:	:
January-March-----:	***	***	***	***	***	***
April-June-----:	***	***	***	***	***	***
July-September----:	***	***	***	***	***	***
October-December--:	***	***	***	***	***	***
:	:	:	:	:	:	:
:	:	:	:	:	:	:
:	:	:	:	:	:	:
:	:	:	:	:	:	:

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Note.--Prices given for U.S. producers are delivered prices, prices given for imports are the importers' f.o.b. prices.

Table E-12-Wood roundhead clothespins: Prices of U.S. producers on their largest volume sales to their U.S. customers, and weighted average prices of imported clothespins, by quarters, January 1973-December 1977

Period	(Per gross)				Importers of clothespins from West Germany
	U.S. producers				
	Forster	Diamond	Penley	National	
1973:					
January-March-----	***	***	***	***	***
April-June-----	***	***	***	***	***
July-September-----	***	***	***	***	***
October-December-----	***	***	***	***	***
1974:					
January-March-----	***	***	***	***	***
April-June-----	***	***	***	***	***
July-September-----	***	***	***	***	***
October-December-----	***	***	***	***	***
1975:					
January-March-----	***	***	***	***	***
April-June-----	***	***	***	***	***
July-September-----	***	***	***	***	***
October-December-----	***	***	***	***	***
1976:					
January-March-----	***	***	***	***	***
April-June-----	***	***	***	***	***
July-September-----	***	***	***	***	***
October-December-----	***	***	***	***	***
1977:					
January-March-----	***	***	***	***	***
April-June-----	***	***	***	***	***
July-September-----	***	***	***	***	***
October-December-----	***	***	***	***	***

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Note.--Prices given for U.S. producers are delivered prices, prices given for imports are the importers' f.o.b. prices.

