

UNITED STATES TARIFF COMMISSION

SAFETY PINS

Report to the President on Investigation
No. TEA-IA-6 Under Section 351(d)(2)
of the Trade Expansion Act of 1962



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

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REPORT TO THE PRESIDENT

U.S. Tariff Commission,
May 17, 1965.

To the President:

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

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

Introduction

Following an escape-clause investigation by the Tariff Commission and a report to the President under section 7 of the Trade Agreements Extension Act of 1951, 2/ the tariff concession on safety pins granted in the General Agreement on Tariffs and Trade was modified by Presidential Proclamation No. 3212, dated November 29, 1957. 3/ Under the proclamation the import duty on safety pins was increased from 22-1/2 percent ad valorem to 35 percent ad valorem, effective after the close

1/ This report is also submitted as the Commission's annual report on safety pins for the purpose of sec. 351(d)(1) of the act.

2/ U.S. Tariff Commission, Safety Pins: Report to the President on Escape-Clause Investigation No. 53 . . . , 1957 (processed); and Safety Pins: Supplemental Report to the President on Escape-Clause Investigation No. 53 . . . , 1957 (processed). A prior escape-clause investigation on safety pins was terminated without findings on the merits by the Commission on June 22, 1954 (Report on Escape-Clause Investigation . . . No. 29 (Safety Pins) Under the Provisions of Section 7 of the Trade Agreements Extension Act of 1951, 1954 (processed).)

3/ 3 CFR, 1954-58 Comp., 137. The action taken by the President is reflected in pt. 2A of the appendix to the Tariff Schedules of the United States (item 943.10).

of business on December 30, 1957. Since then the Commission has maintained a continuing review of developments in the industry concerned. In connection therewith the Commission made five annual reports to the President on safety pins pursuant to paragraph 1 of Executive Order 10401 of October 14, 1952, and/or section 351(d)(1) of the Trade Expansion Act of 1962. 1/

The investigation to which this report relates was instituted on November 23, 1964, in response to a request received from the President on November 19, 1964. Public notice of the institution of the investigation and of a public hearing to be held in connection therewith was given by publication in the Federal Register (29 F.R. 15964) and in the December 3, 1964, issue of Treasury Decisions. The public hearing was held on February 2, 1965, and all interested parties were afforded opportunity to be present, to produce evidence, and to be heard.

The present report, as transmitted to the President, contains statistical data for all domestic producers of all-metal safety pins; there were six such producers in 1955-60 and five in 1961-64. Several earlier reports on safety pins, which were published by the Commission, contained data for only four domestic producers, i.e., the members of the Pin, Clip and Fastener Association. These data were generally representative of the aggregate safety-pin operations of all producers.

1/ Executive Order 10401 was revoked on Jan. 15, 1963, by sec. 12(b)(3) of Executive Order 11075 (28 F.R. 473). Reports on safety pins under Executive Order 10401 were made in Dec. 1959, Dec. 1960, and Jan. 1962; a report under both Executive Order 10401 and section 351(d)(1) was made in Dec. 1962; and a report under section 351(d)(1) was made in Dec. 1963.

Recently, however, the data for the members of the association have become less indicative of such operations. In view of the publication in earlier years of statistics for four producers and of the fact that those producers regularly report data on their operations to the association, publication of data for all producers would result in disclosure of the operations of certain individual firms. Therefore, statistics on U.S. production, sales, inventories, employment, and profit and loss, as well as other data derived from such statistics, are omitted from this report as released to the public.

Probable Economic Effect of Reduction or
Termination of the Increase in Duty
on Safety Pins

The safety-pin industry is a small one with less than \$4 million annual sales and 200 employees. It is dominated by four multiproduct firms: Scovill Manufacturing Co., with total sales of all products in 1964 of \$196 million; Risdon Manufacturing Co., with total sales of \$10 million; William Prym, Inc., associated by family ownership and management with a large foreign manufacturer of safety pins * * *; and Ideal Manufacturing Co. * * *. The industry is geographically concentrated: the bulk of the production is in the Naugatuck Valley of Connecticut, and nearly all of the remainder is in a nearby section of the State. Scovill recently established a new facility in Fayetteville, Tenn., but only a very small number of pins are produced there.

The pins are made in various sizes from brass or steel wire and are sold either in bulk or in small retail packages. Steel pins in bulk make up the largest share of total consumption. By far the largest amount of pins, as measured either by value or quantity, is sold in bulk to wholesalers and jobbers who, in turn, sell them primarily to the garment industry and the laundry and drycleaning trade.

The manufacture of safety pins represents a relatively small part of total dollar sales for all but one of the companies involved. Little capital investment is required and the rate of profit on sales of safety pins for the larger firms has been good over the past 4 years * * *.

The escape-clause action in 1957 increased the duty from 22-1/2 percent to 35 percent ad valorem. Though there have been year-to-year fluctuations in the intervening period, U.S. consumption has changed very little. Prices for domestic pins, too, are now basically the same as they were in 1956, although there have been several increases and decreases. The ratio of imports to apparent domestic consumption also has held fairly steady, averaging about 25 percent. The price spread between the domestic and imported articles, although narrower on most categories of pins than before the duty increase, has been roughly maintained in recent years. Within this generally stable framework, there have been changes in the mix of production, sales, prices, and imports as between the various types of pins.

The most significant recent development in the industry has been Scovill's purchase of Whitecroft, Ltd., one of the two large British producers. This means that two domestic manufacturers--Prym and Scovill--now have close foreign affiliations. Through 1964 only Prym had done any importing.

Hence we are here considering a small, highly concentrated, static, low-capital industry producing a high-volume, low-price standard item which can be readily imported.

The Commissioners hold divergent views on the probable economic effects of a duty reduction as set forth below.

Statement of Commissioners Dorfman, Fenn, and Culliton

Restoration of the trade-agreement rate of duty would tend to place a ceiling on domestic prices and would have a slightly negative impact

on domestic production. The reduction in the importers' selling prices that would be made possible by a decrease in duty to 22-1/2 percent ad valorem would be about 6 percent, or slightly more than 1 cent per gross for pins in bulk, and under 2 cents per gross pins for pins in retail packages. This price shift--even if the importers were to adjust their prices by the entire amount, which we doubt--would result in only very small dollar savings to any one of the multitude of wholesalers and consumers. However, since the producers and wholesalers deal in an extremely large number of similar high-volume, low-price standard products, and purchasing agents typically respond even to slight price differentials, one can expect some cutback of domestic production.

If there were no other changes in the competitive situation, this reduction in output could be expected to be small and might not even be significant enough to affect employment levels. Even if factors other than cost-price relationships, such as discouragement in the face of static demand, coupled with the withdrawal of the additional protection, should lead management to upset the precarious balance in which the industry finds itself and stimulate it to change the ratio of imported to domestic pins to a drastic extent (if Prym, for example, altered its mix significantly and Scovill began importing in large amounts), there would be no serious effects either on overall corporate profits or employment. The major corporations in this industry have great flexibility in both product mix and in their use of personnel because of the very wide range of generally similar articles which they manufacture, and they could be expected to make the necessary adjustments gradually and successfully.

* * * * *

Statement of Commissioners Talbot and Sutton

A reduction or termination of the increase in duty on safety pins would probably result in a decline at least of selected import prices, a resultant increase in imports, depressed profits, and a decline in domestic production accompanied by commensurate unemployment.

We are impressed by the facts that apparent consumption of safety pins in the United States has been virtually static for the last decade; that imports have consistently supplied about one-fourth of the market, although a greater share of retail-packaged pins than pins sold in bulk; that prices received by both producers and importers for identical pins in bulk are presently about the same, while importers' prices for pins in retail packages for the same type of pins are below those of domestic producers; that domestic production in 1964 was slightly higher than it was in 1957, but employment declined markedly; and that the ratio of aggregate profits on safety pins to aggregate net sales thereof declined in the period 1961-64 compared with the like ratio for 1954.

Restoration of the trade-agreement rate of duty could result in the prices of imported pins declining by as much as 6 percent. 1/ Under these circumstances, a price reduction by importers would cause U.S. producers' profits to decline further if the producers were to remain price competitive and retain their share of the market. With two of the

1/ A reduction in the rate of duty of less than the maximum possible under the law (from 35 percent to 22-1/2 percent ad valorem) would have less impact on importers' prices, and the resultant effects would be of correspondingly lesser magnitudes.

four domestic producers 1/ owning or having affiliations with foreign concerns that produce safety pins, it is likely that these two firms, finding it less and less profitable to manufacture safety pins domestically, would gradually shift production to their overseas plants, thereby idling domestic facilities.

Information Obtained in the Investigation

Description and uses

The safety pins of concern in this investigation are made of base metal, principally steel or brass, not plated with gold or silver and not commonly known as jewelry. They consist of metal-capped and plastic-capped pins. Stainless steel pin wires for plastic-capped pins are formed by the domestic manufacturers of all-metal safety pins and furnished to the firms that mold and attach the plastic caps. Most of the safety pins produced are of steel rather than brass, and are packaged in bulk for commercial, industrial, or institutional use rather than in retail packages for sale over the counter.

The most common sizes of steel safety pins are Nos. 1, 2, and 3, which range in length from 1-1/16 inches to 2 inches. The most common brass safety pins are midget sizes, Nos. 00 and 0, which are 3/4 inch and 7/8 inch in length. Both steel and brass safety pins are sold in retail packages (on cards, in bunches, and in blister packs) and in bulk quantities (generally 10-gross boxes). The steel pins in bulk are used

1/ The Star Pin Co., the fifth U.S. producer, is only a nominal manufacturer of safety pins.

chiefly by drycleaning and laundry establishments; the brass pins in bulk are used chiefly by the toy manufacturing and garment industries.

Safety pins are mass produced on equipment utilized, for the most part, exclusively in producing safety pins. Although some segments of this equipment can be used in the production of other light wire products and small metal stampings, they are rarely used for that purpose. In comparison with the fabricating equipment, the packaging equipment is simple in design and dependent on manual operation. The cost of labor employed in the packaging accounts for much of the total cost of pins sold in retail packages.

Staples, wire clips, and metal and plastic fasteners compete to some extent with safety pins, particularly in commercial and industrial uses.

U.S. customs treatment

Safety pins are dutiable in item 943.10 of the Tariff Schedules of the United States (TSUS) at the temporary rate of 35 percent ad valorem. This rate supplants the trade-agreement rate, 22-1/2 percent ad valorem, provided for in item 745.56 of the TSUS. As previously indicated, the 35-percent rate became effective in 1957 pursuant to Presidential Proclamation No. 3212.

Before enactment of the TSUS, safety pins were provided for in paragraph 350 of the Tariff Act of 1930; they were originally dutiable under that act at 35 percent ad valorem. The trade-agreement rate of 22-1/2 percent was established in the General Agreement on Tariffs and Trade, effective April 21, 1948 (table 1 in appendix A).

U.S. consumption

The apparent annual consumption of safety pins (sales by domestic producers plus imports less exports) showed no discernible trend from 1957 to 1964 * * *. The statistical data, which may not be published, indicate that apparent consumption was higher in 1957 and 1964 than in any intervening year. The 1957 figure was unusually high because importers entered substantial quantities for inventory in anticipation of the forthcoming tariff increase. The apparent consumption in 1964 reflected an increase in sales of both steel and brass pins by domestic producers--an increase attributable in part to increased activity in the garment and toy industries and in part to a promotional campaign designed to increase the use of safety pins by the drycleaning trade.

In recent years imports have supplied between 20 and 30 percent of the U.S. consumption of safety pins. They have supplied about a third of the market for such pins in retail packages and a smaller proportion of the market for bulk pins, which are sold largely for commercial, industrial, and institutional uses.

* * * * *

U.S. producers

During 1961-64, safety pins were produced by five concerns. ^{1/}

These concerns and their locations are as follows:

Scovill Manufacturing Co., Oakville Division, Oakville, Conn.
 The Risdon Manufacturing Co., Naugatuck, Conn.
 The Ideal Manufacturing Co., Beacon Falls, Conn.
 William Prym, Inc., Dayville, Conn.
 The Star Pin Co., Shelton, Conn.

The Scovill Manufacturing Co. is a large producer of brass, copper, and aluminum mill products, metal castings, and electrical appliances. Safety pins account for a small part of operations in the Oakville Division, where a variety of notions, special wire formings, and stampings are manufactured. This division, in turn, accounts for a small part of total operations by the company, which had total sales of all products of \$196 million in 1964. In addition to its operations at Oakville, Conn., the Oakville Division fabricates safety pins in a pilot operation at Fayetteville, Tenn., where it has recently established warehousing and packaging facilities. The Scovill Co. is a producer of safety pins abroad, as well as in the United States, as a result of its acquisition (in 1964) of Whitecroft, Ltd., one of the principal British manufacturers.

The Risdon Manufacturing Co. manufactures wire goods, lipstick cases, aerosol valves, laundry pins, and miscellaneous wire goods. Safety pins are manufactured in its Notions Division, located at Waterbury, Conn. Sales by the company in 1964 totaled \$10 million. Safety pins accounted

^{1/} A sixth company, the F. Kelly Co., of Derby, Conn., produced small amounts of safety pins until 1960, when it discontinued their manufacture. Four of the concerns listed above--all except the Ideal Manufacturing Co.--are members of the Pin, Clip and Fastener Association.

for a small part of the company's total sales, but for a considerable part of the sales by its Notions Division.

Besides safety pins, the Ideal Manufacturing Co. manufactures badge pins, drapery hooks, eyelets, and metal stampings for curtain-rod hardware. Safety pins account for a considerable part of the firm's total sales. Safety pins sold by this firm, which are packaged in bulk only, consist largely of midget brass pins.

William Prym, Inc., produces an extensive line of notions, including straight pins, buttons, eyelets, hooks and eyes, snap fasteners and thimbles. Safety pins account for a small part of sales of all products manufactured. The firm is associated by family ownership and management with the Prym Co. of Stolberg, Germany, a large manufacturer of safety pins, and its imports from the German firm account for an appreciable part of its sales of safety pins. The U.S. firm did not join in representations to the Commission by either producers or importers in either the investigation leading to the 1957 increase in duty or the present investigation.

The Star Pin Co. manufactures straight pins, hairpins, and hooks and eyes, as well as safety pins. It has packaged and distributed safety pins for many years, but has fabricated safety pins only since 1957, after acquiring the safety-pin machines of the De Long branch of the Scovill Manufacturing Co. Scovill disposed of these assets in compliance with a consent decree by the Federal Trade Commission. Although production by the De Long plant was considerable when it was owned by Scovill, production of safety pins by the Star company has been negligible. The

firm, however, has continued to purchase from Scovill and Risdon safety pins loose in barrels, which it packages, chiefly for sale at retail. 1/

* * * * *

U.S. production, sales, and inventories

U.S. producers' sales over a period of years have averaged about 10 million gross, valued at \$3 million to \$4 million a year. In 1964, production was larger than in any of the preceding 4 years; the quantity of sales was greater than in any other year since the early 1950's; the value of sales was larger than in all but 1 recent year; and yearend inventories were smaller than in any other recent year * * *.

Following the increase in duty at the end of 1957, domestic producers' sales of safety pins declined significantly in 1958. This decline is attributable to a general recession in the garment trade in 1958 and to sustained competition from imported pins, inventories of which had been built up by importers in 1957 in anticipation of the increase in duty. Producers' sales recovered sharply in 1959 following price reductions in 1958, declined again in 1960, and then rose almost steadily in 1961-64. A sharp rise in sales in 1964 was accounted for in large part by greater use of safety pins in certain types of women's garments which became fashionable in 1964 and by increased requirements for pins in the production of doll clothing and other textile products for which

1/ In the period covered by the 1956-57 investigation, when Star only packaged safety pins and did not fabricate them, the company was not considered a producer. * * *

demand was strong. The larger sales in 1964 resulted almost exclusively from greater sales of pins in bulk. * * *

* * * * *

Three producers of safety pins manufacture uncapped pin wires of stainless steel, used in the production of plastic-capped pins. * * * The plastic caps are molded and attached, and the completed pins packaged and sold by several small firms, the principal ones of which produce little else. Sales of the completed pins are estimated to have amounted to about \$800,000 in 1964. Although equal to a much larger proportion of the value, the plastic-capped pins were equal to less than 10 percent of the number of metal-capped pins sold in retail packages and to less than 3 percent of the total number sold in the United States in 1961-64.

Prices received by U.S. producers

Safety pins are sold by the domestic producers and the importers in both bulk and retail packages. The prices quoted are delivered prices, subject to a 2-percent discount for payment within 10 days.

The four members of the Pin, Clip and Fastener Association generally offer the pins they manufacture in the same types of packages at identical prices. * * *

Largely because of the cost of packaging, the price of safety pins sold in bunches by members of the Pin, Clip and Fastener Association is 40 to 70 percent higher than the price of pins in bulk, and the price of those on cards is 2 to 4 times as high as the price for like pins in bulk.

In 1957, when action on the recommendation by the Tariff Commission for an increase in the duty was pending, the members of the Pin, Clip and Fastener Association increased their prices by about 10 percent on safety pins in bulk (table 6) and by 20 to 35 percent on most safety pins in retail packages (table 7). In 1958, when the producers' sales were declining, the prices of brass pins in bulk were reduced by about 4 percent and the prices of pins in retail bunches were reduced by more than 25 percent. As demand recovered and sales increased in 1959, prices of steel and brass pins in bulk were increased by 4 to 10 percent; in January 1960, prices of pins in retail bunches were increased 10 to 15 percent. Prices of brass pins on cards and in bulk were reduced 4 to 11 percent in 1961, and prices of steel pins in bulk were reduced 6 or 7 percent in October 1964.

The data in tables 6 and 7 show that there have been no price changes (by members of the association) on steel pins on retail cards since 1957, no change on steel or brass pins in retail bunches since 1960, and no change on brass pins on cards or in bulk since 1961. The only recent price changes by the association members were those made on steel pins in bulk in October 1964. Members' prices on steel pins in bulk are now 10 to 13 percent higher than they were in 1956, and their prices for brass pins in bulk are about the same as they were in 1956. Their prices for some pins in retail bunches are slightly lower; for some they are slightly higher; and for some they are the same as those in effect in 1956. Prices for steel pins on cards are about 14 percent

higher, and those for brass pins on cards are slightly lower, than the prices in 1956.

* * * * *

U.S. imports

Although there are numerous importers, nine firms generally account for the great bulk of the imports. Among these firms are two retail chain stores which import for their own use, one U.S. producer of safety pins, and several jobbers of safety pins and other notions. Some of the imported safety pins are of soft steel and are inferior to the domestic product; most of them, however, including nearly all of those in bulk packages, are practically indistinguishable from domestic pins.

Imports as shown by official statistics averaged 4.8 million gross a year in 1955 and 1956; they totaled 6.0 million gross in 1957, when the increase in duty was pending. They declined to 3.0 million gross in 1958, and ranged from 3.6 million to 4.4 million gross annually in 1959-64, without showing any discernible trend (table 8). ^{1/} In the period 1961-64, importers' annual sales approximated the quantity imported, and their yearend inventories did not vary widely, being equivalent to 31 to 38 percent of sales (table 9).

In all years, imports, like U.S. producers' sales, consisted principally of steel rather than brass pins, and of pins in bulk rather than in retail packages (table 10). With the changes in the total

^{1/} The quantity reported in official statistics, although indicative of the trend, may understate actual imports as much as 20 percent because of the erroneous reporting of gross bunches as gross safety pins.

quantity, however, there were significant changes in the composition of imports. Between 1955 and 1961 a large decline occurred in the quantity of brass pins imported in bulk and of pins (whether steel or brass) entered in retail packages. By 1964, however, a decline in imports of steel pins in bulk had occurred while imports of brass pins in bulk had recovered somewhat, and imports of pins in retail packages had returned to their former level. On the basis of data furnished by the principal importers, total imports in 1955, 1961, and 1964 as given in official statistics were distributed by kind as follows (in millions of gross):

	<u>1955</u>	<u>1961</u>	<u>1964</u>
Bulk:			
Steel-----	2.3	2.3	1.7
Brass-----	.9	.4	.6
Retail:			
Steel-----	.9	.6	.9
Brass-----	.6	.3	.6
	<u>4.7</u>	<u>3.6</u>	<u>3.8</u>

The increase in imports of pins in retail packages since 1961 has occurred very largely in those entered by retailers. It has been accompanied by a small decline in sales of retail-packaged pins by domestic producers. For brass pins in bulk, on the other hand, the increase in imports since 1961 has taken place notwithstanding a large increase in domestic sales.

In recent years somewhat more than half of the imports have been obtained from the United Kingdom, and most of the remainder, from West Germany. Imports from Czechoslovakia, dutiable after November 1, 1951, at the 1930 rate of duty, increased after 1957, when imports from all countries became dutiable at the same rate, but they remained less than

10 percent of the total (table 11). Nearly all imports from the United Kingdom are obtained from Newey Brothers, Ltd., and Whitecroft, Ltd. In 1964 Newey Brothers acquired its principal British competitors, with the exception of Whitecroft, which, as stated earlier, was acquired by Scovill Manufacturing Co. Most imports from West Germany are obtained from the William Prym Co. of Stolberg, the major European producer.

By October 1959, following the increase in duty, importers' U.S. selling prices for pins in bulk were increased appreciably; subsequently, by October 1961, their prices for pins in retail packages were also increased (table 12). Importers' prices from 1961 to 1964 were practically unchanged. Importers' prices, in general, were much closer to the prices quoted by members of the Pin, Clip and Fastener Association in 1964 than in 1956. Importers' and domestic producers' prices per gross safety pins in those 2 years (from tables 6, 7, and 12) are compared in the following tabulation:

Item	Bulk		Retail bunches		
	Steel No. 1	Brass No. 00	Steel (small)	Brass	
				Small	Large
1956:					
Importers' prices-----	\$0.14	\$0.18	\$0.21	\$0.24	\$0.25
Producers' prices-----	.16	.20	.41	.32	.26
1964:					
Importers' prices-----	.17	.20	.27	.26	.26
Producers' prices-----	.17-3/5	.20	.39	.32	.29

* * * * *

Distribution

The Commission obtained data on the sales of safety pins in 1964 by type of sales outlet from all domestic producers and from importers that accounted for about three-fourths of the total value of imports in that year * * *. Wholesalers and jobbers were the principal sales outlet for both domestic producers and importers. Department stores, chain stores, and mail-order houses were of secondary importance to both suppliers, but of much greater significance to importers than to producers. Most of the remaining shipments by each went to industrial, commercial, professional, and institutional users.

Employment

Total employment in recent years in the plants where safety pins are manufactured has been somewhat more than 1,000 persons * * *. Approximately one-fifth of the man-hours worked by the production and related workers have been expended on the manufacture of safety pins. Total employment declined slightly from 1957 to 1964. Most of the decline, as shown by man-hours worked, occurred in the employment on safety pins. The decline took place notwithstanding an increase in the production of safety pins, and resulted in part from improvements in manufacturing and packaging techniques and in part from an increase in the proportion of safety pins packaged in bulk, for which less labor is required.

Profit-and-loss experience of U.S. producers

In this investigation the Commission obtained profit-and-loss data from the domestic producers for the years 1961-64. These data may be compared with like data for 1954 and 1955, the latest years for which complete data were available at the time of the Commission's escape-clause investigation in 1956-57.

The value of net sales and the net operating profit on all products of the establishments that produced safety pins were substantially greater in each of the years 1961-64 than in either 1954 or 1955; the ratios of net profit to net sales, however, were little different in 1961-64 than in 1954-55 * * *. For safety pins alone average annual net sales were somewhat larger in 1961-64 than in 1954-55; profit ratios in 1961-64 were higher than in 1955, but generally lower than in 1954.

* * * * *

APPENDIX A

TABLES

Table 1.---Safety pins: U.S. rates of duty, 1930-65

(Rate of duty in percent ad valorem)

Tariff Act of 1930, paragraph	TSUS item <u>1/</u>	Description	Rate of duty <u>2/</u>	Effective date and origin <u>3/</u>
350	-	Pins with solid heads, without ornamentation, not plated with gold or silver, and not commonly known as jewelry:		
	-	Safety pins-----	35	6-18-30 (statutory).
	-	Do-----	30	4-16-38 (BTA Czechoslovakia).
	-	Do-----	35	4-22-39 (Trade agreement with Czechoslovakia terminated).
	-	Do-----	22.5	4-21-48 (GATT).
	-	Do-----	35	12-31-57 (Presidential Proclamation No. 3212).
	-	Safety pins, * * *, all the foregoing without ornamentation:		
	-	Not plated with precious metal:		
	745.56	Safety pins-----	22.5	Temporarily suspended GATT rate.
	943.10	Do-----	35	Temporary escape-clause rate.

1/ The Tariff Schedules of the United States (TSUS) became effective on Aug. 31, 1963, but did not change the customs treatment applicable to safety pins.

2/ Reduced trade-agreement rates since 1951 have not been applicable to the products of designated Communist-dominated or Communist-controlled countries or areas.

3/ BTA signifies bilateral trade agreement; GATT, General Agreement on Tariffs and Trade; and TSUS, Tariff Schedules of the United States.

Table 6.--Safety pins in bulk: Wholesale prices quoted for specified categories of pins by U.S. producers, 1956 to March 1965 ^{1/}

(Cents per gross)

Kind and size ^{2/}	Price in late 1956	Date of price change				
		April	September	May	December	October
		1957	1958	1959	1961	1964
Steel, closed:						
Size 1-----	16.0	17.5	-	19.0	-	17.6
Size 2-----	23.0	25.0	-	27.0	-	25.3
Size 3-----	37.0	41.0	-	45.0	-	41.8
Brass, open:						
Size 00-----	20.0	22.0	21.0	22.0	20.0	-
Size 0-----	22.0	24.0	23.0	24.0	22.5	-

^{1/} Prices shown, which are those quoted by members of the Pin, Clip and Fastener Association for safety pins with unguarded coil in boxes containing 10 gross, are subject to 2-percent discount for prompt payment.

^{2/} The kinds and sizes of pins shown here are the most common ones sold in bulk by the producers.

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

Table 7.---Safety pins in retail packages: Wholesale prices quoted for specified categories of pins by U.S. producers, 1956 to March 1965 ^{1/}

Item ^{2/}	Composition of package and price in effect in late 1956	Date of change in price or in composition of package				September 1961
		October 1957	June 1958	January 1960	September 1961	
Pins (unguarded coil) in bunches:						
Steel, small bunches:						
Composition of bunch ^{3/}	7/1, 6/2, 4/3	10/1, 6/2, 4/3	15/1, 9/2, 4/3	14/1, 8/2, 3/3	\$9.72	
Price per gross bunches	\$7.00	\$9.72	\$9.72	\$9.72	\$0.39	
Price per gross pins	\$0.41	\$0.49	\$0.35			
Steel, large bunches:						
Composition of bunch ^{3/}	38/1, 24/2, 10/3	38/1, 24/2, 10/3	39/1, 26/2, 7/3	33/1, 22/2, 5/3	\$18.84	
Price per gross bunches	\$18.80	\$25.20	\$18.84	\$18.84	\$0.31	
Price per gross pins	\$0.26	\$0.35	\$0.26			
Brass, small bunches:						
Composition of bunch ^{3/}	15/00, 7/0	17/00, 8/0	20/00, 13/0	20/00, 10/0	\$9.72	
Price per gross bunches	\$7.00	\$9.72	\$9.72	\$9.72	\$0.32	
Price per gross pins	\$0.32	\$0.39	\$0.29			
Brass, large bunches:						
Composition of bunch ^{3/}	48/00, 24/0	48/00, 24/0	50/00, 22/0	46/00, 20/0	\$18.84	
Price per gross bunches	\$18.80	\$25.20	\$18.84	\$18.84	\$0.29	
Price per gross pins	\$0.26	\$0.35	\$0.26			
Pins on cards:						
Steel, size 2, unguarded coil:						
Number of pins per card	8	10				
Price per gross cards	\$6.72	\$9.72				
Price per gross pins	\$0.85	\$0.97				
Brass, size 2, guarded coil:						
Number of pins per card	6	8				
Price per gross cards	\$6.72	\$9.72			\$9.72	
Price per gross pins	\$1.12	\$1.22			\$1.08	

^{1/} Some of the price changes were made by altering the composition (number and size of pins) of the packages rather than by changing the quoted price per gross packages. The prices shown, which are those quoted by members of the Pin, Clip and Fastener Association, are subject to a 2-percent discount for prompt payment.

^{2/} The kinds of pins and types of packages shown here are the most common ones sold by the producers.

^{3/} "Composition of bunch" means the number and size of pins in each bunch. For example, "7/1, 6/2, 4/3" means that each bunch contains 7 No. 1 size pins, 6 No. 2 size pins, and 4 No. 3 size pins.

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

Table 8.--Safety pins: U.S. imports for consumption, 1955-64

Year	Quantity <u>1/</u> : 1,000 gross	Foreign value : 1,000 dollars	Unit value <u>1/</u> : Cents per gross
1955-----	4,660	507	10.9
1956-----	4,870	607	12.5
1957-----	6,001	827	13.8
1958-----	3,048	419	13.7
1959-----	3,706	559	15.1
1960-----	4,394	543	12.4
1961-----	3,608	498	13.8
1962-----	4,068	598	14.7
1963 <u>2/</u> -----	4,164	555	13.3
1964 <u>2/</u> -----	3,837	574	15.0

1/ The quantity as given here may be understated as much as 20 percent, and the unit value correspondingly overstated, because of the erroneous reporting of some gross bunches as gross safety pins.

2/ Preliminary.

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

Table 9.--Safety pins: Imports, sales, and inventories of pins imported into the United States by 23 importers, 1961-64

Year	Imports		Sales		Inventory at end of period	
	Quantity: 1,000 gross	Value: 1,000 dollars	Quantity: 1,000 gross	Value: 1,000 dollars	Quantity: 1,000 gross	Value: 1,000 dollars
	Unit value ^{1/} Per gross	Ratio to sales ^{1/} Percent				
1961	3,147	299	\$0.10	530	\$0.20	38
1962	3,160	391	.12	751	.25	31
1963	3,794	448	.12	910	.28	37
1964	3,708	428	.12	892	.26	37

^{1/} Calculated from the unrounded figures.

Source: Compiled from data submitted to the U.S. Tariff Commission by importers that accounted for about three-fourths of the total value of imports in 1964.

Table 10.—Safety pins: Imports into the United States by 23 importers, by type of packaging and kind of pin, 1961-64

(In thousands of gross)

Year	Bulk			Packaged for retail sale		
	Steel	Brass	Total or average	Steel	Brass	Total or average
1961-----	2,020	325	2,345	524	277	801
1962-----	1,611	250	1,861	821	476	1,297
1963-----	1,869	372	2,241	1,005	548	1,553
1964-----	1,649	589	2,238	916	555	1,471

Source: Compiled from data submitted to the U.S. Tariff Commission by importers that accounted for about three-fourths of the total value of imports in 1964.

Table 11.--Safety pins: U.S. imports for consumption, by principal sources, 1959-64

Country	1959	1960	1961	1962	1963	1964
	Quantity (gross) 2/					
United Kingdom	2,237,796	2,277,375	1,959,008	2,084,219	2,380,325	2,391,039
West Germany	1,281,641	1,661,747	1,337,403	1,647,804	1,510,651	1,088,821
Czechoslovakia	139,775	433,612	273,906	312,560	255,400	343,630
Japan	4,794	9,567	5,615	3,794	7,424	2,342
Netherlands	37,850	-	32,100	16,709	-	10,400
All other	3,971	12,127	347	2,464	10,400	300
Total	3,705,827	4,394,428	3,608,379	4,067,550	4,164,200	3,836,532
	Foreign value					
United Kingdom	\$374,419	\$319,233	\$316,524	\$359,632	\$352,763	\$397,416
West Germany	149,374	162,687	143,105	185,744	172,361	130,440
Czechoslovakia	20,538	54,423	31,167	38,794	25,331	39,667
Japan	2,200	4,063	1,786	6,496	2,546	2,592
Netherlands	9,823	-	4,898	3,961	-	2,834
All other	2,247	3,071	850	3,239	2,305	1,174
Total	558,601	543,477	498,330	597,866	555,306	574,123
	Average unit value (cents per gross) 2/					
United Kingdom	16.7	14.0	16.2	17.3	14.8	16.6
West Germany	11.7	9.8	10.7	11.3	11.4	12.0
Czechoslovakia	14.7	12.6	11.4	12.4	9.9	11.5
Japan	45.9	42.5	31.8	171.2	34.3	110.7
Netherlands	26.0	-	15.3	23.7	-	27.2
All other	56.6	25.3	245.0	131.5	22.2	391.3
Average	15.1	12.4	13.8	14.7	13.3	15.0

1/ Preliminary.

2/ The quantity as given here may be understated as much as 20 percent, and the unit value correspondingly overstated, because of the erroneous reporting of some gross bunches as gross safety pins.

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

Table 12.--Safety pins: Average net prices realized by importers, specified months, 1956-64

Item	March 1956	October 1959	October 1961	October 1962	October 1963	October 1964
Pins in bulk (price per gross pins):						
Steel, size 1, closed-----	\$0.14	\$0.17	\$0.17	\$0.17	\$0.17	\$0.17
Brass, size oo gilt, open-----	\$0.18	\$0.20	\$0.21	\$0.20	\$0.20	\$0.20
Pins in retail bunches:						
Steel:						
Small bunch:						
Number of pins per bunch-----	20	1/	20	21	21	21
Price per gross bunches-----	\$4.13	1/	\$5.34	\$5.59	\$5.60	\$5.61
Price per gross pins-----	\$0.21	1/	\$0.26	\$0.27	\$0.27	\$0.27
Large bunch:						
Number of pins per bunch-----	72	72	60	60	60	60
Price per gross bunches-----	\$18.12	\$17.17	\$17.52	\$17.40	\$17.40	\$17.40
Price per gross pins-----	\$0.25	\$0.24	\$0.29	\$0.29	\$0.29	\$0.29
Brass:						
Small bunch:						
Number of pins per bunch-----	25	25	20	21	21	21
Price per gross bunches-----	\$5.94	\$5.88	\$5.24	\$5.54	\$5.60	\$5.57
Price per gross pins-----	\$0.24	\$0.24	\$0.26	\$0.26	\$0.26	\$0.26
Large bunch:						
Number of pins per bunch-----	72	72	66	66	66	66
Price per gross bunches-----	\$18.12	\$17.17	\$17.52	\$17.40	\$17.40	\$17.40
Price per gross pins-----	\$0.25	\$0.24	\$0.26	\$0.26	\$0.26	\$0.26

1/ Not available.

Source: Compiled from data submitted to the U.S. Tariff Commission by importers that accounted for about three-fourths of the total value of imports in 1964.

