UNITED STATES INTERNATIONAL TRADE COMMISSION

SLIDE FASTENERS AND PARTS THEREOF

Report to the President
on Investigation No. TA-201-6
Under Section 201 of the Trade Act of 1974

USITC Publication 757
Washington, D.C.
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Note.--The whole of the Commission's report may not be made public since it contains certain information that would result in the disclosure of the operations of individual concerns. This published report is the same as the report to the President, except that the above-mentioned information has been omitted. Such omissions are indicated by asterisks.

REPORT TO THE PRESIDENT

U.S. International Trade Commission,
February 18, 1976.

To the President:

In accordance with section 201(d)(1) of the Trade Act of 1974 (88 Stat. 1978), the United States International Trade Commission herein reports the results of an investigation made under section 201(b)(1) of that act, relating to slide fasteners and parts thereof.

The investigation was undertaken to determine whether--

> slide fasteners and parts thereof, including tapes in continuous lengths but not including tapes wholly of textile fibers, provided for in items 745.70, 745.72, and 745.74 of the Tariff Schedules of the United States,

are being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or the threat thereof, to the domestic industry producing articles like or directly competitive with the imported articles.

The investigation was instituted on August 28, 1975, upon receipt of a petition filed on August 18, 1975, by the Slide Fastener Association.

Notice of the investigation and hearing was published in the Federal Register of September 4, 1975 (40 F.R. 40878). A public hearing in connection with the investigation was conducted from November 24 through November 26, 1975, in the Commission's hearing room in Washington, D.C. All interested parties were afforded an opportunity to be

present, to produce evidence, and to be heard. A transcript of the hearing and copies of briefs submitted by interested parties in connection with the investigation are attached. 1/

The information for this report was obtained from fieldwork, from responses to questionnaires sent to domestic manufacturers, importers, distributors, and end users, and from the Commission files, other Government agencies, evidence presented at the hearings, briefs filed by interested parties, and other sources.

Determinations, Findings, and Recommendations of the Commission

The Commission, being equally divided, 2/ makes no determination 3/ of whether slide fasteners and parts thereof, including tapes in continuous lengths but not including tapes wholly of textile fibers, provided for in items 745.70, 745.72, and 745.74 of the Tariff Schedules of the United States, are being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or the threat thereof, to the domestic industry producing articles like or directly competitive with the imported articles.

1/ Attached to the original report sent to the President, and available for inspection at the U.S. International Trade Commission, except for material submitted in confidence.

2/ Commissioners Moore, Parker, and Ablondi voted in the affirmative and Commissioners Leonard, Minchew, and Bedell voted in the negative. Section 330(d) of the Tariff Act of 1930, as amended, requires that in a situation of this kind, the findings of each group of Commissioners be transmitted to the President and provides that those of either group may be considered by the President as the findings of the Commission. Commissioner Moore is of the view that section 330(d) of the Tariff Act of 1930 applies in this case, but that the provisions thereof give the President only the option of considering the findings *and recommendations* of Commissioners Moore, Parker, and Ablondi as the findings and recommendations of the Commission. In other words, the proviso to section 330(d) is not operative in this case by reason of the fact that the three Commissioners who voted unanimously in the negative are not unanimous also as to remedy since only two of them voted on the recommendation and the third, in effect, abstained from voting.

3/ Commissioner Parker is of the view that the Commission has made a conditional affirmative and a conditional negative vote and by operation of law the President can accept either.

Determinations

On the basis of the Commission investigation, Commissioners Moore, Parker, and Ablondi determine--

> That slide fasteners and parts thereof, including tapes in continuous lengths but not including tapes wholly of textile fibers, provided for in items 745.70, 745.72, and 745.74 of the Tariff Schedules of the United States, 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 slide fasteners and parts thereof.

Commissioners Leonard, Minchew, and Bedell determine--

> That slide fasteners and parts thereof, including tapes in continuous lengths but not including tapes wholly of textile fibers, provided for in items 745.70, 745.72, and 745.74 of the Tariff Schedules of the United States, are not being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or the threat thereof, to the domestic industry producing articles like or directly competitive with the imported articles.

Findings and recommendations

Commissioners Moore, Parker, and Ablondi find that--

> Adjustment assistance under chapters 2, 3, and 4 of the Trade Act of 1974 can effectively remedy the serious injury suffered by the domestic producers of slide fasteners and parts thereof and recommend the provision of such assistance.

Commissioners Leonard and Bedell find that--

> No increase in any duty nor any import restriction on the imported articles which are the subject of this investigation is necessary and do not recommend the provision of adjustment assistance.

Commissioner Minchew, noting that the Commission has not found with respect to any article, as a result of its investigation, the serious injury, or the threat thereof, described in section 201(b), finds, pursuant to section 201(d), that--

No Commission recommendation of remedy is necessary.

Affirmative Views of Commissioners George M. Moore, Joseph O. Parker, and Italo H. Ablondi 1/

On August 18, 1975, the United States International Trade Commission received a petition filed by the Slide Fastener Association, New York, New York, requesting an investigation under section 201 of the Trade Act of 1974 with respect to imports of slide fasteners and parts thereof. On August 28, 1975, the Commission instituted an investigation to determine whether slide fasteners and parts thereof provided for in items 745.70, 745.72, and 745.74 of the Tariff Schedules of the United States (TSUS), are being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or the threat thereof, to the domestic industry producing articles like or directly competitive with such imported articles.

The Trade Act of 1974 requires that each of the following conditions be met before an affirmative determination can be made:

1/ Commissioner Ablondi would further state that one of the economic factors contributing to the serious injury has been the nature and economic impact of import competition. The nature of the imports considered here is unlike that of imports in earlier sec. 201 investigations in that more than *** percent of all U.S. imports of slide fasteners and parts have come from one company, Yoshida Kogyo K.K., Japan (YKK). YKK, which produces more than 90 percent of the slide fasteners and parts sold in Japan, is one of the largest zipper producers in the world, accounting for approximately 25 percent of total world zipper production. YKK has been able to bring its vast resources to bear in aggressively penetrating the U.S. market. YKK's monopolistic control of production in Japan enables it to control its marketing and sales in the United States more effectively, much to the detriment of the U.S. industry.

Serious injury

Section 201(b)(2)(A) of the Trade Act provides guidelines with respect to the factors to be considered in determining whether the domestic industry is seriously injured. The Commission is to consider, among other economic factors, the significant idling of productive facilities in the industry, the inability of a significant number of firms to operate at a reasonable level of profit, and significant unemployment or underemployment within the industry.

With respect to significant idling of productive facilities, at least 25 former manufacturers of slide fasteners have ceased or curtailed operations since 1970. Total shipments of domestically produced slide fasteners and parts thereof declined by approximately 345 million units from 1972 to 1974.

During the course of its investigation, the Commission obtained profit-and-loss data from firms accounting for about 80 percent of the domestic production of slide fasteners during the period 1970-74. These data show that net operating profit for these firms decreased steadily from approximately $21 million in 1971 to approximately $3.5 million in 1973 and that they experienced a net operating loss of approximately $7 million in 1974. The ratio of net operating profit or loss to net sales decreased from a 12.4-percent profit in 1971 to a 4.8-percent loss in 1974.

After remaining relatively stable from 1970 through 1972, total employment in domestic establishments in which slide fasteners and parts were produced declined 17 percent from the latter year to the end of 1974. Similarly the number of man-hours worked by production and related workers in such establishments declined more than 20 percent from 1972 to 1974.

Upon the basis of the evaluation of the economic factors set forth above, we have concluded that the domestic industry is seriously injured.

Substantial cause

The Trade Act contains both a definition of the term "substantial cause" and certain guidelines to be considered by the Commission in determining whether increased imports are a substantial cause of the requisite serious injury. Section 201(b)(4) of the Trade Act defines the term "substantial cause" to mean "a cause which is important and not less than any other cause." The guidelines to be considered by the Commission with regard to substantial cause are contained in section 201(b)(2)(C), which states that in making its determination:

> The Commission shall take into account all economic factors which it considers relevant, including (but not limited to) . . . with respect to substantial cause, an increase in imports (either actual or relative to domestic production) and a decline in the proportion of the domestic market supplied by domestic producers.

It is possible that a review in the Commission investigation of all the relevant economic factors will reveal that several factors contributed to the serious injury suffered by the domestic industry. While the report of the Committee on Finance indicates that increased imports cannot be a substantial cause of serious injury if they are "just one of a multitude of equal causes", 1/ the statutory criteria are satisfied if increased imports are the single most important or one of several coequally important causes.

As noted above, imports are increasing both in actual terms and relative to domestic production. There has also been a steady decline in the proportion of the domestic market supplied by domestic producers. In terms of value, the percentage of domestic consumption accounted for by imports increased steadily from *** percent in 1970 to *** percent in 1974.

1/ U.S. Senate, supra note 1, p. 6, at p. 120.

After reaching a peak in 1972, domestic consumption of slide fasteners experienced a decline in both 1973 and 1974, a trend which apparently continued during 1975. The Commission investigation revealed that several factors contributed to this decline. Important style changes after 1972 reduced demand for slide fasteners. In the post-1972 period, demand for women's boots, men's suits, and separate trousers weakened. Stretch fabrics, elastic waist bands, and snap fasteners began to replace zippers in certain garments. Consumption of slide fasteners was further influenced by recessionary pressures. Purchases of apparel and footwear declined, and the slump in housing starts reduced consumer demand for upholstered furniture.

The Commission's investigation of the price relationship between six comparable types of domestic and imported merchandise showed that, for five of the six types of slide fasteners, import prices were generally below domestic prices, and for only one type were import prices above domestic prices. The Commission's investigation revealed a number of specific instances in which sales and customers were lost by the domestic industry as a result of the lower prices at which comparable imported products were being offered.

From the first quarter of 1970 to the third quarter of 1975 the price index of a representative sample of domestically produced slide fasteners increased by 30.4 percent. Over the same period the

Because the relief provided in (A) and (B) above, are expressed in the disjunctive, the Commission is to recommend to the President either (A) or (B), but not both. On the basis of the evidence established by the Commission investigation, we have determined that adjustment assistance can more effectively remedy the injury suffered by the domestic industry than the imposition of increased duties.

Adjustment assistance, properly conceived and administered, will provide the flexibility essential to the firms in the domestic industry, certified as eligible by the Secretary of Commerce, in taking the steps which will enable them to adjust to import competition. Such adjustment assistance could include loans or loan guarantees for construction, development, modernization, or use as working capital. In addition, such assistance could include managerial advice and counseling, research and development assistance, and market research. Through adjustment assistance, the industry will be able to improve its production and marketing techniques and to undertake the research and development necessary to enable it to adjust to import competition.

Views of Chairman Will E. Leonard
and Commissioner Catherine Bedell

On August 28, 1975, the Commission instituted an investigation to determine whether slide fasteners and parts thereof (hereinafter referred to as zippers[1/]) are being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or the threat thereof, to the domestic industry producing articles like or directly competitive with such imported articles.

U.S. production of zippers and parts thereof, as well as other similar fastening devices amounted to approximately $350 million in 1974. There are approximately 65 companies engaged in the production or assembly of zippers and zipper parts in the United States. While the majority of the producers are located in the New York metropolitan area, the largest facilities devoted to the production of zippers and parts are located in the Southeast. Domestic production of zippers and parts was valued at approximately $175 million in 1974. Imports of zippers and parts thereof were valued at approximately*** million in 1974.

The Trade Act of 1974 (Trade Act) requires that each of the following conditions be met before an industry may be eligible for import relief:

1/ The term "zipper" was originally a trademark owned by the Goodrich Rubber Co. and used to describe rubber boots which incorporate a slide fastener. The trademark has fallen into the public domain.

(1) Imports of the article concerned must be entering in increased quantities;

(2) The domestic industry producing articles like or directly competitive with the imported article must be experiencing serious injury or the threat thereof; and

(3) The increased imports referred to in (1) above must be a substantial cause of the injury, or the threat thereof, referred to in (2) above.

Determination

As a result of evidence obtained by the Commission during the course of this investigation (No. TA-201-6), we determine that the criteria for an industry to be eligible to receive import relief set forth in section 201(b)(1) of the Trade Act have not been met. Specifically, we find that the third criterion has not been met, i.e., that any increased imports of zippers and parts thereof are not a substantial cause of any serious injury, or the threat thereof, to the domestic industry producing articles like or directly competitive with the imported zippers and parts thereof.

Since the criteria of section 201(b)(1) are cumulative, the failure to satisfy any one of the criteria necessitates the making of a negative determination, no matter what the facts show with respect to the other criteria. Because the instant negative determination is based on a finding that the "substantial cause" criterion is not met, the following discussion is limited to that criterion alone. Such a finding makes it unnecessary to consider other issues which may have been raised in this investigation or to discuss other criteria.

The industry focused upon

During the course of this investigation, the Commission examined the impact of imports of zippers and parts on domestic facilities producing several forms of closure devices other than zippers and parts thereof, such as buttons and snap fasteners. The Commission investigation revealed that the facilities devoted to the production of these other forms of closure devices apparently have not been adversely affected by the importation of zippers and parts. Therefore, examination herein of the impact of imports of zippers and zipper parts is limited to the impact upon the domestic facilities devoted to the production of zippers and zipper parts, which form one of several possible domestic industries producing articles like or directly competitive with the imported articles under investigation and are the most likely domestic production facilities to be affected adversely by such imports. The discussion of substantial cause which follows is thus similarly limited.

"Substantial cause" criterion not satisfied in this investigation[1/]

The term "substantial cause" is new to the criteria which must be met in order for an industry in the United States to be eligible for import relief. In section 201(b)(4), the Trade Act defines "substantial cause" to mean "a cause which is important and not less

1/ For views of Commissioner Leonard with regard to the meaning of the term "substantial cause," see Wrapper Tobacco: Report to the President on Investigation No. TA-201-3 . . ., USITC Publication 746, 1975, pp. 4-7.

than any other." The terms "important" and "not less than any other" are not synonymous. An "important" cause is not necessarily a cause "not less than any other." And, vice versa, a cause "not less than any other" is not necessarily "important." Increased imports must be both an "important" cause and "not less than any other" cause of the serious injury or the threat of serious injury.

What is a cause "not less than any other" cause? The test is satisfied if imports are a more important cause of injury than any other cause. The test is also satisfied if imports are one of several equal causes of injury, i.e., no one cause is more important than imports. But the test is not satisfied if there is a cause of injury more important than imports.

Since 1970, there have been three observable phases in the importation of zippers and zipper parts into the United States. Imports of zippers increased between 1970 and 1972.[1/] In 1972, imports of zippers and zipper parts totaled* * * million units. However, in 1973, imports declined in actual terms by* * *percent, and

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1/ The figures employed in this statement are derived from table 5 at p. A-67 of the Commission's report. While these import unit figures do not reflect the exact amount of imports, which are actually somewhat lower, they are usable for purposes of this statement since the exact import figures fall somewhere between the figures presented in tables 4 and 5. For an explanation of these tables, see pp. A-20 through A-22 of the Commission's report. A more precise accounting of imports as opposed to domestic production and domestic value added in assembly would not have changed the import trend picture significantly.

in 1974, by* * *percent. During these last 2 years, the ratios of imports to domestic production and consumption increased marginally. The decline in the absolute level of imports accelerated in 1975, as is evidenced by comparing imports in the period January-September 1974 with those in the corresponding period in 1975. In 1974, * * * million units were imported during the 9-month period, while in 1975 only*** million units of zippers were imported in the 9-month period. There is also evidence of a decline in the ratio of imports to consumption and production in 1975.

While imports were vitually stable during the years 1973 and 1974 and declined sharply during that portion of 1975 for which data are available, two sets of factors, acting separately for the most part, reduced domestic consumption after 1972. Both these factors are more important a cause of any injury being suffered by the industry under consideration than imports of zippers and parts thereof.

During 1972 and 1973, style and use changes and other factors reduced the demand for zippers. The advent of the wrap-around look in women's apparel, instead of the fitted look, caused designers to discard zippers in favor of other types of closures. The number of dress patterns using zippers dropped sharply. Stretch fabrics, such as elastic waistbands for women's slacks, supplanted zippers. Snap fasteners replaced zippers in men's outer wear. Women's fashion boots lost popularity, which caused zipper sales to contract. In addition, unusually mild winters reduced demand for protective outer footwear which incorporated zippers. The women's foundation garment

industry, previously a volume user of zippers, lost sales because panty hose gained popularity. The U.S. garment bag industry, another volume user of zippers, was virtually replaced by garment bags produced in the Far East.

In addition, the decline in consumption was exacerbated by recessionary pressures which developed in 1974. Demand for apparel and fashion boots continued to drop. Reduced housing starts reduced the demand for upholstered furniture, a large user of zippers.

As a result of these factors--style and use changes in the earlier period and recessionary pressures thereafter--apparent consumption in the United States declined by 5 percent between 1972 and 1973. There was a further decline of 12 percent between 1973 and 1974. Although complete data for 1975 are not yet available, the data which are available indicate that apparent consumption has continued to decrease.

Since the decline in apparent consumption was more rapid than the decline in actual imports, there were marginal increases in the ratios of imports to apparent consumption and to production in the years 1973 and 1974. In 1973 the ratio of imports to consumption increased to* * *percent,* * *percent over that in 1972. In 1974 the ratio of imports to consumption again increased marginally, to * * * percent. However, there was a sharp decline in the ratio of imports to consumption in January-September 1975 compared with what it was in the corresponding period of 1974.

In spite of these increases in 1973 and 1974, and the subsequent decline in 1975, several factors indicate that imports were not

a substantial cause of any injury suffered by the domestic industry. When profit-and-loss experience, production, and employment in the domestic industry are viewed against the decline in consumption, the slower decline in imports, and the level of import penetration, it can be observed that style changes, changes in use, and other factors mentioned above, as well as the recessionary pressures which developed in 1974, were more important causes of the serious injury suffered by the domestic industry than the increase in imports relative to domestic consumption.

In 1972, when actual imports of zippers were greatest, the ratio of net operating profit to net sales of the domestic producers was 8.4 percent. This was also the year of the greatest domestic production and the highest employment in establishments in which zippers and zipper parts were produced. Irrespective of the decline in imports in actual terms and the marginal increase relative to domestic consumption during 1973 and 1974, profits, production, and employment all declined sharply during these 2 years. The domestic zipper producers' ratio of net operating profit to net sales decreased sharply in both years, so that the ratio of net operating loss to net sales was 4.8 percent in 1974. Shipments of domestically produced zippers and parts declined in both years. The decline continued in 1975, in a period when imports decreased in both actual terms and relative to domestic consumption, and the ratio of net operating loss to net sales reached 8 percent. Production and employment also continued to decline. Thus any injury suffered by

the domestic industry resulted more from the series of factors which caused a decline in consumption than from imports.

Conclusion

In view of the circumstances discussed above, we determine that any increased imports of zippers and zipper parts are not a substantial cause of any serious injury or threat thereof to the domestic industry under consideration. There are other distinct causes which are more important than increased imports in causing any such injury.

Views of Vice Chairman Daniel Minchew

Following receipt on August 18, 1975, of a petition filed on behalf of the Slide Fastener Association, the United States International Trade Commission (Commission), on August 28, 1975, instituted an investigation under section 201 of the Trade Act of 1974 (Trade Act) to determine whether slide fasteners and parts thereof, including tapes in continous lengths but not including tapes wholly of textile fibers, provided for in items 745.70, 745.72, and 745.74 of the Tariff Schedules of the United States (TSUS), are being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or the threat thereof, to the domestic industry producing articles like or directly competitive with the imported articles.

Before making an affirmative determination under section 201(b)(1), the Commission must find that all three of the following criteria are met:

(1) That an article is being imported into the United States in increased quantities (such increased imports may be actual or relative to domestic production);

(2) That a domestic industry producing an article like or directly competitive with the imported article is being seriously injured or threatened with serious injury; and

(3) That such increased imports of an article are a substantial cause of the serious injury, or the threat thereof, to the domestic industry producing an article like or directly competitive with the imported article.

Determination

From the information obtained in the present investigation I have concluded that slide fasteners and parts, including tapes in continuous lengths but not including tapes wholly of textile fibers, are not being imported into the United States in such increased quantities as to be a

substantial cause of serious unjury, or the threat thereof, to the domestic industry producing articles like or directly competitive with the imported articles. Specifically, I have concluded that the third criterion under section 201(b)(1), as set forth above, has not been met, i.e., that any increased imports of slide fasteners and parts are not a substantial cause of serious injury, or the threat thereof, to the domestic industry.

Since the criteria of section 201(b)(1) are cumulative, the failure to satisfy any one of the criteria necessitates the making of a negative determination, no matter what the facts show with respect to the other criteria. Because the instant negative determination is based on a finding that the "substantial cause" criterion is not met, the following discussion is limited to that criterion alone.

The domestic industry

The domestic industry, in my opinion, consists of a single industry producing assembled or unassembled slide fasteners. While it is true that slide fasteners are competitive to a certain extent with buttons, snap fasteners, hooks and eyes, and other closure devices, the low percentage cost of these various fasteners relative to the article with which they are used would tend to support the view that style or fashion dictates which device is used as opposed to any real competitiveness.

An additional factor which complicates the question of the domestic industry is the opening of the YKK plant in the United States. Since 1960, YKK (U.S.A.) has imported complete zippers from Japan and has assembled zippers from imported parts. YKK (U.S.A.) began the production of zipper chain in its Macon, Georgia, plant in March 1974. Slide fasteners using the chain produced in that facility accounted for approximately 75 percent of the value of YKK (U.S.A.)'s sales in the first 9 months of 1975. Section 201(b)(3)(A) provides that the

Commission--

> may, in the case of a domestic producer which also imports, treat as part of such domestic industry only its domestic production.

In considering what is now the domestic industry, I believe that I must include YKK's U.S. production facilities.

Substantial cause

In order to meet the test of "substantial cause" found in section 201(b)(1), it is necessary for two criteria to be met. Section 201(b)(4) defines "substantial cause" to mean "a cause which is important and not less than any other cause." Therefore, imports must constitute both an "important" cause of the serious injury and be "not less than any other cause." 1/

In attempting to determine whether increased imports are as important as any other cause of serious injury, it is necessary to classify the various causes of the decline in the slide fastener industry. They are (a) price competition with imported zippers and parts, (b) changes in fashion which have reduced the demand for slide fasteners, (c) the worldwide economic recession, and (d) a relative increase in the shipments of imported zippers and parts.

While I would consider increased imports as an "important" cause, I do not feel that it is "not less than any other cause." Instead, I have determined that the recession is the most important cause for the decline of the slide fastener industry.

Apparent consumption of slide fasteners dropped 12 percent in 1974 compared with such consumption in 1973 and 9 percent in the first 9 months of 1975 compared with that in the corresponding period in 1974.

1/For a discussion of "substantial cause" see the "Views of Chairman Will E. Leonard and Vice Chairman Daniel Minchew" in Wrapper Tobacco: Report to the President on Investigation No. TA-201-3, USITC Publication 746, November 1975, pp. 4-7

In terms of value, slide fastener consumption increased an average of 11 percent each year from 1970 to 1972, then declined 9 percent annually in the following 2 years.

During the recession years, purchases of apparel and footwear declined, and the housing slump had a negative impact on consumer demand for upholstered furniture, which accounts for a bulk use of relatively long zippers.

YKK (U.S.A.) imported approximately ** percent of all slide fasteners and parts entering the United States from January 1970 to September 1975, and import penetration reached a high of approximately ***percent in 1974. The evidence tends to show that the domestic industry considered YKK (U.S.A.) to be a price leader and was often forced to reduce prices below profitable levels. I believe that this type of price leadership would not have been possible at the *** percent level of import penetration had consumption not been declining because of the recession.

Conclusion

As indicated earlier, I have determined that the requirements of section 201(b)(1) of the Trade Act have not been met. Specifically, I find that criterion 3 above--"substantial cause"--has not been satisfied, i.e., that any increased imports of slide fasteners or parts thereof are not the substantial cause of serious injury, or the threat thereof, to the domestic industry producing articles like or directly competitive with imported slide fasteners or parts thereof.

Findings and recommendations

I have concluded that the Commission should make no recommendation of remedy to the President in an evenly divided determination. I feel that, in the absence of an affirmative determination, such a recommendation by the Commission would be inappropriate.1/

1/ See "Additional views of Vice Chairman Daniel Minchew" in Asparagus: Report to the President on Investigation No. TA-201-4 under section 201 of the Trade Act of 1974, USITC Publication 755, pp. 20-21

However, since Presidential action can have the effect of converting this evenly divided determination into an affirmative determination, I believe my recommendation, as an individual Commissioner, would be appropriate. I, therefore, recommend that adjustment assistance under chapters 2, 3, and 4 of the Trade Act be provided in the event that the President should wish to consider the Commission determination as affirmative.

INFORMATION OBTAINED IN THE INVESTIGATION

Introduction

Following receipt on August 18, 1975, of a petition filed by the Slide Fastener Association, the United States International Trade Commission, on August 28, 1975, instituted an investigation under section 201 of the Trade Act of 1974 to determine whether slide fasteners and parts thereof, including tapes in continuous lengths but not including tapes wholly of textile fibers, provided for in items 745.70, 745.72, and 745.74 of the Tariff Schedules of the United States (TSUS), are being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or the threat thereof, to the domestic industry producing an article like or directly competitive with the imported article. A public hearing in connection with the investigation was conducted from November 24 through November 26, 1975, in the Commission's hearing room in Washington, D.C.

Notice of the investigation and hearing was duly given by publishing the notice in the Federal Register of September 4, 1975 (40 F.R. 40878). Copies of the notice were also posted at the U.S. International Trade Commission's offices in Washington, D.C., and in New York City.

The petitioner alleges that the increase in imports of slide fasteners is a substantial cause of the serious injury being suffered by domestic producers of like or directly competitive articles. The petitioner believes that increases in the rates of import duty--to 75 percent ad valorem on TSUS item 745.70, to 70 percent on TSUS item 745.72, and to 85 percent on

TSUS item 745.74--are necessary to remedy the alleged injury. 1/

This is the first investigation conducted by the Commission in response to a request for relief from imports by the slide fastener industry. However, information was submitted to the Department of the Treasury on May 8, 1972, that slide fasteners and parts thereof imported from Japan were being sold at less than fair value in the U.S. market. Notice of a negative determination by the Department of the Treasury was published in the Federal Register on April 12, 1973. In response to a similar complaint, the Canadian Antidumping Tribunal made a final determination on June 7, 1974, that slide fasteners and parts manufactured by Yoshida Kogyo K.K. of Tokyo, Japan, were being sold at less than fair value and that the Canadian zipper industry was being injured by these sales. 2/ Zipper producers in Belgium, France, Italy, the Netherlands, the United Kingdom, and West Germany initiated an antidumping complaint against Yoshida Kogyo K.K. (YKK) with the Commission of the European Community in October 1972. That proceeding was terminated upon YKK's assurances that it would increase its export prices by 45 percent and would impose a voluntary limit on exports to Italy, both to be effective May 1, 1974. In March 1975, however, the EC zipper producers

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1/ In its petition, the Slide Fastener Association proposed an increase in the rate of duty to 99 percent ad valorem on all three TSUS items and an import quota, both to be in effect for at least 7 years, to enable the domestic industry to devise means to compete effectively with imports. However, during the course of the public hearing, the attorney for the association revised the proposed duty increases to conform to the maximum allowed under sec. 203 (d)(1) of the Trade Act of 1974. The association also withdrew its request for an import quota and set no time period for the duration of the proposed increased duties.

2/ Zippers of Delrin were excluded from the finding of injury.

renewed their dumping complaint against YKK on the basis that YKK had not honored the agreement.

Description and Uses

Description

Slide fasteners--frequently referred to by the original trademark name, zippers 1/--are used as closure devices for a wide variety of articles, including wearing apparel, footwear, handbags, luggage, furniture, and recreational goods (e.g., sleeping bags and tents). They are also used for such diverse purposes as closing bags of grain during harvest and closing radar domes.

A slide fastener consists of two cloth tapes (also called stringers) upon which are mounted, in a row along one edge of each, either (a) individual interlocking elements of metal, nylon, or plastic, called scoops, or (b) a coil of nylon or plastic. Such scoops or coil mounted on two stringers constitute slide fastener chain. The chain is fitted with a movable element, called a slider, which spans the two rows of scoops or coil. When moved in one direction, the slider causes the scoops or coil on one stringer to intermesh alternately with the scoops or coil on the other stringer.

Each metal scoop has a protrusion (knuckle) on the upper side and a pocket on the lower side. When meshed together, the knuckle of one scoop grips into the pocket of the scoop above it, thus providing a secure bonding of the two stringers. A similar "knuckle" principle is used to join two stringers with nylon or plastic coil. When moved in the opposite direction,

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1/ The term "zipper" as commonly used also includes slider devices which, when moved in one direction, lock a strip of plastic into the grooves of an opposing length of plastic. When the slider is moved in the opposite direction, the bond pressing the strips of plastic together is released. Such "zippers" are "extruded fasteners" and are not "slide fasteners" of the type encompassed by this investigation. A U.S. Customs Service source indicates that extruded fasteners are not imported into the United States. However, one U.S. manufacturer of extruded fasteners does import a relatively small quantity of sliders from the United Kingdom which are classified under item 745.7450 of the Tariff Schedules of the United States, as amended. Such sliders are not used to make slide fasteners of the type encompassed by this investigation.

the slider causes the scoops or coil to disengage. Most finished slide fasteners have one stop at one end of the chain (usually the bottom) and a stop on the inside edge of each stringer at the other (top) end. Separating zippers (for jackets, sleeping bags, tents, and so forth) substitute a pin on one stringer edge and a receptacle on the other stringer edge for the bottom stop, thus permitting the article to be entirely separated when the slide fastener is opened.

Manufacturing process

Slide fasteners are made from metallic and nonmetallic materials. Steel, brass, copper, zinc, and aluminum are used for the manufacture of sliders, scoops, and stops; nylon monofilament, for coil; nylon and plastic chips, for molded scoops and extruded stringers; and cotton, nylon, and polyester fibers, for slide-fastener tape.

Nylon monofilament is wound in coiling machines to generate mated coil segments. After the slide fastener tape is woven, nylon and plastic scoops or coil can be heat molded or sewn onto one edge of each stringer. One company weaves nylon and plastic coil into the tape simultaneously with the textile fibers of the tape fabric. The resulting nylon and plastic zipper chain is then dyed.

Tape for metallic chain must be dyed before the scoops are attached. Pieces of formed wire or flat wire are machine-stamped directly onto one edge of each stringer. If colored scoops are desired, an entire roll of wire is enameled on one side prior to stamping.

A machine "gaps" the chain by cutting off a short strip of the coil or scoops at intervals determined by the length desired for the slide fasteners. Some metallic-scoop-stamping machines can be adjusted to leave a space after a specified length of tape has received scoops, thus automatically gapping the tape and decreasing metallic waste.

Sliders consist of slider bodies and pulls. Bodies are either flat formed, coin processed, injection molded, or die cast. A stamped spring can be inserted into the slider body to function as a locking device. All three parts are assembled by one machine. The slider is then either enameled or polished.

In the manufacture of slide fasteners, bottom stops (or receptacles and pins) are generally stamped onto the chain from wire, the slider is attached, top stops are then stamped from wire onto the chain, the chain is cut at the gaps, and the finished slide fasteners are then counted and packaged. One firm has a single machine which will perform all of these operations. Other firms, however, use a number of machines to assemble these same parts. Many companies attach the sliders and package the zippers manually.

Product development

The zipper industry was founded in 1893, employing a metal zipper. The art of manufacturing metal zippers had reached its zenith by 1958. Ri-Ri, in Wuppertal, West Germany, invented a zipper using individual die-cast teeth in the 1930's. This concept culminated in the development of a zipper with injection-molded teeth, which Ri-Ri, S.A. introduced into the market in 1950. A marketing campaign by Yoshida Kogyo K.K. popularized the molded

zipper in the United States in the late 1960's.

Using technology based on one of its 1935 patents, Talon Inc. (now a division of Textron, Inc.) introduced the nylon coil zipper into the market in 1960. Innovations based on the coil zipper were made by William Prym-Werke, Rhurmann, OPTI, and Interev in West Germany; Prestile in France; and Talon Division of Textron, Coats & Clark, Inc., Scovill Manufacturing Co., and Wright-Ailee, Inc., in the United States. YKK of Japan increased consumer awareness of the new products through the aggressive marketing of zippers it manufactured using the new concepts, frequently under license to the innovator.

The most recent innovation is the nygard zipper by Scovill, in which nylon is extruded onto stringer threads. Molded scoops project from the nylon stringers. Machines sew the stringers to a tape of textile fabric to form the zipper chain.

Products that compete with slide fasteners

Slide fasteners are the primary closure device for items such as sleeping bags, garment bags, furniture cushions, pillows, and trousers. The garment industry, however, is the largest market for zippers. Fashion often dictates whether a garment will use buttons, snap fasteners, hooks and eyes, a belt, an elastic band or material, or a zipper. Slide fasteners also compete with snaps and clasps in the luggage and handbag markets and with laces, buckles, and the pull-on style in footwear.

The major foreign and domestic manufacturers of slide fasteners make an effort to (a) convince potential customers and designers that zippers are more durable and have more consumer appeal than competing closure devices, (b) develop new uses for zippers, and (c) design fashionable and attractive zippers.

U.S. producers

Approximately 68 U.S. companies manufacture and/or assemble slide fasteners and parts in more than 100 establishments; 1 firm accounts for more than 40 percent of the slide fasteners produced in the United States, and 6 firms account for approximately 72 percent of domestic production. Most of the producers are in the New York metropolitan area; however, the largest plants are in the Southeast, as shown below.

Slide fasteners and parts thereof: Number of manufacturing and assembly plants, by number of employees and by regions, 1975

Number of employees	West 1/	Southeast 2/	Northeast 3/	Metropolitan New York	Total
1 to 9	0	0	1	19	20
10 to 49	11	8	8	25	52
50 to 99	1	1	0	7	9
100+	0	14	3	6	23
Total	12	23	12	57	104

1/ West of the Mississippi River.
2/ East of the Mississippi River, south of the Ohio and Potomac Rivers.
3/ East of the Mississippi River, north of the Ohio and Potomac Rivers, excluding the New York metropolitan area.

Source: Data compiled by U.S. International Trade Commission.

Only a few producers are fully integrated. They have plants in various locations which specialize in certain functions such as tape weaving and dyeing, the manufacture of nylon zipper chain, metallic chain and sliders, and packaging. Most of the large plants are situated in Virginia, the Carolinas, and Georgia. A few of these large producers have subsidiaries in Europe, Canada, Mexico, and the Far East. 1/

The intermediate-sized producers are partially integrated. They buy tape from the textile trade and sliders from three U.S. firms that manufacture only sliders and, to a lesser extent, stops, pins, and receptacles. The intermediate-sized producers' coiling, dyeing, stamping, and assembly operations are usually carried out at one plant site.

Assemblers are the largest customers for six to eight companies that manufacture only zipper chain. Assemblers gap the chain and attach sliders purchased from parts producers and stops which are cut from wire. Most of the assemblers are in Manhattan, where their chief market, the apparel industry, is located.

Many of the intermediate-sized producers and most of the assemblers aim at a specific market, such as nylon zipper chain for slacks, finished nylon zippers for women's dresses, "invisible" zippers for the home-sewing market, metallic zippers for luggage, and separating zippers for jackets and sleeping bags.

1/ Talon Division of Textron has subsidiaries in Canada, England, Belgium, West Germany, Switzerland, Italy, Hong Kong, and the Philippines. Scovill Manufacturing Co. produces apparel fasteners in Canada, Mexico, England, West Germany, Japan, Australia, and New Zealand. Acme Associates, Inc., manufactures sliders in Canada.

Many of the integrated producers import a relatively small number of sliders or complete zippers from Europe to supplement their own line of slide fasteners in an effort to satisfy their customers' demand for a wide variety of fashion-oriented zippers. In addition, there has been an international transfer of technology, as a combination of United States, French, German, Japanese, and Swiss licenses and machinery are usually employed by each integrated producer, whether foreign or domestic.

In general, American-made sliders and chain are standardized so that one company's slider will fit another company's chain. European-made sliders will also fit American chain. In contrast, the chain manufactured by YKK (U.S.A.), Inc., can be fitted only with a slider imported from its parent firm in Japan, Yoshida Kogyo K.K. An assembler that buys YKK chain must also buy YKK sliders.

Since 1960, YKK (U.S.A.) has imported complete zippers from Japan and has assembled zippers from imported parts. YKK (U.S.A.) began the production of zipper chain in its Macon, Ga., plant in March 1974. Slide fasteners using the chain produced in that facility accounted for approximately*** percent of the value of the sales of YKK (U.S.A.) in the first 9 months of 1975.

William E. Wright Co., for many years a distributor of a broad range of home-sewing accessories, entered into a joint venture with the French zipper producer Fermatore-Ailee, S.A., 1/ to form Wright-Ailee, Inc., with Wright owning *** percent. Its plant in West Warren, Mass., began selling a new polyester coil zipper to the home-sewing market in 1974. Its product is manufactured from a combination of French sliders and domestic chain.

Coats & Clark Sales Corp., * * * * * * is entirely owned by Coats, Patons, Limited, of Glasgow, Scotland. Imports account for approximately*** percent of the zipper sales of Coats & Clark in the United States.

Channels of distribution

Approximately 80 percent of finished zippers are sold directly to industrial users by manufacturers, and the remainder are marketed through wholesale distributors. In 1974, parts manufacturers sold 35 percent of their production to integrated zipper producers and assemblers, 63 percent to other industrial customers, and 2 percent to distributors.

Some industrial customers, such as manufacturers of men's trousers, luggage, furniture, and, to a lesser extent, recreational goods, buy zippers in continuous lengths from integrated producers and assemblers and zipper chain, sliders, and stops separately from parts producers.

1/ Fermatore-Ailee, S.A., is owned by a French corporation, Dollfus-Mieg.

The tape is marked by the producers with cutting and sewing instructions. Using equipment frequently supplied by the zipper producer, the zipper is assembled as the parts of the finished product are sewn together.

Distributors purchase slide fasteners and parts from producers and assemblers at discounts of about 15 to 20 percent off manufacturers' or assemblers' list prices. Distributors' purchases of such items from foreign sources are relatively small and generally consist of specialty items. While manufacturers account for the bulk of zipper sales to end-use markets, particularly to the footwear, luggage, recreational goods and men's and boys' clothing industries, distributors sell to markets in which there is a high degree of geographic concentration of relatively small end users, namely, the women's and children's wear trade in the New York metropolitan area and the upholstered furniture industry in North Carolina. Distributors account for about 80 percent of the slide-fastener sales to the former and approximately 95 percent of such sales to the latter. They can generally respond more quickly than manufacturers to the ever-changing needs of the fashion-oriented women's and children's apparel trade, reflecting their close proximity to the market and their extensive inventories of slide fasteners and other supply components. In addition to zippers, distributors sell other items to the end-use markets; in the apparel field, the sale of slide fasteners usually serves as a catalyst for the sale of other articles, such as notions, polyethylene bags, and hangers.

Distributors are also an important factor in the home-sewing market. In recent years, several wholesalers have been purchased by slide-fastener producers. In 1969, Textron, Inc., the parent company of Talon, the largest domestic zipper maker, acquired the net assets of Donahue Sales Corp., the sole distributor of Talon zippers to the home-sewing market. In 1975, YKK (U.S.A.) also bought its distributors--Unique Zipper Distributing Service and YKK-Belding, Inc.

Importers

A single firm, YKK (U.S.A.), imported approximately *** percent of all slide fasteners and parts thereof entering the United States between January 1970 and September 1975. YKK set up its importing and assembly operation in New York City in 1960 under the name Yoshida International. In the late 1960's, additional plants were established in Los Angeles and Chicago. YKK opened 10 more assembly plants between 1970 and 1973, and a full-scale manufacturing plant began operation in Macon, Ga., in March 1974. The corporate name was changed to YKK Zipper (U.S.A.), Inc., in 1972 and YKK (U.S.A.), Inc., in April 1975.

From 1960 to 1966, YKK's zippers were distributed through Barjo Slide Fastener, Inc., an independent distributor. Since 1966, YKK has distributed directly from its service centers, with the exception of sales to women's dress manufacturers and to the home-sewing market. YKK fasteners reached the latter through two companies which had exclusive license agreements: Belding-YKK Home Sewing Co., a joint venture of Belding Heminway and YKK (U.S.A.), and Unique Zipper Distributing Service, a division of American Can Co. In April 1975, the joint venture was dissolved, YKK purchased Unique Zipper Distributing Service, and the YKK Home Sewing Division was formed.

The bulk of the remaining approximately *** percent of the imported slide fasteners and parts are brought in by U.S. producers to increase the variety in styles of slide fasteners available to their customers. Many of these imports come from subsidiaries of U.S. firms in Canada and Europe. 1/ A few U.S. producers have licensing arrangements with German and French producers to market slide fasteners from those producers along with their own products. The purpose of those arrangements is to provide a wider range of zippers to their customers, particularly when fashion trends shift.

Some end-use manufacturers, particularly of recreational goods and sportswear, import finished slide fasteners and parts directly from foreign producers to be assembled into their U.S.-made products. Some of these end users are subsidiaries of European firms and buy slide fasteners from the parts inventories of their parent companies.

1/ Some of these subsidiaries are foreign companies that have been purchased by U.S. producers of slide fasteners.

The Question of Increased Imports

Slide fasteners and parts of slide fasteners are imported principally by U.S. producers of slide fasteners, with YKK (U.S.A.), Inc., a wholly owned American subsidiary of a large Japanese slide fastener manufacturer, accounting for approximately *** percent of such imports in 1975. Shipments of slide fasteners and slide-fastener parts (converted to equivalent slide fasteners) did not exceed *** percent of annual domestic consumption, by quantity, in the period 1970-75.

U.S. imports for consumption

TSUSA item numbers 745.7000, slide fasteners valued not over 4 cents each, and 745.7200, slide fasteners valued over 4 cents each, are used for shipments of slide fasteners entering the customs territory of the United States. Parts of slide fasteners enter under numbers 745.7420, cotton tape (with plastic cord); 745.7440, sliders; and 745.7460, other parts. The following table shows the level of imports for consumption by value and compares the value of slide fasteners to that of parts of slide fasteners for 1974, the most recent complete year for which data are available.

Slide fasteners and parts thereof: U.S. imports for consumption, by type, 1974

(In millions of dollars)

Item	Value
Slide fasteners:	
Valued not over 4 cents each	0.8
Value over 4 cents each	11.3
Subtotal	12.1
Parts of slide fasteners:	
Sliders	1.0
Other parts 1/	3.5
Subtotal	4.5
Total	16.6

1/ Includes imports entered under TSUSA item 745.7420, cotton tape (with plastic cord), which totaled less than $0.1 million in 1974.

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

As can be seen in table 1 (see appendix A), imports for consumption of complete slide fasteners increased from 51.1 million units valued at $2.5 million) in 1968 to 127.1 million units (valued at $12.1 million) in 1974. However, imports entered in January-September 1975 (45.9 million units, valued at $4.4 million) were far less than those entered in the corresponding period in 1974 (108.5 million units, valued at $10.1 million). The substitution of zipper chain produced in YKK's Macon plant for imported chain was responsible for the decline in imports in 1975. In terms of both quantity and value, imports of slide fasteners valued over 4 cents each (dutiable at 20 percent ad valorem) were several times as large as those valued not over 4 cents each (dutiable at 25 percent ad valorem). The average unit value of slide fasteners valued not over 4 cents was 3 cents each throughout the entire period covered in the table. The average unit value of imported slide fasteners valued over 4 cents each climbed from 7 cents each in 1970 to 12 cents each during the first 9 months of 1975.

Imports of parts of slide fasteners (table 1) expanded from a value of $0.3 million in 1968 to $4.5 million in 1974, more than 15 times their value in the earlier year, and then dropped to $1.7 million during January-September 1975, or less than half the value of imports during the corresponding 9-month period of 1974. The drop in imported parts was attributable to two factors:

(1) the opening of the YKK (U.S.A.), Inc., plant in Macon, Ga., in the spring of 1974, which reduced the need for parts shipped from Japan, and (2) the decreased utilization of zippers in the United States, because of reduced demand for apparel, recreational equipment, and other nondurable goods, resulting from the general recession.

Imports of slide fasteners and parts by value brackets and by principal sources, are provided on the second page of table 2. Because imports of cotton tape with plastic coil (item 745.7420) have been insignificant--they never exceeded $23,000 a year in 1968-74, and in January-September 1975 such shipments were nonexistent--for ease of presentation they have been included with other parts. 1/

In addition to fluctuations in the value of imported slide fastener parts, there has also been a change in composition. Although no separate data were available on imported sliders prior to 1974, it is known that the value of such sliders increased from $0.8 million in the first 9 months of 1974 to $0.9 million in the corresponding period of 1975, or by 13 percent. Conversely, the value of shipments of other slide fastener parts (chain, stops, separators, and springs) decreased from $2.9 million during the first 9 months of 1974 to $0.9 million during the first 9 months of 1975-- or by nearly 69 percent. This change in composition of imported parts is explained primarily by the opening of the YKK (U.S.A.), Inc., facility in Macon, Ga., in the spring of 1974, the plant reaching full production later than year. Although sliders for complete zippers produced in the Macon, Ga., facility are received from Japan, a preponderance of other parts are fabricated in the Macon plant.

1/ The 484(e) Committee, the Interagency Committee for Statistical Annotation of the Tariff Schedules in the Federal government, divided "other parts" item 745.7440 into two new line items, "sliders, with or without pulls," item 745.7450, and "other parts," item 745.7460, effective January 1, 1974.

Throughout 1970-74 and the first 9 months of 1975, Japan was the predominant source of shipments. During the first 9 months of 1975, Japan accounted for more than 90 percent of imports of slide fasteners by value (table 3). Other sources were West Germany, France, Italy, Canada, and the United Kingdom.

Imported merchandise reprocessed by U.S. producers

Slide fasteners are produced or assembled in the United States from domestic parts, foreign parts, or a combination of foreign and domestic parts. In addition, finished zippers of foreign origin are consumed in the United States, and foreign-made parts are shipped to industrial consumers here to be included in zippers for slacks, luggage, and other articles manufactured domestically.

A significant portion of the slide fastener parts reported as "imports for consumption" in table 1 are assembled into finished zippers before reaching the importers' customers. In order to avoid counting the same item twice (once as imported parts, then again as domestically produced finished zippers), shipments of imported zippers are compared with shipments of domestically produced zippers in tables 4 and 5. The two tables employ the same data base. The shipments of imported merchandise in table 4 are based on the concept that all slide fasteners assembled in the United States, regardless of the origin of the parts, are considered domestically produced merchandise. In other words, only finished, foreign-made zippers and foreign-made parts imported by domestic producers and shipped directly to industrial users are included under U.S. producers' shipments of imported marchandise.

Table 4 indicates that shipments of imported merchandise

* * * * * * *

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The ratio of shipments of imported merchandise to apparent consumption revealed a very similar trend line.

The shipments of imported merchandise in table 5 have a different conceptual basis than those in table 4. Again finished zippers and parts going to industrial users and retail stores are included in these shipments, but so are zippers assembled in the United States from foreign parts, where more than 50 percent of the value of the zipper is in the foreign-made parts.

U.S. producers' shipments of imported merchandise in table 5 range from

* * * * * * *

in the corresponding period of 1974.

The ratio of shipments of imported merchandise to shipments of domestically produced merchandise is greater in table 5 than in table 4 because shipments of imported merchandise are larger in table 5. In that table the ratio of shipments of imported merchandise, in terms of

quantity, to shipments of domestic merchandise ranged from *** percent in 1970 to *** percent in the first 9 months of 1974, then fell to *** percent in January-September 1975. The ratio of shipments of imported merchandise to apparent consumption, following a similar trend, grew from *** percent, in terms of quantity, in 1970 to *** percent in January-September 1974, but declined to *** percent in the corresponding period of 1975.

Slide fasteners imported as components of apparel

Slide fasteners imported as components of such finished articles as clothing, boots, and luggage may be a factor limiting the sales of slide fasteners and parts thereof as separate items of trade. Such zippers imported as components of finished goods, however, are not classified as imported articles of the type considered in the investigation. In the following table, which shows U.S. imports, production, and consumption of selected apparel items, the ratio of imports to consumption advanced from 8.4 percent in 1968 to a peak of 15.0 percent in 1972 and then declined to 11.9 percent in 1975 (the latest year for which data are available).

Certain wearing apparel with slide fasteners: 1/ U.S. imports for consumption, production, and apparent consumption, 1968-74, January-October 1974, and January-October 1975

Period	U.S. imports 1/	U.S. production	Apparent consumption 2/	Ratio of imports to apparent consumption
	Million units	Million units	Million units	Percent
1968	106	1,153	1,259	8.4
1969	130	1,135	1,265	10.3
1970	152	1,127	1,279	11.9
1971	189	1,143	1,332	14.2
1972	216	1,222	1,438	15.0
1973	200	1,208	1,408	14.2
1974	157	1,158	1,315	11.9
January-October--				
1974	132	3/	-	-
1975	153	3/	-	-

1/ Includes men's and boys' suits and separate trousers, slacks, shorts, coats, including raincoats, play clothes, and women's, girls', and infants' trousers, slacks, shorts, skirts, suits, dresses, play clothes, and raincoats.

2/ Exports were not deducted in arriving at apparent consumption; however, they are relatively small.

3/ Not available.

Source: Estimates by the U.S. International Trade Commission based on official statistics of the U.S. Department of Commerce and data of the Slide Fastener Association.

The Japanese industry

Japan has a slide fastener industry with sales for 1974 estimated at $125 million, of which amount about 60 percent was accounted for by exports. As shown in the table below, during the period 1970-74, Japanese producers' shipments increased by 118 percent and exports increased by 252 percent. The ratio of exports to producers' shipments increased from 37 percent to 59 percent during the 5-year period, and the ratio of imports to consumption averaged about 4 percent. The United States accounted for the largest share of Japanese trade for both imports and exports. Although complete data are not available for 1975, it is believed that exports of slide fasteners and parts dropped in that year in the face of the worldwide recession.

Japanese producers' shipments, exports, imports, and apparent consumption of slide fasteners and parts thereof, 1970-74

Year	Producers' shipments	Exports	Imports	Apparent consumption	Ratio of --	
					Exports to producers' shipments	Imports to consumption
	Million dollars	Million dollars	Million dollars	Million dollars	Percent	Percent
1970	57	21	1	37	37	2
1971	71	30	1	43	42	3
1972	96	48	3	51	50	6
1973	133	66	3	70	50	5
1974	124	74	1	52	59	3

Source: Producers' shipments estimated from data in YKK's annual report and data supplied by U.S. Department of Commerce; exports and imports, from data published by the Japan Tariff Association.

Note.--Yen-per-dollar exchange rates of 358, 348, 303, 271, and 294 for 1970, 197 1972, 1973, and 1974, respectively, were used to convert yen figures to dollar figures.

Care must be exercised, however, in interpreting the dollar figures in the table since the value of the yen vis-a-vis the dollar appreciated 32 percent from 1970 to 1973, then depreciated 8 percent in 1974. Further, the rate of inflation in Japan in 1974 was higher than that in the United States.

Yoshida Kogyo K.K. (YKK) is the leading producer in Japan, with 90 percent of the domestic market; 1/ the other principal zipper manufacturer is Three Star, a division of Nakayama. YKK exports to more than 125 countries and has plants and business offices in 34 countries. YKK's worldwide operations account for about 25 percent of world zipper production. The Japanese industry is well established--YKK began producing zippers in 1934. YKK's production system is vertically integrated, starting with such raw materials as cotton, polyester chips, and metals. Processes include spinning of yarn, weaving of fabric, dyeing, casting and stamping of metal parts, and assembly. YKK also makes its own automated zipper-making machines.

1/ YKK also fabricates aluminum sash for the domestic construction industry. Approximately two-thirds of its sales are accounted for by sash, and one-third by slide fasteners.

The Question of Serious Injury to the Domestic Industry

U.S. producers' shipments

To analyze U.S. producers' shipments of domestically produced slide fasteners and parts, two contrasting tables utilizing the same data base have been employed. Column 1 in the following table (excerpted from table 4 in app. A) is based on the concept that all slide fasteners assembled in the United States, regardless of the source of the parts (or components), are domestically produced articles. Thus, column 1 includes all slide fasteners assembled in the United States and all domestically produced parts of slide fasteners entering consumption as parts. Such parts are shipped to industrial users which assemble them into zippers during the manufacture of slacks, luggage, and so forth. In this column of the table, U.S. producers' shipments of domestically produced slide fasteners and parts trended upward from

* * * * * * *

Slide fasteners and parts thereof: U.S. producers' shipments of domestic merchandise, 1970-74, January-September 1974, and January-September 1975

Period	U.S. producers' shipments of domestically produced merchandise, including assembled imported parts (from table 4, col. 1) (1)	U.S. producers' shipments of domestically produced merchandise, less units in which imported parts account for the chief value (from table 5, col. 1) (2)
	Quantity (million units)	
1970	* * *	1,814.9
1971	* * *	2,026.3
1972	* * *	2,061.4
1973	* * *	1,971.1
1974	* * *	1,718.3
Jan.-Sept.--		
1974	* * *	1,299.6
1975	* * *	1,218.5
	Value (million dollars)	
1970	* * *	183.7
1971	* * *	203.4
1972	* * *	216.2
1973	* * *	191.4
1974	* * *	174.4
Jan.-Sept.--		
1974	* * *	128.6
1975	* * *	131.7

Source: Tables 4 and 5 in app. A.

Note.--Slide fastener parts are converted to equivalent slide fasteners by dividing the value of the parts by the average unit value of the finished slide fasteners.

Column 2 in the table on the preceding page is based on a different concept than column 1. Column 2 includes U.S. shipments of slide fasteners produced completely from domestically fabricated parts and slide fasteners 50 percent or more of whose value is in domestically produced parts. Also included here are domestically produced slide fastener parts shipped unassembled to industrial users. In this column, U.S. producers' shipments of domestically produced slide fasteners reached a peak of 2,061.4 million units, valued at $216.2 million, in 1972 (representing an increase of 14 percent in quantity over such shipments in 1970), then declined. The downward trend decelerated in 1975 in column 2 as it did in column 1. For the first 9 months of 1975, U.S. producers' shipments of domestic merchandise were 1,218.5 million units, valued at $131.7 million, or about 6 percent less in quantity than in the corresponding period in 1974.

The decline in 1974 was more pronounced than that in the first three quarters of 1975. Recessionary pressures, which caused the drop in demand during the closing months of 1974, were less intense after mid-1975. Recovery began in the domestic slide fastener market in the late spring of 1975 as domestic inventories were reduced and domestic production took an upturn.

U.S. exports

The value of U.S. exports of slide fasteners and parts thereof increased every year from $2.9 million in 1970 to $6.7 million in 1973--representing an increase of 131 percent, then declined in 1974 to $5.5 million--or by 18 percent (table 6). Exports in January-September 1975 amounted to $4.7 million--up 11 percent from those in the corresponding period of 1974. During the period January 1970-September 1975, based on data in table 5, exports average 4 percent of producers' shipments and were equivalent to *** percent of imports, in terms of quantity. Japan was the largest market for U.S. exports in that period, averaging almost 25 percent of the total value; other important markets were Canada, Hong Kong, Italy, and Spain (table 6).

The following table, based on responses to questionnaires, shows that the value of exports of completed slide fasteners dropped from $2.4 million in 1973 to $0.9 million in 1974, then recovered to $1.5 million in the first 9 months of 1975. In contrast, the value of exported parts increased from $1.2 million in 1973 to $1.9 million in 1974. In the first 9 months of 1975, exports of slide fastener parts amounted to $1.1 million, compared with $1.4 for the corresponding period of the preceding year. The ratio of the value of exported parts to that of total exports of slide fasteners and parts doubled in 1974, increasing from 33 to 67 percent. However, in the first three quarters of 1975, that ratio dropped to 43 percent.

U.S. exports of slide fasteners and parts thereof, by types, 1972-74, January-September 1974, and January-September 1975

Period	Slide fasteners	Parts of slide fasteners	Total	Ratio of exported parts to total exports
	1,000 dollars	1,000 dollars	1,000 dollars	Percent
1972	2,119	1,214	3,333	36
1973	2,392	1,174	3,566	33
1974	925	1,900	2,825	67
Jan.-Sept.--				
1974	755	1,426	2,181	65
1975	1,479	1,123	2,602	43

Source: Compiled from data submitted in responses to U.S. International Trade Commission questionnaires by U.S. producers that accounted for approximately half the total value of all export shipments of slide fasteners and parts.

U.S. producers' inventories

U.S. producers' inventories of domestically made slide fasteners dropped 10 percent from 1972 to 1974, as shown in the table below, reflecting in part the shift in market demand from zippers with metallic chain to those with nonmetallic (nylon or plastic) chain.

Domestically made slide fasteners and parts thereof: U.S. producers' inventories, by types, 1970-74, January-September 1974, and January-September 1975

Item	Dec. 31--					Sept. 30--	
	1970	1971	1972	1973	1974	1974	1975
Finished slide fasteners with:							
Metallic chain--							
million units	64	56	52	44	42	47	46
Nonmetallic chain--do	58	53	74	71	72	59	74
Total--do	122	109	126	115	114	106	120
Parts of slide fasteners:							
Sliders for:							
Metallic zippers--							
million units	43	106	129	124	105	37	123
Nonmetallic zippers--							
--do	11	13	16	22	15	12	99
Total--do	54	119	145	146	120	49	222
Zipper chain:							
Metallic--							
million yards	40	57	51	46	54	48	34
Nonmetallic--do	19	25	38	31	37	31	31
Total--do	59	82	89	77	91	79	65

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

While U.S. producers' inventories of slide fasteners with metallic chain declined continuously from 1970 to 1974, their inventories of zippers with nonmetallic chain rose from less than 60 million units annually in 1970-71 to an annual average of 72 million units in 1972-74. At the end of the first 9 months of 1975 their inventories of all domestically made, finished zippers were 13 percent larger than they had been at the end of the corresponding period of 1974, reflecting the sharp increase in inventories of zippers with nonmetallic chain.

U.S. producers' inventories of sliders increased 170 percent from 1970 to 1973, then declined 18 percent in 1974 to about the same level as in 1971. By the end of the first 9 months of 1975, the inventories had expanded more than fourfold from those at the end of the corresponding period of 1974.

U.S. producers' inventories of zipper chain increased about 51 percent from 1970 to 1972, dropped 13 percent in 1973, then rose by 18 percent in 1974, to the highest level in the 1970-74 period. The increased inventories of zipper chain indicates that demand did not keep pace with production. At the end of the first 9 months of 1975, inventories of zipper chain were down 18 percent from those at the end of the corresponding period of 1974, reflecting increased demand for metallic zipper chain.

The ratios of U.S. producers' inventories of slide fasteners and slide fastener parts to U.S. producers' shipments of these products are shown in the following table.

Slide fasteners and parts thereof: Ratios of U.S. producers' inventories to U.S. producers' shipments, 1970-74, January-September 1974, and January-September 1975 1/

(In percent)

Item	1970	1971	1972	1973	1974	Jan.-Sept.	
						1974	1975
Finished slide fasteners	8.7	6.1	8.0	7.7	9.0	10.1	11.9
Parts of slide fasteners:							
Sliders	9.2	16.4	19.5	20.8	20.5	11.3	65.7
Zipper chain	71.2	80.9	78.3	78.3	102.4	133.3	94.1

1/ Data represent the ratios of U.S. producers' inventories at the end of the period shown to U.S. producers' shipments during the same period, based on quantity.

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

The relatively high ratios fof zipper chain reflect the needs of the market for maintaining a wide selection of colors, sizes, and styles. For example, the Talon Division of Textron, Inc. and YKK (U.S.A.) have about *** and *** different colors, respectively.

U.S. employment

Employment in the U.S. slide fastener industry in 1974 was at its lowest level in the 1970-74 period. Furthermore, employment was significantly lower in the first 9 months of 1975 than in the corresponding period of 1974, as shown in the table on the following page.

Average number of persons employed, number of production and related workers in U.S. establishments in which slide fasteners and/or parts thereof were produced, and man-hours worked by the latter, 1970-74, January-September 1974, and January-September 1975

Period	Average number of employees			Man-hours worked by production and related workers	
	All persons	Production and related workers producing--		All products	Slide fasteners and parts
		All products	Slide fasteners and parts		
1970	8,817	7,788	6,921	15,557	13,937
1971	8,876	7,563	6,962	15,494	14,204
1972	8,973	7,734	7,282	15,664	14,814
1973	8,506	7,224	6,806	14,538	13,739
1974	7,473	6,180	5,759	12,451	11,663
Jan.-Sept.:					
1974	7,589	6,302	5,834	9,559	8,892
1975	7,069	5,818	5,487	8,732	8,261

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

The average number of persons employed in U.S. establishments in which slide fasteners and/or parts thereof were produced dropped 18 percent from 1972 to 1974, after having increased slightly from 1970 to 1972. Similarly, the number of man-hours worked by production and related workers in such establishments declined more than 20 percent from 1972 to 1974. For the first 9 months of 1975, the average number of persons employed and the number of man-hours worked by production and related workers fell by 7 percent and 8 percent, respectively, from the averages for the same period of 1974.

U.S. productivity

Labor productivity, as measured here, is the ratio of total volume of physical output to the number of man-hours worked to produce that output. Although this measure relates output to man-hours, it does not measure the specific contributions of labor, capital, or any other factor of production. Rather, it reflects the joint effort of all factors of production.

In the following tabulation, productivity in 1971-74 and January-September 1975 is presented in index form:

Period	Index of domestic production (output) per production worker man-hour for U.S. producers of slide fasteners (1971=100)
1971	100.0
1972	99.8
1973	100.2
1974	103.3
1975 (January-September)	103.1

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

A principal factor in the gradual increase of productivity of U.S. slide fastener producers is the improvement in production line efficiencies. Such improvement includes machinery operating at higher speeds with no significant increase in labor input and production workers assuming responsibility over more equipment.

Prices

Price data for 15 types of slide fasteners selected as representative of the industry were obtained by questionnaire. 1/ Responses were received from domestic producers accounting for more than 80 percent of production and from importers accounting for more than 90 percent of imports. However, the firms responding did not all supply price data for the entire period or for their complete product line.

Lowest net selling prices to industrial customers and retailers are shown, by type of slide fastener, in table 7, and lowest net selling prices to distributors are shown, by type of slide fastener, in table 8 for the period January 1970-September 1975, by quarters. In addition, cost data for 1970 and 1974 are shown, by type of slide fastener, in table 9.

Price indexes of industrial commodities and domestically produced slide fasteners are shown in the following table and graphs. From the first quarter of 1970 to the third quarter of 1973, slide fastener prices held fairly steady, increasing only 5.5 percent. By comparison, there was a 16.7-percent increase in industrial commodity prices during this period. With the lifting of price controls, in effect from August 1971 to August 1973, prices of slide fasteners rose sharply, increasing an additional 24.8 percent by the first quarter of 1975, while industrial commodities also rose rapidly, by 32.8 percent.

1/ Conferences held by the Commission staff with domestic manufacturers and importers resulted in agreement on 15 types of slide fasteners which are representative of the production of the industry.

After peaking in the first quarter of 1975, slide fastener prices fell 1.0 percent by the third quarter of 1975, while industrial commodities continued to rise another 2.3 percent. Thus, for the entire period from first quarter 1970 to third quarter 1975, prices of slide fasteners rose by much less than prices of all industrial commodities--30.4 percent, compared with 58.6 percent, or an average annual growth rate of 5.0 percent and 8.8 percent, respectively.

Price indexes of four detailed categories of slide fasteners are also shown: Industrial slide fasteners for apparel, with 61 percent of the total market; for furniture and for luggage, each with 3 percent of the market; and for retail slide fasteners, with 11 percent of the market. 1/ Apparel, furniture, and retail slide fastener price indexes showed trends similar to that of the all-slide-fastener index, with the price changes being most pronounced for furniture and least pronounced for retail slide fasteners. The luggage index showed a similar trend from the beginning of 1970 to the third quarter of 1973, but, after fluctuating, it dropped to a level below that at the beginning of the period.

From 1970 to 1974, cost-of-production increases ranged from 9.1 to 79.8 percent for those slide fasteners for which cost data were available. For 18 of 23 cases where 1970 and 1974 data were available, costs went up more than the 21-percent increase in the slide fastener price index.

1/ Market share data are averages for 1971 and 1974.

Slide fasteners and parts thereof: Price indexes of selected types of domestically produced slide fasteners and all industrial commodities, by quarters, January 1970-September 1975

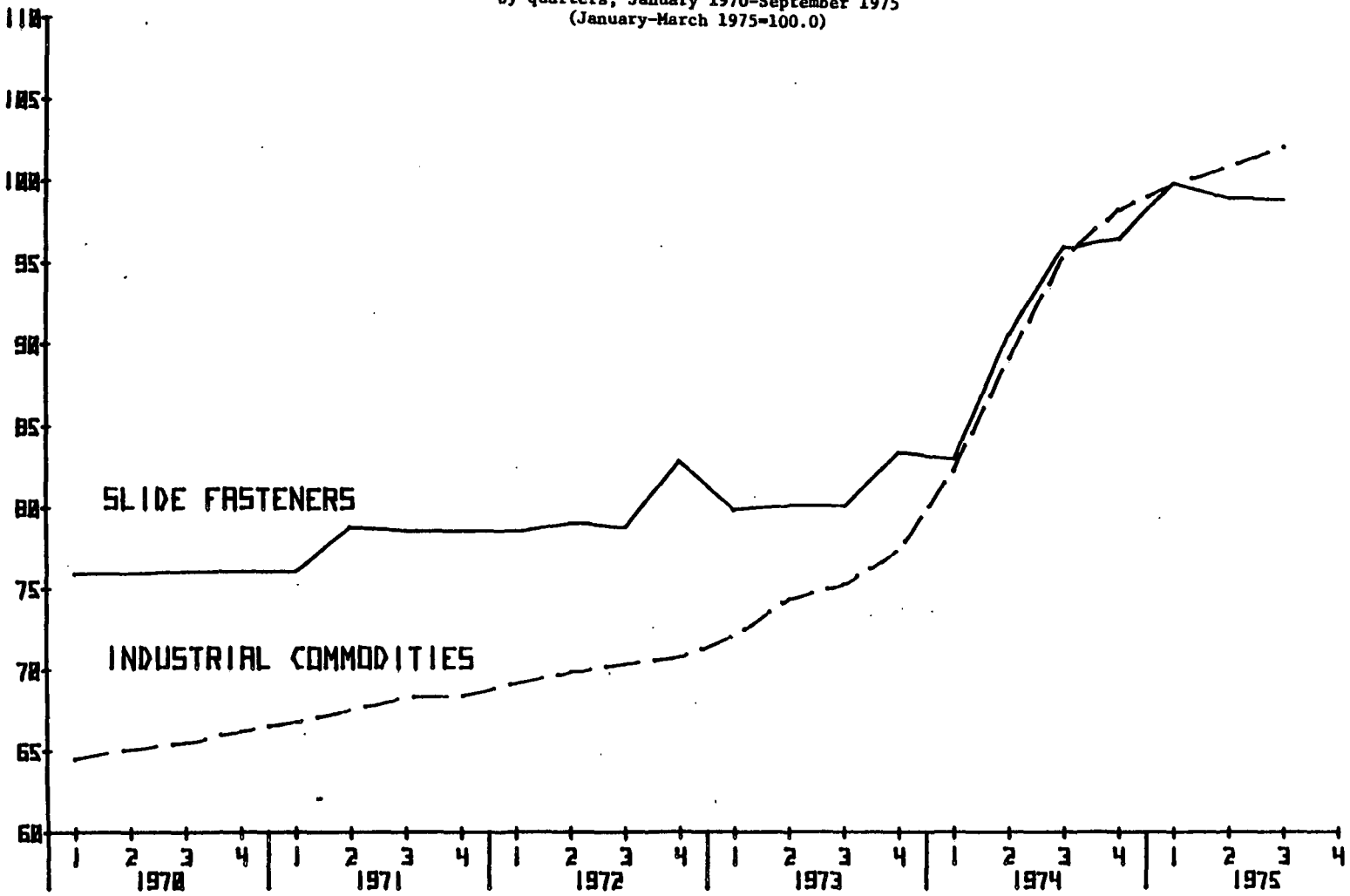
(January-March 1975=100.0 1/)

Period	All industrial commodities	All slide fasteners	Industrial slide fasteners			Retail slide fasteners
			Apparel	Furniture	Luggage	
1970:						
Jan.-March	64.5	75.9	73.9	-	105.2	83.7
April-June	65.1	75.9	73.9	-	105.2	83.7
July-Sept	65.5	76.0	74.0	-	105.2	83.7
Oct.-Dec	66.2	76.1	74.1	-	105.2	83.7
1971:						
Jan.-March	66.8	76.1	74.1	-	105.2	83.7
April-June	67.5	78.7	76.4	-	105.2	88.7
July-Sept	68.3	78.5	76.2	-	105.2	88.7
Oct.-Dec	68.4	78.5	76.2	-	105.2	88.7
1972:						
Jan.-March	69.2	78.6	76.2	72.1	105.2	89.3
April-June	69.9	79.1	76.8	70.6	105.2	86.4
July-Sept	70.4	78.8	77.0	71.3	105.2	85.5
Oct.-Dec	70.8	82.8	82.2	71.6	105.2	89.5
1973:						
Jan.-March	72.1	79.9	77.7	71.9	105.2	89.3
April-June	74.4	80.2	77.9	74.7	106.0	89.5
July-Sept.	75.3	80.1	77.9	71.3	108.1	89.5
Oct.-Dec.	77.4	83.4	81.4	76.5	108.2	91.3
1974:						
Jan.-March	82.4	83.0	80.9	76.9	100.0	93.5
April-June	89.2	90.7	89.4	81.1	109.1	96.1
July-Sept	95.5	96.1	95.7	85.2	105.7	99.2
Oct.-Dec	98.4	96.6	96.1	92.1	100.0	100.0
1975:						
Jan.-March	100.0	100.0	100.0	100.0	100.0	100.0
April-June	101.1	99.1	99.1	95.4	100.0	100.0
July-Sept	102.3	99.0	99.0	95.4	100.0	100.0

1/ The base period January-March 1975=100.0 was selected as the period in which the all-slide-fastener price index peaked. The beginning period, January-March 1970, could not be used since there was no price index for slide fasteners for furniture for that year.

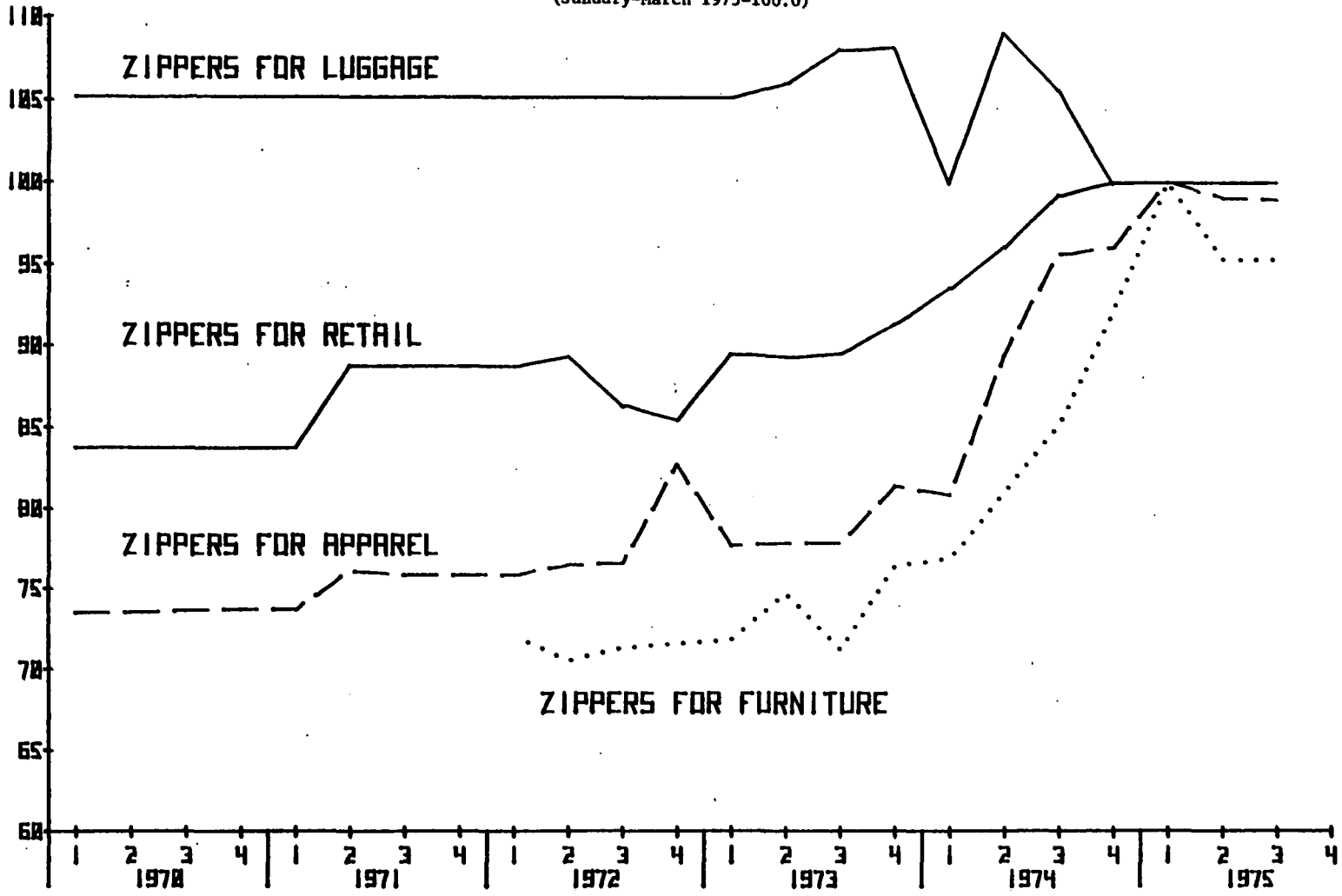
Source: Index of industrial commodities, from U.S. Bureau of Labor Statistics; indexes of slide fasteners derived from data submitted in response to questionnaires of the U.S. International Trade Commission.

Price indexes of U.S.-produced slide fasteners and all industrial commodities, by quarters, January 1970-September 1975 (January-March 1975=100.0)



Source: Index of all industrial commodities, from U.S. Bureau of Labor Statistics; index of slide fasteners derived from data submitted in response to questionnaires of the U.S. International Trade Commission

Price indexes of U.S.-produced slide fasteners sold to industrial customers for apparel, furniture, and luggage, and to retailers, by quarters, January 1970-September 1975
(January-March 1975=100.0)



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

Profit-and-loss experience

The data reported by U.S. producers of slide fasteners account for about 80 percent of the total U.S. production of slide fasteners in 1970-74.

Table 10 includes data obtained from 24 firms for 1970, 26 for 1971-72, 27 for 1973-74, and 6 for January-June 1975. Aggregate net sales of these firms amounted to $155 million in 1970, $169 million in 1971, and $181 million in 1972. Net sales then decreased to $164 million in 1973 and $144 million in 1974. Six firms reported net sales of $57 million for January-June 1975.

Net operating profit amounted to $17.2 million in 1970 and $21.0 million in 1971. Net operating profit then decreased steadily to $15.2 million in 1972 and $3.6 million in 1973. Net operating losses of $7.0 million in 1974 and $4.6 million in January-June 1975 were reported.

The ratio of net operating profit to net sales increased from 11.1 percent in 1970 to 12.4 percent in 1971, then decreased to 8.4 percent in 1972 and 2.2 percent in 1973. The ratio of net operating loss to net sales was 4.8 percent in 1974 and 8.0 percent in 1975.

Four firms account for more than 80 percent of the data shown in table 10. The results of operations are shown individually for the four firms in table 11. * * *

* * * * * * *

YKK (U.S.A.), Inc., was not able to segregate profit-and-loss data on domestic production from import operations. The profit-and-loss tables in this report do not include any of YKK's domestic operations. Below is a tabulation showing YKK's overall operations in the United States.

Profit-and-loss experience of YKK (U.S.A.), Inc., April-December 1970, 1971-74, and January-June 1974

* * * * * * *

Penetration of the U.S. market by imports from Japan

Initially, YKK concentrated its marketing efforts on a limited group of manufacturers that purchased a narrow variety of fasteners in volume. These customers were able to place orders 6 to 12 weeks in advance of required delivery dates. YKK was able to fill these long-leadtime orders from Japan, where the machinery was subject to very little downtime, to accommodate changes in style and color. These favorable leadtimes, coupled with low costs, frequently allowed YKK to offer volume discounts in the United States below the prices of the domestic manufacturers. According to the U.S. producers, which had been the traditional sources of supply for these high-volume, long-leadtime customers, YKK's impact on the market began in 1968 and had increased substantially by 1970.

YKK began the next stage of its penetration of the U.S. market about 1970. Once again taking advantage of the efficiencies of its long production runs, YKK offered substantial discounts to volume accounts for purchases of slide fasteners in basic colors. YKK received quantities of chain and sliders in these basic colors from Japan which were assembled into slide fasteners in its assembly plants in the United States to fill orders. 1/ Most domestic zipper manufacturers offered a wide variety of colors, charging the same price for rarely used colors as for basic colors. The price for the basic colors was high enough to accommodate the relatively higher cost of filling orders for more unusual colors. As a consequence customers ordered the basic colors

1/ Prior to 1970 YKK had three facilities for slide fastener assembly in the United States. This number had increased to 14 by 1975.

from YKK at a lower price, and ordered the smaller, special orders (the high-unit-cost zippers) from their traditional domestic suppliers. Particularly affected by YKK's marketing approach were the producers that emphasized separating zippers for sportswear and outerwear. Several domestic producers went out of business as YKK expanded its U.S. sales of high-volume, long-leadtime, no-fashion-change zippers.

In terms of value, YKK's U.S. shipments of zippers and parts imported from Japan increased from approximately *** percent of total U.S. consumption in 1970 to about *** percent in 1974. Although imports may appear small, these figures do not convey the full impact of YKK's sales in the United States from the point of view of the traditional domestic producers. The other domestic producers contend that the efforts to meet or come close to YKK's prices in order to avoid losing customers have resulted in domestic zipper firms operating at or below their margin of profitability.

U.S. producers' efforts to compete with imports

The response of the domestic industry to increased imports has been to increase discounts from standard price lists, to develop new products, and to improve production-line efficiencies. The large producers' reluctance to increase prices, together with their price reductions, in order to compete with YKK's prices has squeezed smaller producers and assemblers which have often operated on narrow profit margins. In addition to lowering prices, most producers have liberalized their credit terms. Several of the small companies have gone out

of business; 1/ others, having sufficient operating capital to meet expenses, remain in business and hope for a turnaround in sales. For some companies, the upturn in sales volume in the third quarter of 1975 only signified an increase in the number of zippers sold at a low margin of profit or at a loss.

There is a trade off between price and quality of service in marketing zippers. By offering quick, dependable service, some zipper producers have not been required to match YKK's prices in order to keep customers. Several small producers and assemblers have been able to survive by accepting orders that are too small for YKK to consider filling. Several customers have been unwilling to place long-term, high-volume sales contracts with YKK at relatively low prices, preferring instead to purchase from higher priced traditional sources that allow customers more flexibility in terms of color, style, and volume as well as short leadtimes in their orders.

YKK made two high-priced zippers available to the U.S. market about 1970--an invisible zipper for dresses, and a molded, plastic zipper replacing the metallic, separating zipper for sportswear. Domestic producers had not anticipated the popularity of these two types of zippers, whose design had been known in the industry for some time. Customers were willing to pay higher prices for these zippers

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1/ Examples of companies that have reportedly gone out of business, at least in part because they were unable to compete with YKK's prices, include Adams Industries, Inc., American Duro Fasteners, Inc., Esko Inc., Excel Zipper Co. Inc., Faston Industries, Rapid Slide Fastener, Shurezip Inc., Stagg Zipper Corp., and Waldes Kohinoor, Inc.

than for others in order to obtain the bold, attractive appearance of the molded zipper and the "no zipper" look of the invisible slide fastener. These two YKK products were accepted readily in the U.S. market. The large domestic producers have since invested heavily to develop invisible zippers and molded zippers. 1/ One company began importing molded zippers from Europe to compete with YKK's products. Since YKK had a head start over the rest of the industry, many U.S. producers expended large sums in sales promotion in an effort to convince customers that their products were better than YKK's. Competition between these YKK products and the new competing products of other domestic producers was based primarily on appearance and quality rather than on price.

A few firms have emphasized the development of new, innovative products that will compete on the basis of superior quality rather than price. * * * * * * *

Most companies have made efforts to reduce costs by increasing production-line efficiencies, speeding up manufacturing operations,

1/ Based on data submitted to the Commission by producers, expenditure by the U.S. slide fastener industry for research and development averaged $3.2 million annually in 1970-71, declined to $2.4 million in 1972; then rose to $3.3 million in 1973 and to $3.7 million in 1974. For the first 9 months of 1975, the industry's research and development expenditures totaled $2.9 million. The expenditures were for development of new products, manufacturing methods, and equipment and/or improvement of existing ones, testing of new raw materials and competitors' products, and pure research.

and increasing the number of machines operated by a single employee. Implementation of rigid quality-control standards has reduced the amount of returned goods. Attempts have also been made to substitute different raw materials for those experiencing significant price increases.

In an effort to reduce middleman costs and thus to compete with the lower prices of YKK, long-established domestic producers of slide fasteners have put more emphasis on direct selling. Simultaneously, manufacturers and producers of slide fastener parts are selling an increasing number of zipper parts directly to manufacturers of end-use products, such as makers of luggage and mens' and boys' slacks. These manufacturers of end-use products lease zipper-assembling machines from the large producers of slide fasteners. YKK also employs this tactic to attract customers. The following table reflects the expansion of parts sales to end-product manufacturers compared with other markets. End-use manufacturers increased from 38 percent of the market for zipper parts in 1971 to 63 percent in 1974. As a result, the domestic parts producers (including YKK (U.S.A.), Inc.) have not gained an advantage relative to each other because of these changes, but they have taken business from slide fastener assemblers.

Distribution of total sales of U.S.-produced slide fastener parts, by markets, 1971 and 1974

Market	1971	1974
Slide fastener producers and/or assemblers----------percent--	60	35
End-use manufacturers----------do----	38	63
Distributors----------do----	2	2
Total----------do----	100	100
Total value of shipments---million dollars--	19.3	24.2

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

The Question of Imports as a Substantial Cause of Serious Injury

Two factors have been responsible for the reduced profits experienced by the domestic slide fastener industry since 1971: (a) price competition with imported zippers and parts and zippers assembled predominantly from imported parts and (b) reduced demand for slide fasteners resulting from changes in fashion and the worldwide economic recession.

U.S. consumption

U.S. consumption of slide fasteners, based on quantity, declined at an average annual rate of 8 percent in the 1973-74 period after a 15-percent growth from 1970 to 1972 (see table on following page). In terms of value, consumption of slide fasteners increased an average of 11 percent each year from 1970 to 1972, then declined 9 percent annually in the following 2 years. In the first 9 months of 1975, slide-fastener consumption, based on quantity, was down 9 percent from that in the corresponding period of 1974, continuing the decline in market demand that developed in 1973. U.S. producers'

Slide fasteners: U.S. apparent consumption and ratio of imports to consumption, 1970-74, January-August 1974, and January-September 1975

* * * * * * *

shipments of imported zippers and parts experienced a relative increase in each year from 1970 to 1974, then a decline in the first three quarters of 1975. (See pages A20-A22 for a more detailed description of import trends.)

Factors affecting the demand for slide fasteners

Based on data submitted to the U.S. International Trade Commission by producers and importers, the sale of slide fasteners and parts to end-use markets declined 16 percent in value from 1971 to 1974. The apparel industry continued to be the largest user of slide fasteners, accounting for 66 percent of total zipper sales in 1974, compared with 56 percent in 1971. Although the relative importance of the clothing market for zippers increased from 1971 to 1974, the volume of slide fasteners actually used in garments was smaller in the latter year. This anomaly resulted from the precipitous decline in the use of zippers in home sewing, footwear (primarily women's boots), and the "other" category (principally furniture, garment bags, and handbags), as indicated in the table below.

Slide fasteners and parts thereof: End-use consumption in the United States, by market, 1971 and 1974

(In millions of dollars)

Year	Apparel	Home sewing	Footwear	Recreational goods	Luggage	Other	Total
1971	95.1	20.0	7.3	3.8	3.5	40.0	169.7
1974	93.8	15.2	2.5	4.0	6.1	20.2	141.8

Source: Compiled from data submitted to the U.S. International Trade Commission by U.S. producers and importers.

The luggage industry was the only major end-use market that showed a significant increase in its purchasing of zippers from 1971 to 1974, 1/ reflecting increased demand for soft-sided luggage which generally has zippers as closure devices. Its zipper purchases rose 75 percent in value to $6.1 million; however, the industry accounted for less than 5 percent of the zippers consumed in 1974.

U.S. consumption of slide fasteners rose 15 percent from 1970 to 1972 (table 5), reflecting the continuing expansion of the jeans market and the rapid growth of leisure-time activities together with the related demand for recreational goods, such as warmup suits, tents, camper trailers, and sleeping bags that use zippers extensively. Demand for women's boots also increased rapidly during the 1970-72 period.

Slide fastener consumption, after peaking in 1972, declined 5 percent in 1973 as demand for such zipper-using products as men's tailored suits and separate trousers continued to weaken and that for women's boots experienced a sharp decline (tables 12 and 13). Stretch fabrics and elastic waistbands began to displace zippers in women's slacks and certain other garments. Snap fasteners also were substituted for zippers, primarily in western outerwear. In addition, the increased popularity of pullover outerwear reduced the demand for zippers.

Consumption of slide fasteners declined further in 1974 and much of 1975, largely because of the recession. Purchases of apparel and footwear continued to decline, and the housing slump negatively impacted consumer demand for upholstered furniture, for which a large share of the relatively long zippers are used. The recreational goods and luggage industries also were hurt in part by the gasoline shortage that developed in late 1973, the full effect of which was not felt until the following year. In 1975, many users of slide fasteners chose to reduce their zipper inventories rather than make new purchases. According to industry sources, demand for slide fasteners increased sharply in the second half of 1975, largely as a result of end-users' depleted inventories and the strengthening apparel market.

Of the slide fasteners used in the United States, approximately half are metallic, principally aluminum or brass chain, and half are nonmetallic (nylon and plastic). Sales of nylon and plastic slide fasteners have grown in importance over the last decade, but have been curtailed to some degree since 1973. In that year, nonmetallic zippers accounted for 51 percent of all zippers sold in the United States; in the first 9 months of 1975, they accounted for 47 percent of the total. The industry attributes this change in composition of sales primarily to strengthening demand for jeans, which utilize metallic zippers, and to weakening demand for dress slacks and other items that use nonmetallic zippers.

Price relationships between imported and domestic slide fasteners

Prices of imported slide fasteners, after fluctuating from the second quarter of 1970 to the third quarter of 1971, rose almost continuously until the third quarter of 1975. Overall, for the period running from the second quarter of 1970 to the third quarter of 1975, prices of imported slide fasteners and those of domestic slide fasteners rose by similar amounts. (See the table and graph on the following pages.) However, from the third quarter of 1971 to the third quarter of 1973, import prices rose much faster than domestic prices--increasing by 21.6 percent versus 2.0 percent, while from the third quarter of 1973 to the first quarter of 1975 the reverse was true--import prices rose 13.1 percent versus 24.8 percent for domestic prices.

At a more detailed level, of the six types of slide fasteners listed in table 7, for two types import prices were below domestic prices; for three types, most of the import prices were below domestic prices; and for one type, import prices were above domestic prices.

* * * * * * *

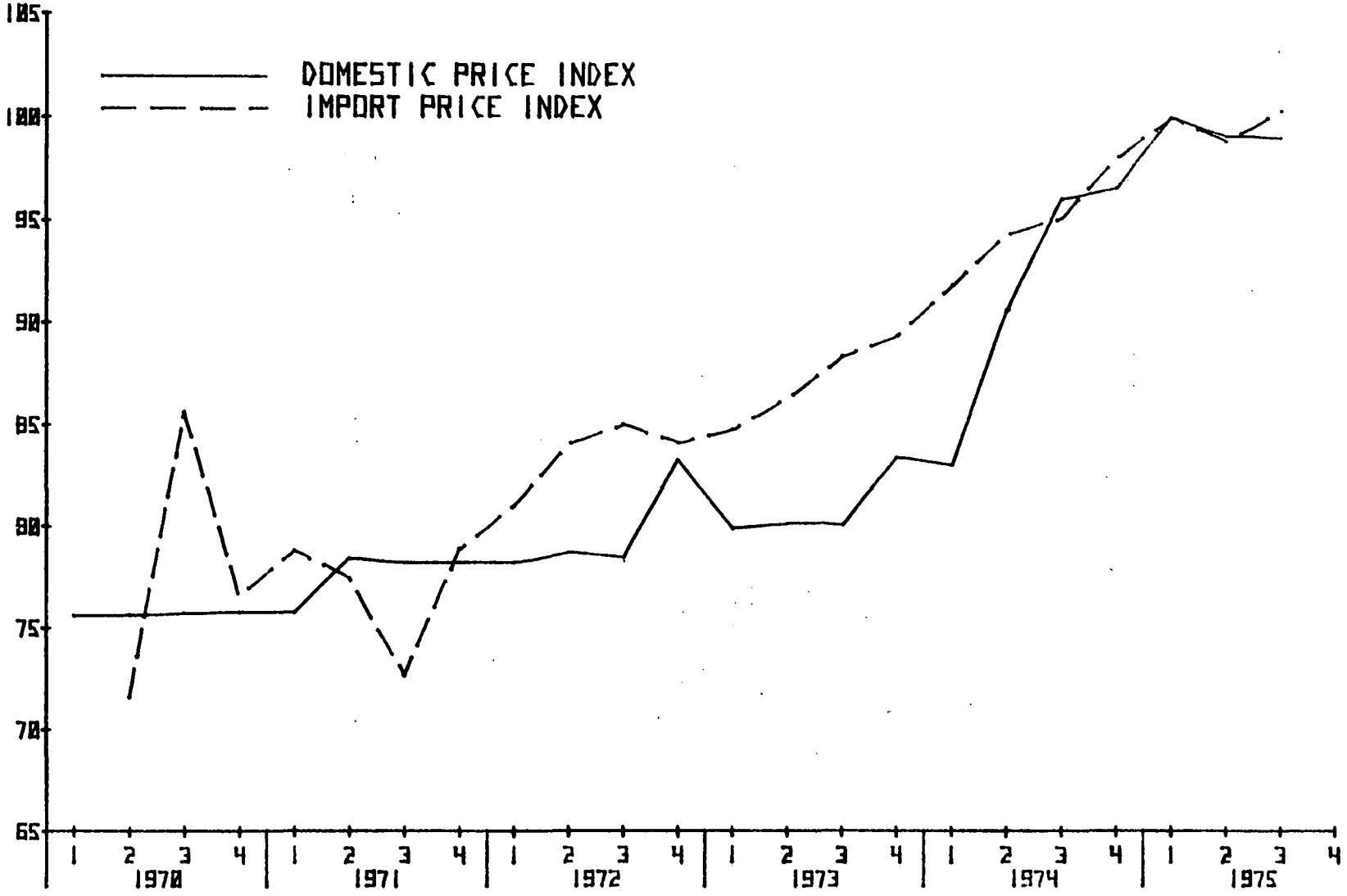
Price indexes of imported slide fasteners and U.S.-produced slide fasteners, by quarters, January 1970-September 1975

(January-March 1975=100.0)

Period	Imported	Domestic
1970:		
January-March	-	75.9
April-June	71.6	75.9
July-September	85.6	76.0
October-December	76.6	76.1
1971:		
January-March	78.8	76.1
April-June	77.5	78.7
July-September	72.7	78.5
October-December	78.9	78.5
1972:		
January-March	81.0	78.6
April-June	84.1	79.1
July-September	85.0	78.8
October-December	84.2	82.8
1973:		
January-March	84.8	79.9
April-June	86.3	80.2
July-September	88.4	80.1
October-December	89.4	83.4
1974:		
January-March	91.9	83.0
April-June	94.4	90.7
July-September	95.1	96.1
October-December	98.1	96.6
1975:		
January-March	100.0	100.0
April-June	98.9	99.1
July-September	100.4	99.0

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

Price indexes of U.S.-produced slide fasteners and imported slide fasteners, by quarters, January 1970-September 1975
(January-March 1975=100.0)



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

* * * * * * * *

All of the import prices mentioned above are those for YKK (U.S.A.) on slide fasteners imported from Japan, which accounts for about * percent of all imports. Imports have been most competitive in the standard or staple type of slide fastener and in serving customers that could predict their needs well in advance. This allowed for the long leadtime necessary to ship slide fasteners from Japan. YKK (U.S.A.) has been able to fill out its line with items requiring faster reaction to changes in demand by stepping up its domestic assembly and production operations.

Domestic producers gave numerous examples of instances in which they lost business or had to cut their prices because of competition from YKK. It was not always clear whether this competition was from YKK's imports or from YKK's domestic production. The domestic producers contend that they did not increase their prices enough to cover increased costs in an effort to keep customers from switching their accounts to YKK. This in turn reduced or eliminated the profitability of the producers' operations.

APPENDIX A

STATISTICAL TABLES

Table 1.--Slide fasteners and parts thereof: U.S. imports for consumption, by types, 1968-74, January-September 1974, and January-September 1975

Period	Slide fasteners			Parts of slide fasteners	Total, slide fasteners and parts thereof
	Valued not over 4 cents each	Valued over 4 cents each	Total		
	Quantity (1,000 units)				
1968	24,860	26,260	51,120	1/	1/
1969	24,075	42,063	66,138	1/	1/
1970	24,464	55,041	79,505	1/	1/
1971	21,763	65,325	87,088	1/	1/
1972	21,594	100,381	121,975	1/	1/
1973	19,246	95,153	114,399	1/	1/
1974	27,435	99,634	127,069	1/	1/
Jan.-Sept.--					
1974	24,363	84,127	108,490	1/	1/
1975	13,410	32,472	45,882	1/	1/
	Value (1,000 dollars)				
1968	601	1,851	2,452	315	2,767
1969	613	2,933	3,546	319	3,865
1970	636	4,162	4,798	755	5,553
1971	632	5,545	6,177	1,935	8,112
1972	653	9,288	9,941	4,453	14,394
1973	618	9,997	10,615	3,700	14,315
1974	753	11,333	12,086	4,541	16,627
Jan.-Sept.--					
1974	681	9,428	10,109	3,592	13,701
1975	365	4,004	4,369	1,746	6,116
	Average value (per unit)				
1968	$0.03	$0.07	$0.05	-	-
1969	.03	.07	.05	-	-
1970	.03	.08	.06	-	-
1971	.03	.08	.07	-	-
1972	.03	.09	.08	-	-
1973	.03	.11	.09	-	-
1974	.03	.11	.10	-	-
Jan.-Sept.--					
1974	.03	.11	.10	-	-
1975	.03	.12	.10	-	-

1/ Not meaningful.

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

Table 2.--Slide fasteners and parts thereof: U.S. imports for consumption, by items and by principal sources, 1968-74, January-September 1974, and January-September 1975

Item and source	1968	1969	1970	1971	1972	1973	1974	Jan.-Sept.--	
								1974	1975
	Quantity (1,000 units)								
Slide fasteners valued not over 4 cents each (item 745.7000):									
Japan	23,718	21,867	22,360	20,832	20,012	18,850	26,823	27,741	10,143
West Germany	232	468	25	92	600	15	340	340	65
United Kingdom	549	115	101	-	-	154	-	-	-
France	-	-	1,095	-	-	-	150	150	2,948
Italy	300	1,370	325	488	732	83	-	-	-
All other	261	255	558	351	250	144	122	22	254
Subtotal	24,860	24,075	24,464	21,763	21,594	19,246	27,435	28,253	13,410
Slide fasteners valued over 4 cents each (item 745.7200):									
Japan	24,510	40,247	53,781	63,300	97,503	87,840	93,455	78,834	31,480
West Germany	2	434	12	29	403	142	3,687	2,857	102
United Kingdom	1,682	891	754	1,684	1,437	4,664	1,148	1,148	207
France	-	9	2	-	-	359	903	903	281
Italy	-	-	2	63	45	8	4	4	-
All other	66	462	490	249	993	2,140	437	380	402
Subtotal	26,260	42,063	55,041	65,325	100,381	95,153	99,634	84,127	52,472
Total slide fasteners	51,120	66,138	79,505	87,088	121,975	114,399	127,069	112,380	45,882
	Value (1,000 dollars)								
Slide fasteners valued not over 4 cents each (item 745.7000):									
Japan	583	578	616	617	636	610	740	669	331
West Germany	2	5	1/	2	1	1/	10	10	4
United Kingdom	11	2	2	-	-	2	-	-	-
France	-	-	9	-	-	-	2	2	27
Italy	3	26	7	9	14	2	-	-	-
All other	2	2	2	4	2	4	1	3/	3
Subtotal	601	613	636	632	653	618	753	681	365
Slide fasteners valued over 4 cents each (item 745.7200):									
Japan	1,441	2,542	3,823	4,973	8,579	8,170	9,969	8,287	3,660
West Germany	2	77	19	35	147	132	823	633	92
United Kingdom	397	209	193	466	312	846	191	191	26
France	-	2	2	-	-	71	156	156	15
Italy	-	-	1/	9	5	3	1/	1/	-
All other	11	103	125	62	245	775	194	161	241
Subtotal	1,851	2,933	4,162	5,545	9,288	9,997	11,333	9,428	4,004
Total slide fasteners	2,452	3,546	4,798	6,177	9,941	10,615	12,086	10,109	4,370
Other parts (item 745.7440): 2/									
Japan	70	146	356	906	3,589	3,379	3/	3/	3/
West Germany	21	74	16	22	11	24	3/	3/	3/
United Kingdom	57	32	40	29	44	50	3/	3/	3/
Switzerland	5	7	6	102	122	9	3/	3/	3/
Italy	78	30	209	537	451	92	3/	3/	3/
Hong Kong	-	-	1	3	3	5	3/	3/	3/
France	-	1	65	205	137	51	3/	3/	3/
All other	75	29	62	131	96	90	3/	3/	3/
Subtotal	306	319	755	1,935	4,453	3,700	3/	3/	3/
Sliders (item 745.7450): 2/									
Japan	3/	3/	3/	3/	3/	3/	866	627	790
West Germany	3/	3/	3/	3/	3/	3/	2	2	7
United Kingdom	3/	3/	3/	3/	3/	3/	51	45	12
Switzerland	3/	3/	3/	3/	3/	3/	11	11	9
Italy	3/	3/	3/	3/	3/	3/	22	19	38
Hong Kong	3/	3/	3/	3/	3/	3/	-	-	1/
France	3/	3/	3/	3/	3/	3/	19	10	22
All other	3/	3/	3/	3/	3/	3/	49	48	15
Subtotal	3/	3/	3/	3/	3/	3/	1,020	760	895

See footnotes at end of table.

Table 2.--Slide fasteners and parts thereof: U.S. imports for consumption, by items and by principal sources 1968-74, January-September 1974, and January-September 1975--Continued

Item and source	1968	1969	1970	1971	1972	1973	1974	Jan.-Sept.--	
								1974	1975
	Value (1,000 dollars)--Continued								
Other parts (item 745.7460):									
Japan	3/	3/	3/	3/	3/	3/	3,043	2,501	738
West Germany	3/	3/	3/	3/	3/	3/	378	289	52
United Kingdom	3/	3/	3/	3/	3/	3/	14	14	-
Switzerland	3/	3/	3/	3/	3/	3/	9	9	3
Italy	3/	3/	3/	3/	3/	3/	21	6	13
Hong Kong	3/	3/	3/	3/	3/	3/	5	4	4
France	3/	3/	3/	3/	3/	3/	29	28	31
All other	3/	3/	3/	3/	3/	3/	22	4	12
Subtotal	3/	3/	3/	3/	3/	3/	3,521	2,855	853
Total	3/	3/	3/	3/	3/	3/	4,541	3,615	1,746

1/ Less than $500.

2/ Includes imports of cotton tape with plastic cord entered under TSUSA item 745.7420; imports of such articles were negligible during the periods under consideration.

3/ Effective Jan. 1, 1974, TSUSA item 745.7440 was replaced by item 745.7450, sliders, and item 745.7460, other parts. The quantity of sliders imported under item 745.7450 totaled 130,000 units in 1974, and 72,000 units in January-September 1974, compared with 107,000 units in January-September 1975. More than 80 percent of the sliders shipped in these 3 periods were from Japan. Quantity data are not available for either item 745.7440 or item 7460.

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

Table 3.--Slide fasteners and parts thereof: U.S. imports for consumption, by principal sources, 1968-74, January-September 1974, and January-September 1975

(In thousands of dollars)

Source	1968	1969	1970	1971	1972	1973	1974	January-September--	
								1974	1975
Japan	2,094	3,266	4,795	6,496	12,804	12,159	14,618	12,084	5,518
West Germany	25	156	35	59	159	156	1,211	920	155
France	-	3	76	205	137	122	206	196	94
Italy	81	56	216	555	470	97	43	26	51
Canada	-	-	36	74	82	90	66	65	42
United Kingdom	465	243	235	495	356	898	256	248	38
All other	102	141	160	228	386	793	227	185	217
Total	2,767	3,865	5,553	8,112	14,394	14,315	16,627	13,725	6,115

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

Table 4.--Slide fasteners and parts thereof: U.S. producers' shipments of domestically produced merchandise and imported merchandise, exports of domestic merchandise, and apparent consumption, with all zippers assembled in the United States classified as domestic production, 1970-74, January-September 1974, and January-September 1975

(Quantity in millions of units; value in millions of dollars)

Period	Shipments of domestically produced merchandise 1/ (1)	Shipments of imported merchandise 1/ (2)	Exports of domestic merchandise 2/ (3)	Apparent consumption (4)	Ratio (percent) of shipments of imported merchandise to shipments of domestic merchandise (5)	Ratio (percent) of shipments of imported merchandise to apparent consumption (6)
			Quantity			
1970	* * *	* * *	39	* * *	* * *	* * *
1971			54			
1972			72			
1973			85			
1974			71			
January-September						
1974			54			
1975			62			
			Value			
1970	* * *	* * *	2.9	* * *	* * *	* * *
1971			4.3			
1972			5.6			
1973			6.7			
1974			5.5			
January-September						
1974			4.1			
1975			4.7			

1/ Slide fastener parts converted to equivalent slide fasteners by dividing the value of the parts by the average unit value of the finished slide fasteners.

2/ Value data compiled from official statistics of the U.S. Department of Commerce. Quantity data not separately reported in official U.S. export statistics; therefore the number of units was determined by dividing the value of exports of the specified items by the average unit value of U.S. shipments of finished slide fasteners.

Note.--"Shipments of domestically produced merchandise" (col. 1) includes all slide fasteners assembled in the U.S. (including those assembled wholly or partially from imported parts) and all domestically produced parts of slide fasteners entering consumption as parts. "Shipments of imported merchandise" (col. 2) includes only finished, foreign-made zippers and foreign-made parts imported by domestic producers and shipped directly to industrial users.

Data based on responses to Commission questionnaires from U.S. producers which accounted for all but a very small part of domestic shipments of domestically produced and imported merchandise in terms of quantity and value.

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

Table 5.--Slide fasteners and parts thereof: U.S. producers' shipments of domestically produced merchandise and imported merchandise, exports of domestic merchandise, and apparent consumption, with zippers whose chief value is comprised of imported parts classified as imported zippers, 1970-74, January-September 1974, and January-September 1975

(Quantity in millions of units; value in millions of dollars)

Period	Shipments of domestically produced merchandise 1/ (1)	Shipments of imported merchandise 1/ (2)	Exports of domestic merchandise 2/ (3)	Apparent consumption (4)	Ratio (percent) of shipments of imported merchandise to shipments of domestic merchandise (5)	Ratio (percent) of shipments of imported merchandise to apparent consumption (6)
			Quantity			
1970	1,814.9	* * *	39	* * *	* * *	* * *
1971	2,026.3	* * *	54	* * *	* * *	* * *
1972	2,061.4	* * *	72	* * *	* * *	* * *
1973	1,971.1	* * *	85	* * *	* * *	* * *
1974	1,718.3	* * *	71	* * *	* * *	* * *
January-September--						
1974	1,299.6	* * *	54	* * *	* * *	* * *
1975	1,218.5	* * *	62	* * *	* * *	* * *
			Value			
1970	183.7	* * *	2.9	* * *	* * *	* * *
1971	203.4	* * *	4.3	* * *	* * *	* * *
1972	216.2	* * *	5.6	* * *	* * *	* * *
1973	191.4	* * *	6.7	* * *	* * *	* * *
1974	174.4	* * *	5.5	* * *	* * *	* * *
January-September--						
1974	128.6	* * *	4.1	* * *	* * *	* * *
1975	131.7	* * *	4.7	* * *	* * *	* * *

1/ Slide fastener parts converted to equivalent slide fasteners by dividing the value of the parts by the average unit value of the finished slide fasteners.

2/ Value data compiled from official statistics of the U.S. Department of Commerce. Quantity data not separately reported in official U.S. export statistics; therefore the number of units was determined by dividing the value of exports of the specified items by the average unit value of the shipments of finished slide fasteners.

Note.--"Shipments of domestically-produced merchandise" (col. 1) includes all slide fasteners produced completely from domestically fabricated parts and slide fasteners where 50 percent or more of the value is in domestically produced parts. Also included in this column are domestically produced slide fastener parts shipped unassembled to industrial users. "Shipments of imported merchandise" (col. 2) includes finished, foreign-made zippers and parts going to industrial users and zippers assembled in the United States from foreign parts where over 50 percent of the value of the zipper is in the foreign-made parts.

Data based on responses to Commission questionnaires from U.S. producers which accounted for all but a very small part of domestic shipments of domestically produced and imported merchandise in terms of quantity and value.

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

Table 6.--Slide fasteners and parts thereof: U.S. exports of domestic merchandise, by principal markets, 1970-74, January-September 1974, and January-September 1975

(In thousands of dollars)

Period	Japan	Canada	Hong Kong	Italy	Spain	All other	Total
1970	734	344	334	59	-	1,436	2,907
1971	1,187	418	453	155	-	2,053	4,266
1972	2,143	336	312	277	19	2,512	5,599
1973	2,640	509	367	354	244	2,634	6,748
1974	394	470	340	297	279	3,736	5,516
Jan.-Sept.--							
1974	314	374	264	287	256	2,722	4,217
1975	458	414	379	134	33	3,273	4,691

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

Table 7.--Lowest net prices received by U.S. producers and importers on sales of selected slide fasteners to industrial customers and retailers, by types and by quarters, January 1970-September 1975 1/

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Table 7.--Lowest net selling prices by U.S. producers and importers on sales of selected slide fasteners to industrial customers and retailers, by types and by quarters, January 1970-September 1975 1/--Continued

*	*	*	*	*	*	*

Table 7.--Slide fastenersand parts thereof: Lowest net selling prices received by U.S. producers and importers on sale of selected slide fasteners to industrial customers and retailers, by types and by quarters, January-September 1975 1/--continued

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Table 7.--Slide fasteners and parts thereof: Lowest net selling prices received by U.S. producers and importers on sales of selected slide fasteners to industrial customers and retailers, by types and by quarters, January 1970-September 1975 1/--Continued

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Table 8.--Slide fasteners and parts thereof: Lowest net selling prices received by U.S. producers and importers on sales of selected slide fasteners to distributors, by types and by quarters, January 1970-September 1975 1/

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Table 8.--Slide fasteners and parts thereof: Lowest net selling prices received by U.S. producers and importers on sales of selected slide fasteners to distributors, by types and by quarters, January 1970-September 1975 1/--Continued

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Table 9.--Slide fasteners and parts thereof: Full standard production cost of selected slide fasteners reported by certain U.S. producers, by items of cost, 1970 and 1974 1/

*	*	*	*	*	*	*

Table 9.--Slide fasteners and parts thereof: Full standard production cost of selected slide fasteners reported by certain U.S. producers, by items of cost, 1970 and 1974 1/--Continued

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Table 10.--Slide fasteners: Profit-and-loss experience of U.S. producers' establishments in which slide fasteners were produced, 1970-74 and January-June 1975

Item	1970	1971	1972	1973	1974	Jan.-June 1975
Net sales----1,000 dollars--	154,755	169,298	181,478	164,488	144,397	57,493
Cost of goods sold----do----	108,343	117,651	133,294	128,894	119,121	47,999
Gross profit----------do----	46,412	51,647	48,184	35,594	25,276	9,494
Selling, general, and administrative expense 1,000 dollars--	29,258	30,662	33,002	31,951	32,226	14,110
Net operating profit or (loss)-----1,000 dollars--	17,154	20,985	15,182	3,643	(6,950)	(4,616)
Other expense---------do----	(5,985)	(6,321)	(5,944)	(4,652)	(3,178)	(2,614)
Net profit or (loss) before taxes------1,000 dollars--	11,169	14,664	9,238	(1,009)	(10,128)	(7,230)
Ratio of net operating profit or (loss) to net sales----------percent--	11.1	12.4	8.4	2.2	(4.8)	(8.0)
Number of firms reporting---	24	26	26	27	27	(6)

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

Table 11.--Slide fasteners: Profit-and-loss experience of the four largest U.S. producers' establishments in which slide fasteners were produced, 1970-74 and January-June 1975

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Table 12.--Principal end-use apparel markets for slide fasteners: U.S. production, exports of domestic merchandise, imports for consumption, and apparent consumption, 1970-74

Market and year	Production	Exports	Imports	Apparent consumption	Ratio of imports to apparent consumption
	Million units	Million units	Million units	Million units	Percent
Men's and boys' garments: 1/					
1970	585.2	20.0	56.8	622.0	9.1
1971	614.1	21.2	57.5	650.4	8.8
1972	2/ 641.1	2/ 22.2	2/ 79.0	2/ 697.9	2/ 11.3
1973	2/ 642.2	2/ 18.4	76.4	2/ 700.2	2/ 10.9
1974	2/ 619.3	2/ 24.6	62.8	2/ 657.5	2/ 9.6
Women's, girls', and infants' garments: 3/					
1970	859.2	2/12.0	147.6	2/ 994.8	2/14.8
1971	832.9	2/11.2	201.6	2/1,023.3	2/19.7
1972	2/905.7	2/17.1	208.6	2/1,097.2	2/19.0
1973	2/885.5	2/14.3	190.7	2/1,061.9	2/18.0
1974	2/847.8	2/13.7	147.9	2/ 982.0	2/15.1

1/ Includes separate trousers, suit trousers, slacks, outer shorts, woven coats except suit-type coats, and woven raincoats.

2/ Estimated.

3/ Includes trousers, slacks, shorts, dresses, skirts, suits, play clothes (including men's and boys'), and woven rainco

Source: Compiled from published data of the National Cotton Council of America and official statistics of the U.S. Department of Commerce, except as noted.

Table 13.--Certain end-use markets for slide fasteners: U.S. production, by end-use products, 1970-74

Year	Men's and women's boots	Comforters and quilts	Mattress covers	Pillows and cushions	Automobile convertible tops	Boat convertible tops	Sleeping bags	Tents and camper trailers
	Million dozen pairs	Million units	Million units	Million units	Million square yards	Million square yards	Million square yards	Million square yards
1970	1/	5.1	3.4	51.4	7.8	2.9	28.7	87.4
1971	1/	6.1	4.8	57.1	7.7	3.0	41.2	93.9
1972	2/ 25.2	7.0	3.0	50.8	5.8	3.3	45.3	93.6
1973	20.0	7.8	2.9	51.6	4.0	3.5	52.1	100.6
1974	19.2	7.9	2.7	46.4	3.2	3.8	60.0	89.7

1/ Not available.
2/ Represents shipments.

Source: Data on men's and women's boots compiled from official statistics of the U.S. Department of Commerce; data on products other than boots compiled from published statistics of the National Cotton Council of America.

APPENDIX B

FIGURES

Figure 1.--Slide fasteners and parts thereof: Lowest net selling prices received by the U.S. producers and importers on sales of metallic separating slide fasteners for apparel, .201"-.3" chain, 18" long to industrial customers, by quarters, January 1970-September 1975

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Figure 2.--Slide fasteners and parts thereof: Lowest net selling prices received by U.S. producers and importers on sales of metallic separating slide fasteners for apparel, .201"-.3" chain, 22" long, to industrial customers, by quarters, January 1970-September 1975

* * * * * * *

Figure 3.--Slide fasteners and parts thereof: Lowest net selling prices received by U.S. producers and importers on sales of nonmetallic, nonseparating slide fasteners for apparel, under .141" chain, 7" ling, to industrial customers, by quarters, January 1970-September 1975

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Figure 4.--Slide fasteners and parts thereof: Lowest net selling prices received by U.S. producers and importers on sales of nonmetallic nonseparating slide fasteners for apparel, .201"-.3" chain, 20" long to industrial customers, by quarters, January 1970-September 1975

* * * * * * * *

Figure 5.--Slide fasteners and parts thereof: Lowest net selling prices received by U.S. producers and importers on sales of metallic slide fasteners for furniture, no specific slider, sold by the yard, .141"-.2" chain, to industrial customers, by quarters, January 1970-September 1975

* * * * * * *

Figure 6.--Slide fasteners and parts thereof: Lowest net selling prices received by U.S. producers and importers on sales of nonmetallic slide fasteners for luggage, no specific slider, sold by the yard, .201"-.3" chain to industrial customers, by quarters, January 1970-September 1975

* * * * * * *

Figure 7.--Slide fasteners and parts thereof: Lowest net selling prices received by U.S. producers and importers on sales to distributors of nonmetallic nonseparating industrial slide fasteners for apparel, under .141" chain, 7" long, by quarters, January 1970-September 1975

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APPENDIX C

SPECIFICATIONS OF SLIDE FASTENERS

The specifications of the slide fasteners for which price and cost data are presented in tables 7, 8, and 9 are as follows.

Industrial slide fasteners:

For apparel:

Metallic:

.201"-.3", aluminum chain, separating, pin-locking slider, 18" long.

.201"-.3" chain, separating, pin-locking slider, 22" long.

.141"-.2" chain, sold by the yard, no specific slider (for slacks, jeans, etc.).

.201"-.3" chain, sold by the yard, no specific slider (for slacks, jeans, etc.).

Nonmetallic:

Under .1417" chain, with automatic locking slider, 7" long (for skirts, slacks, and sportswear, etc.).

Invisible slide fastener, .141"-.2" chain, automatic locking slider, 22" long.

.201"-.3" chain, automatic locking slider, 20" long.

.201"-.3" chain, sold by the yard, no specific slider (for slacks, jeans, etc.).

For recreational goods:

Metallic:

Sleeping bag fastener with reversible slider, .201"-.3" chain, aluminum, 108" long, separating, non-locking slider.

Nonmetallic:

.301" and over chain, separating, automatic locking slider, 70" long.

For furniture:

Metallic:

.141"-.2" chain, sold by the yard, no specific slider.

For luggage:

Nonmetallic:

.201"-.3" chain, sold by the yard, no specific slider.

Retail slide fasteners (for home sewing):

For apparel:

Nonmetallic:

Under .1417" chain, with automatic locking slider, 7" long (for skirts, slacks, etc.) (sold in packages).

Under .1417" chain, with automatic locking slider, 7" long (for skirts, slacks, etc.) (unpackaged).

Invisible slide fastener, .141"-.2" chain, automatic locking slider, 22" long (sold in packages).

Invisible slide fastener, .141"-.2" chain, automatic locking slider, 22" long (unpackaged).