2. *The Slide Fastener Industry*

The slide fastener industry, which is entirely the product of American inventiveness, ingenuity and investment, consists of some 180 companies engaged in the manufacture and assembly of slide fasteners and their component parts, has had to battle for its life since shortly after 1928 against foreign-made slide fasteners produced with low-cost labor, and sold in the United States at prices far below domestic costs of manufacture. The battle has been a long and bitter one, with many ups and downs.

Apparently in recognition of the urgent need of the domestic industry for reasonable protection against low-priced foreign slide fasteners and parts, particularly those imported from Japan, the U.S. Tariff Commission and other government agencies have several times come to the assistance of the industry, with the result that the industry has been enabled to grow steadily and to provide employment for thousands of workers.

Patents afforded the industry reasonable protection until about 1932, when foreign-made fasteners began to flood the American market in complete disregard of American patents. An appeal to the Tariff Commission in 1932 resulted in an Order of Exclusion. This order helped some, but in view of the expiration of a number of the basic patents, by 1935 the industry was again in trouble. Tremendous volumes of imports from Czechoslovakia and Japan entered the country, and in the fall of 1935 the Commission was again asked for help—this time under Section 336 of the Tariff Act of 1930. This appeal resulted in an increase in the rate of duty from 45% to 66%. Although this increase helped to stem the flood of imports from Eureopean countries, it did not have any appreciable effect on Japanese competition. The cost of Japanese fasteners was so low that, from the standpoint of ability to undersell the domestic product, it made little difference to importers whether the duty was 45% or 66%.

Imports, primarily from Japan, continued to rise, reaching a high of 43,000,000 units in 1938. Then the war came and the industry's problems with imports temporarily came to an end. Following the war four reductions in the rates of duty were made through trade agreement concessions. The duty was reduced from 66% to 40% on slide fasteners valued at over 4¢ each and to 50% on fasteners valued at 4¢ or less and on parts.

Imports jumped from negligible quantities during the years following the war to over 7,000,000 units in 1959. However, they fell off after 1959 for the reason that in 1960 the Japanese importers obtained a ruling from the U.S. Customs Bureau under which slide fastener chain was classified either under Par. 912 at 17½%, or as metal products, nspf, under Par. 397 at 19%, depending upon whether in chief value of cotton or metal.

Importers found it more profitable to import chain, and assemble the slide fasteners in the U.S., paying the 17½% or 19% duty, rather than to import completed fasteners and pay the 40 or 50% rate. As a result substantial quantities of chain were imported until September 1, 1963, when an appeal to the Customs Bureau resulted in a reversal of the ruling and a requirement that chain in chief value of metal be classified as parts of slide fasteners, with the 50% duty applicable.

As a further means of avoiding the 50% duty applicable to parts, beginning in 1958 importers began to import from Japan flat and corded slide fastener tape. Corded tape represents approximately 60% of the cost of the raw materials going into slide fasteners. Flat tape is simply a narrow strip of textile fiber—primarily cotton—with fast edges. Corded tape consists of flat tape to one edge of which is affixed a cord which anchors the teeth or scoops which make up the chain. The cord may be woven into the tape at the time the tape is made, in which event the end product is known as "woven corded tape", or it may be sewn on after the tape is woven, in which case it is known as "sewn corded tape".

There is no known commercial use for either woven or sewn corded tape except in the manufacture of slide fasteners. The two types look very much alike and only an expert could tell one from the other merely by looking at them. They are used for the identical purpose and are directly competitive.

The slide fastener tape which began to come into the U.S. in 1958 from Japan was primarily corded tape classified under Par. 912 with a rate of duty of 17½%. By 1960 these imports were beginning to seriously injure domestic producers of such tape and domestic textile and slide fastener manufacturers communicated their concern to the U.S. Tariff Commission, the Department of Commerce and the Department of State.