

UNITED STATES TARIFF COMMISSION

SAFETY PINS

**Report to the President (1962)
Under Executive Order 10401**



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UNITED STATES TARIFF COMMISSION

Ben Dorfman, *Chairman*

Joseph E. Talbot

Walter R. Schreiber

Glenn W. Sutton

William E. Dowling

J. Allen Overton, Jr.

Donn N. Bent, *Secretary*

Address all communications to
United States Tariff Commission
Washington 25, D. C.

UNITED STATES TARIFF COMMISSION
WASHINGTON 25, D. C.

OFFICE OF THE CHAIRMAN

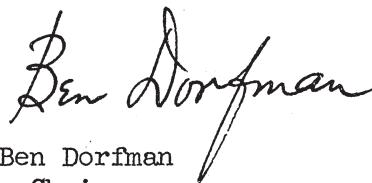
January 2, 1962

Dear Mr. President:

I have the honor to transmit the United States Tariff Commission's third report under paragraph 1 of Executive Order 10401 with regard to developments in the trade in safety pins since the modification of the tariff concession on such pins granted in the General Agreement on Tariffs and Trade.

The Commission is of the view that developments in the trade in safety pins do not indicate such a change in the competitive situation as to warrant institution at this time of a formal investigation under the provisions of paragraph 2 of Executive Order 10401.

Respectfully,



Ben Dorfman
Chairman

Enclosure

The President

The White House

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(TC28100)

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5. Safety pins: Sales by 4 U.S. manufacturers, U.S. imports for consumption, and apparent U.S. consumption, 1956-60, January-June 1960, and January-June 1961.
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(TC 28100)

U.S. TARIFF COMMISSION
Washington 25, D.C.

Safety Pins

Report to the President Under Paragraph 1 of Executive Order 10401
On Developments in the Trade in Safety Pins

Introduction

After investigation by the Tariff Commission and report to the President ^{1/} under section 7 of the Trade Agreements Extension Act of 1951, as amended (the escape-clause procedure), the President, by Proclamation No. 3212, dated November 29, 1957 (3 CFR, 1957 Supp., p. 51), modified the concession on safety pins granted in the General Agreement on Tariffs and Trade (GATT). The change in the U.S. customs treatment of safety pins resulting from this action became effective December 31, 1957.

Paragraph 1 of Executive Order 10401 of October 14, 1952 (3 CFR, 1949-1953, Comp., p. 901), requires the Tariff Commission to keep under review developments with regard to any product respecting which a trade-agreement concession has been withdrawn or modified pursuant to action taken under the escape-clause procedure, and to make periodic reports to the President concerning such developments. The first such report must be made not later than 2 years after the escape-clause action was taken, and subsequent reports are required at intervals of 1 year.

1/ 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).

If, in the judgment of the Tariff Commission, conditions of competition with respect to the trade in the imported articles and the like or directly competitive domestic products concerned have so changed as to warrant a formal investigation to determine whether the withdrawn or modified trade-agreement concession may be restored in whole or in part without resultant serious injury to the domestic industry, or upon request of the President, such a formal investigation must be instituted by the Tariff Commission under paragraph 2 of the order.

The first report on safety pins under paragraph 1 was submitted to the President on December 31, 1959, and the second on December 31, 1960. This, therefore, is the third report.

U.S. customs treatment

Safety pins are dutiable under paragraph 350 of the Tariff Act of 1930. As originally provided for in the act, the rate of duty was 35 percent ad valorem. Pursuant to a concession granted in the General Agreement on Tariffs and Trade negotiated at Geneva in 1947, the rate was reduced to 22-1/2 percent ad valorem, effective April 21, 1948. Following investigation by the Tariff Commission under section 7 of the Trade Agreements Extension Act of 1951, as amended, the tariff concession granted on safety pins in the General Agreement was modified by the President and the statutory rate of 35 percent ad valorem was restored on December 31, 1957. Table 1 in the statistical appendix shows the 1930 rate of duty and all subsequent changes.

Description of articles

The safety pins covered by this report are those made of base metal not plated with gold or silver and not commonly known as jewelry. All

of the imports, so far as is known, and much the greater part of the domestic production, consist of all-metal safety pins. Several concerns in the United States produce plastic-capped safety pins, but the production of these pins is small. The information contained in the remainder of this report, therefore, is confined to all-metal safety pins.

Domestic industry

In 1961, safety pins were produced by the following five concerns:

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

A sixth company, the F. Kelly Co., of Derby, Conn., produced small amounts of safety pins until 1960, when it discontinued their manufacture.

The Oakville Co. Division is by far the principal producer. This division is one of several operated by the Scovill Manufacturing Co. The Risdon Manufacturing Co. is the only other producer that operates more than one plant. Its safety pins, together with other wire products, are produced in its Waterbury (Conn.) plant. Safety pins comprise a substantial part, but in no instance do they comprise the bulk, of the total sales of the plants in which they are manufactured.

The Star Pin Co. did not produce safety pins until 1957, after acquiring the safety-pin assets of the DeLong branch of the Oakville Co. Division. Although production of safety pins by the DeLong Company had been substantial, production by the Star Pin Co. has been small, and most of the safety pins sold by that concern have been purchased from other manufacturers.

All of the domestic producers except the Ideal Manufacturing Co. and the F. Kelly Co. have reported their sales of safety pins to the Pin, Clip and Fastener Association. In order that the operations of individual concerns may not be disclosed, the statistical data contained in this report, as in previous ones, relate only to the operations of the association members.

Domestic production and sales.--In 1960 the four concerns for which information may be published produced 7.4 million gross of safety pins (table 2). This quantity was substantially below the average of 9.2 million gross produced in 1956-59, and was smaller than the quantity produced in any year since 1952. In the first 6 months of 1961, the production was 4.3 million gross, a quantity slightly larger than in the corresponding months of 1960.

Sales of safety pins in 1960 and the first 6 months of 1961 differed but slightly from production. The number of safety pins (3.4 million gross) held in inventory by the producers on June 30, 1961, was therefore almost the same as the number (3.6 million gross) held on December 31, 1959.

Employment and wages.--The average number of persons employed on all products in plants manufacturing safety pins declined from 1,263 in 1956-59 to 1,179 in 1960 and to 1,152 in the first 6 months of 1961 (table 3). Based on man-hours of production workers, employment attributable to safety pins declined from an average of 211 persons in 1956-59 to 173 in 1960 and to 167 in the first 6 months of 1961. Somewhat more than half of the number in all years is accounted for by the Oakville Co. Division of the Scovill Manufacturing Co.

Average hourly earnings of production and related workers for labor on safety pins increased from \$2.21 in 1958 to \$2.34 in 1960, and amounted to \$2.31 in the first 6 months of 1961. Total wages paid to workers on safety pins amounted to \$899,000 in 1958, \$973,000 in 1959, and \$832,000 in 1960. Wages paid in the first 6 months of 1961 amounted to \$397,000 (an annual rate of \$794,000).

Prices.--Safety pins, which are made of steel or of brass wire, are sold in bulk for use by laundries, hospitals, and industrial establishments, or in bunches or on cards for distribution at retail. Unit prices vary widely for steel pins and brass pins and for the same kind of pins in different forms of packaging. The several domestic manufacturers put up pins in the same types of packages and generally charge the same prices for the same kinds of pins in the same types of packages.

Safety pins marketed in bulk are priced per gross of safety pins and are usually sold in boxes of 5- or 10-gross. Those in retail packages are priced per gross (or per dozen) packages. The packages are generally designed for sale over the retail counter at 15 cents (formerly 10 cents) or 29 cents per package. Most changes in the unit prices for pins in retail packages are accomplished by changing the number of pins contained in a package.

During the period March 1956 to October 1960, the price of safety pins sold in bulk, which comprise about two-thirds of the total number sold, increased 10 to 20 percent. During the same period, the unit price of safety pins sold in small bunches changed imperceptibly, although bunches designed to sell over the counter for 10 cents were replaced by larger bunches to sell for 15 cents. The unit price of pins sold on

retail cards and in large bunches, however, increased substantially. From October 1960 to October 1961 producers' prices were unchanged (table 4).

U.S. imports

Imports of safety pins increased from 3.0 million gross in 1958 to 4.6 million gross in 1960. Imports in 1960 were smaller than in 1957 (6.0 million gross), when there were large entries in anticipation of the forthcoming increase in duty, but were almost as large as at the previous peak (4.9 million gross) in 1956 (table 5). Imports in the first 9 months of 1961 amounted to 2.5 million gross, compared with 3.1 million gross in the corresponding period of 1960 (table 6).

Imports from the United Kingdom accounted for about 60 percent of the total quantity of safety pins imported during 1957-59, and for 45 to 55 percent in 1960 and the first 9 months of 1961. Most of the remaining imports came from West Germany and Czechoslovakia (table 7).

U.S. consumption ^{1/}

Compared with an average of 13.3 million gross in 1956-59, the apparent consumption of safety pins (sales by U.S. producers plus imports less exports) amounted to 12.4 million gross in 1960. Apparent consumption in the first 6 months of 1961 was almost the same as in the corresponding period of 1960 (table 5).

The ratio of imports to apparent consumption declined from 37.5 percent in 1960, when it was almost as high as in 1957, to 26.6 percent in the first 6 months of 1961.

^{1/} As previously stated, in order that the operations of an individual manufacturer may not be disclosed, statistics on sales by domestic producers are given in this report only for the four companies that are members of the Pin, Clip and Fastener Association. If sales by all of the domestic producers were taken into account, apparent consumption would be somewhat greater and the ratio of imports to consumption somewhat less than is stated in this section.

STATISTICAL APPENDIX

Table 1.--Safety pins: Changes in U.S. rates of duty under the Tariff Act of 1930, 1930-61

Tariff Act of 1930				
Tariff paragraph and description	Statutory rate	Rate	Authority	Effective date
Par. 350: Pins with solid heads, without ornamentation, including hair, safety, hat, bonnet, * * *; all the foregoing not plated with gold or silver, and not commonly known as jewelry: Safety pins-----	35% ad val.	30% ad val.	Trade agreement with Czechoslovakia.	Apr. 16, 1938.
		35% ad val.	Trade agreement with Czechoslovakia terminated.	Apr. 22, 1939.
		22.5% ad val.	General Agreement on Tariffs and Trade.	Apr. 21, 1948.
		35% ad val.	Presidential Proclamation No. 3212.	Dec. 31, 1957.

Table 2.--Safety pins: U.S. production, sales, and inventories at end of period, for 4 manufacturers, 1956-60, January-June 1960, and January-June 1961

Year or period	Production		Sales		Inventory at end of period		Ratio to sales Percent
	Gross	Quantity	Value	Unit value	Quantity	Gross	
1956	9,605,621	8,972,594	\$2,758,763	\$0.31	2,668,069		29.7
1957	9,679,447	9,049,084	3,067,196	.34	3,299,169		36.5
1958	7,540,300	7,981,887	2,670,748	.33	3,003,920		37.6
1959	10,077,106	9,508,056	3,036,793	.32	3,573,871		37.6
1960	7,402,968	7,775,866	2,861,676	.37	3,200,866		41.2
January-June-- 1960	4,065,546	3,937,532	1,466,198	.37	3,701,885		1/ 47.0
1961	4,308,109	4,150,871	1,456,026	.35	3,358,551		1/ 40.5

1/ At the annual rate of sales in January-June.

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

Table 3.--Employment and wages in 4 U.S. plants manufacturing safety pins, 1956-60, January-June 1960, and January-June 1961

Year or period	Total employment, all products	Average number, all products	Production and related workers					
			Total man-hours		Total wages paid		Hourly earnings	
			All products	Safety pins	All products	Safety pins	All products	Safety pins
1956	1,214	949	1,984,505	461,850	\$4,008,800	\$927,544	\$2.02	\$2.01
1957	1,317	1,033	2,166,817	466,087	4,536,117	983,667	2.09	2.11
1958	1,277	998	1,955,848	406,957	4,282,177	899,128	2.19	2.21
1959	1,243	976	2,144,941	426,852	4,861,466	972,570	2.27	2.28
1960	1,179	921	1,889,979	355,898	4,405,937	832,316	2.33	2.34
January-June 1960	1,183	921	955,949	186,020	2,236,603	433,927	2.34	2.33
1961	1,152	893	921,312	172,099	2,123,173	397,152	2.30	2.31

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

Table 4.--Safety pins: Net prices to wholesalers, by 4 U.S. producers, in specified periods, 1956-61

Item	March 1956	October 1959	October 1960	October 1961
Pins in bulk:				
Hard steel, size 1, closed-----	\$0.16	\$0.19	\$0.19	\$0.19
Brass, size 00 gilt, open-----	\$0.20	\$0.22	\$0.22	\$0.22
Pins in retail bunches:				
Hard steel:				
Small bunch:				
Number of pins per bunch-----	17	28	25	25
Price per gross bunches-----	\$6.86	\$9.53	\$9.53	\$9.53
Price per gross pins-----	\$0.40	\$0.34	\$0.38	\$0.38
Large bunch:				
Number of pins per bunch-----	72	72	60	60
Price per gross bunches-----	\$18.42	\$18.46	\$18.46	\$18.46
Price per gross pins-----	\$0.26	\$0.26	\$0.31	\$0.31
Brass:				
Small bunch:				
Number of pins per bunch-----	22	33	30	30
Price per gross bunches-----	\$6.86	\$9.53	\$9.53	\$9.53
Price per gross pins-----	\$0.31	\$0.29	\$0.32	\$0.32
Large bunch:				
Number of pins per bunch-----	72	72	66	66
Price per gross bunches-----	\$18.42	\$18.46	\$18.46	\$18.46
Price per gross pins-----	\$0.26	\$0.26	\$0.28	\$0.28
Pins on retail cards:				
Brass, size 2:				
Number of pins per card-----	7	8	8	8
Price per gross cards-----	\$6.72	\$9.53	\$9.53	\$9.53
Price per gross pins-----	\$0.96	\$1.19	\$1.19	\$1.19

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

Table 5.--Safety pins: Sales by 4 U.S. manufacturers, U.S. imports for consumption, and apparent U.S. consumption, 1956-60, January-June 1960, and January-June 1961

Year or period	Sales by U.S. producers			Imports for consumption	Apparent consumption ^{1/}	Ratio of imports to apparent consumption ^{2/}
	Total		Export			
	Gross	Domestic	Gross			
1956	8,972,594	8,958,456	14,138	4,869,938	13,828,394	35.2
1957	9,049,084	9,033,199	15,885	6,001,231	15,034,430	39.9
1958	7,981,887	7,970,369	11,518	3,048,284	11,018,653	27.7
1959	9,508,056	9,490,853	17,203	^{3/} 3,705,827	13,196,680	28.1
1960	7,775,866	7,754,570	21,296	^{3/} 4,643,584	12,398,154	37.5
January-June-- 1960	3,937,532	3,926,742	10,790	^{3/} 1,943,444	5,870,186	33.1
1961	4,150,871	4,146,127	4,744	^{3/} 1,501,145	5,647,272	26.6

^{1/} Total sales by the producers plus imports less exports.

^{2/} The ratio would be somewhat lower if it were based on total sales by the U.S. industry, but, as explained in the report, in order that individual operations may not be disclosed, statistics are given only for the manufacturers that report their sales to the Pin, Clip and Fastener Association.

^{3/} Preliminary.

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

Table 6.--Safety pins: U.S. imports for consumption, by months, 1957-60 and January-September 1961

Month	1957	1958	1959 <u>1/</u>	1960 <u>1/</u>	Jan.-Sept. 1961 <u>1/</u>
Quantity (gross)					
January-----	403,930	81,215	202,797	208,119	342,391
February-----	371,916	201,933	277,787	179,786	164,750
March-----	713,008	65,758	385,831	349,232	285,567
April-----	457,621	306,749	267,859	337,772	157,674
May-----	291,229	137,104	444,254	367,887	214,130
June-----	448,215	143,493	246,040	500,648	336,633
July-----	342,815	237,412	364,385	314,548	382,984
August-----	246,948	271,001	233,464	659,431	342,655
September-----	288,792	548,359	265,411	229,832	322,730
October-----	536,921	213,272	246,994	228,961	-
November-----	555,451	599,887	403,959	584,204	-
December-----	1,344,385	242,101	367,046	683,164	-
Total-----	6,001,231	3,048,284	3,705,827	4,643,584	2,549,514
Foreign value					
January-----	\$48,793	\$10,059	\$31,766	\$30,128	\$44,708
February-----	53,174	29,556	45,182	30,669	24,224
March-----	87,373	9,867	55,758	41,188	40,411
April-----	67,566	47,810	41,826	46,147	23,993
May-----	43,710	17,045	46,963	38,805	24,563
June-----	70,472	22,763	35,460	63,613	46,835
July-----	43,776	31,288	61,949	44,173	58,510
August-----	32,364	41,485	36,312	49,819	42,167
September-----	56,084	53,053	49,243	45,947	49,355
October-----	67,394	33,190	39,835	30,082	-
November-----	74,095	82,032	51,085	63,064	-
December-----	181,776	40,671	63,222	59,842	-
Total-----	826,577	418,819	558,601	543,477	354,766

1/ Preliminary.

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

Table 7.--Safety pins: U.S. imports for consumption, by specified sources, 1957-60 and January-September 1961

Country	1957	1958	1959 ^{1/}	1960 ^{1/}	Jan-Sept. 1961 ^{1/}
Quantity (gross)					
United Kingdom-----	3,428,497	1,824,392	2,237,796	2,277,375	1,376,964
West Germany-----	2,459,479	1,158,520	1,281,641	1,910,903	986,097
Japan-----	22,130	4,500	4,794	9,567	5,115
Czechoslovakia-----	12,325	49,011	139,775	433,612	149,238
All other-----	78,800	11,861	41,821	12,127	32,100
Total-----	6,001,231	3,048,284	3,705,827	4,643,584	2,549,514
Foreign value					
United Kingdom-----	\$509,554	\$274,784	\$374,419	\$319,233	\$221,596
West Germany-----	299,894	132,692	149,374	162,687	106,538
Japan-----	5,543	2,608	2,200	4,063	1,631
Czechoslovakia-----	4,622	5,121	20,538	54,423	20,103
All other-----	6,964	3,614	12,070	3,071	4,898
Total-----	826,577	418,819	558,601	543,477	354,766
Unit value (cents per gross)					
United Kingdom-----	14.9	15.1	16.7	14.0	16.1
West Germany-----	12.2	11.5	11.7	8.5	10.8
Japan-----	25.0	58.0	45.9	42.5	31.9
Czechoslovakia-----	37.5	10.4	14.7	12.6	13.5
All other-----	8.8	30.5	28.9	25.3	15.3
Average-----	13.8	13.7	15.1	11.7	13.9

^{1/} Preliminary.

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