the average housewife bought the less expensive type. Beginning in 1947 or 48 the trend of consumer preference changed and the percentage of standard pins to total consumption of clothespins declined rapidly—from 65% in 1947 to only 25% last year. This change resulted from two principal factors:

1. The development of more efficient assembly machinery which reduced the cost of producing spring pins, enabling domestic producers to reduce their prices, and thus decreasing the price spread between spring and standard pins.
2. The flood of imported spring pins offered at prices equivalent to the domestic price for standard pins.

For all practical purposes the price advantage which standard pins had enjoyed historically was wiped out, and housewives were able to buy imported spring pins at about the same price as they would have to pay for domestic standard pins. As a consequence, consumption of spring pins increased and consumption of standard pins declined correspondingly. Total consumption of clothspins has remained relatively stable during the past 20 years, despite increased use of automatic clothes dryers, laundromats, etc. Average consumption during 1947–56 was 9,643,000 gross, and during the last six years consumption has averaged 9,990,000 gross.

The conclusion is inescapable that increased imports of spring pins have seriously injured domestic standard pin producers, as well as domestic spring producers. Since the producers are one and the same, and since the ability of clothespin producers to continue to operate and to compete for the domestic market is dependent on their sales of both types of pins, any consideration of the economic impact of increased imports of spring pins necessarily involves the competitive effect of such imports on domestic sales of both types of pins.

The attached Table I contains a summary of U.S. shipments, imports and apparent consumption of both standard and spring pins during the years 1947 through 1967. From this table the Committee will note that average sales by domestic producers during 1947–56 of both types of pins totalled 8,542,000 gross annually. During the last six years they totalled only 7,575,000 annually—a decline in annual domestic sales of 967,000 gross. Sales during the first quarter of 1968 were at the annual rate of only 5,328,000 gross.

During the 1947–56 imports of both types of pins averaged 1,101,000 gross annually, and during the last six years imports averaged 2,415,000 annually—an increase of 1,313,000 gross. Imports during the first quarter of 1968 were at the annual rate of 2,640,000 gross. Total consumption increased with an average of 9,643,000 in 1947–56 to an average during the last six years of 9,990,000 gross—an increase of 347,000 gross. Despite this increase in consumption, sales by domestic producers have declined by 967,000 gross annually.

In terms of percentage of imports to domestic shipments and to consumption, Table I shows that imports were only 13% of domestic shipments in 1947–56, and during the last six years jumped to 32%, and during the first quarter of 1968 to 49%. Imports during 1947–56 represented only 11% of domestic consumption, and during the last six years represented 24%. During the first quarter of 1968 imports represented 38% of domestic consumption.

The U.S. Tariff Commission has in its possession the answers to questionnaires filed by the domestic producers showing the profits and losses in connection with both spring and standard pins during the years of 1961, 1962 and 1963. These figures show that in 1961 the domestic clothespin industry suffered a loss of $279,000 on its clothespin sales. In 1962 it showed a small profit of $114,000 on total sales—an average profit of only one and one-half cents per gross. In 1963 the industry again operated at a substantial loss—$97,000. Figures for later years are not available but it is believed that they would show even greater losses, since volume has declined, costs have increased and there has been very little change in domestic prices.

From Table I it must be concluded that increased imports of both spring and standard pins have caused serious injury to the domestic industry producing like and directly competitive items, and that such injury has gotten progressively worse each year despite the increase in the import duty on spring pins in 1962 referred to above.

The industry now faces a further reduction in duties as a result of the "Kennedy Round". The duty on spring clothespins will be reduced to 10 cents per gross and the rate on standard pins to 7½% ad valorem. If the industry cannot hold a fair share of the market, and cannot reflect a reasonable profit on its operations, at current rates of duty, it is inconceivable that it can do so with a further reduction in such rates.