LONG-TERM ARRANGEMENT REGARDING TRADE IN COTTON TEXTILES

Information Transmitted by the United States

Annexed is information transmitted by the delegation of the United States on the subject of cotton textile categories restrained by the United States under the provisions of the Long-Term Arrangement.
COTTON TEXTILE CATEGORIES RESTRAINED BY THE UNITED STATES GOVERNMENT UNDER THE PROVISIONS OF THE LONG-TERM COTTON TEXTILES ARRANGEMENT, AS OF 5 MARCH 1963

The attached information is transmitted herewith in compliance with the reporting requirements of the Long-Term Cotton Textiles Arrangement. The categories listed in the attached statement are those for which the United States has requested restraint. The United States Government regrets that the transmittal of this information has been delayed.

It should be noted that imports of cotton textiles into the United States in the twelve-month period ending 30 September 1962 totalled 1,113,000,000 square yards. This represented 37 per cent more than total cotton textile imports during the twelve months ending 30 June 1961 which was the base year of the Short-Term Cotton Textiles Arrangement. Cotton textile imports into the United States thus far under the Long-Term Cotton Textiles Arrangement have been at a projected annual rate of about the same level as imports during the period of the Short-Term Cotton Textiles Arrangement.

Category 1, yarn, carded, singles
Category 2, yarn, carded, plied
Category 3, yarn, combed, singles
Category 4, yarn, combed, plied

Because domestic production data is not maintained separately for singles and plied yarn, and because most yarn mills have extra doubling equipment which enables them to produce either singles or plied yarn, the four categories will be considered together in respect to costs and pricing.

Yarn imports from practically every country are priced about 5 to 6 cents below the domestic market and frequently below domestic costs. The rapid increase of imports and their present high levels combined with their substantially lower price have created severe hardship to yarn mills in this country. Prices have declined substantially as a result of imports, and the price drop is especially serious because of rising production costs in the United States.

An illustration of this price differential is found in category 1 yarn, 20's, singles, carded, from both European and Asian producers, the landed price of which on the American market is 57.5 cents per pound, as compared to a domestic market price of 65 cents per pound. In general, it may be said that landed, duty-paid foreign-made yarns in all four categories are offered at prices that are 10 per cent below the domestic market price for the comparable American-made product.
Imports in category 1 in 1958 totalled only .3 million pounds. By fiscal 1961, total imports were 3.7 million pounds - a twenty-nine fold increase in less than three years. Imports in the Short-Term Arrangement year reached 20.5 million pounds, or nearly 2.5 times the fiscal 1961 level.

For category 2, imports increased more than six-fold from 1958 to fiscal 1961, and during the Short-Term Arrangement, imports increased by about 50 per cent over the level reached during fiscal 1961. Imports during the first two months of the Long-Term Arrangement year continued at the same high rate they had registered during the Short-Term Arrangement year.

Imports of combed yarn, both singles and plied (categories 3 and 4) increased from 2,566,000 pounds in fiscal 1961 to just under 6,084,000 pounds in the Short-Term Arrangement year or about 2.5 times.

The rapid and substantial rise of imports of yarn in all four categories, combined with their lower prices, has seriously disrupted the domestic market, has depressed market prices, and has caused severe hardships to yarn mills in this country.

Category 5, gingham, carded  
Category 6, gingham, combed

Imports of carded and combed gingham are substantially greater than they were only a year and a half ago: 17.4 million square yards of carded gingham in fiscal 1961, and 32.0 million yards during the Short-Term Arrangement year or 185 per cent of fiscal 1961's imports; and 42.6 million square yards of combed gingham during the Short-Term Arrangement year of 121 per cent of the 35.3 million yards of combed gingham imported in fiscal 1961. Imports during the first two months of the Long-Term Arrangement continued at the same high rate experienced during the Short-Term Arrangement year.

Serious disruption has been caused to American producers by the high levels and rapid increases of imports of gingham. Taken together, imports of carded and combed gingham are equal to well over one third of domestic gingham production. This situation has resulted in very few domestic producers remaining in the carded gingham field, and of those few, most are compelled to concentrate on combed gingham. During the past two years, two large domestic producers have had to shift more than 40 per cent of their cotton gingham looms to the manufacture of synthetic goods. A third mill currently has over 600 of its looms running only four days, although six days had been normal prior to 1961.

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1The United States fiscal year runs from 1 July through 30 June.
Because carded and combed ginghams generally are sold for the same types of finished goods, the rapid and substantial build-up in imports of ginghams priced below the domestic market price has had a serious disruptive effect upon the entire gingham market. Prices on gingham fabrics has decreased more than 5 per cent since 1960, despite wage increases and higher cotton prices subsequent to that time. The main reason for this price depression is the low prices at which imports are sold. For example, a 36 inch imported gingham with an 80 x 70, 40.1 construction is sold for from 31 to 36 cents, compared to 46 to 52 cents for a comparable fabric produced in the United States. A 45 inch imported fabric similarly constructed is being sold for from 42 to 47 cents, compared to 50 to 55 cents for the domestic product. These important price differentials, coupled with the large proportion of the market for ginghams that has been taken over by imported goods, are disruptive to the market and have forced American mills to shift to other products in order to minimize idle capacity.

Category 7, velveteens

Velveteen imports were only slightly higher during the Short-Term Arrangement year than during fiscal 1961 because the United States had bilateral agreements on velveteens in effect in 1962 with the two countries (Japan and Italy) from which over 97 per cent of the imports originate.

Despite the stable quantities of velveteen imports received, prices of these imports are still substantially lower than the domestic equivalent and have continued to have a disruptive effect on the market. For example, jobbers sell straight-back velveteen to the trade at $1.25, compared to a price of $1.375 for the equivalent fabric from domestic mills. This 9 per cent differential is typical of other qualities and is depressing to the domestic market, particularly since imports constitute a large share of the total velveteen market.

Category 9, sheeting, carded

Carded sheeting is the largest single category of cotton textile imports. These imports have grown rapidly from less than 17 million square yards in 1958 to over 100 million square yards during fiscal 1961. They continued to increase totalling 147 million square yards during the Short-Term Arrangement year. During the first two months of the Long-Term Arrangement, imports totalling 29 million square yards are well in excess of the amount received during the same period of the Short-Term Arrangement. These increases have caused corresponding reductions in domestic production, and have been particularly disruptive, since prices of the imports are considerably lower than domestic prices.

The price differential on all imports of carded sheeting runs fairly consistently at 1.5 to 2 cents per yard below the market price for fabrics which sell in the 15 to 20 cent range. In some cases, the price differential
is greater, and on occasion has been quoted by importers at 8.5 cents per pound below the market. The mill margin (the difference between selling price and raw cotton waste) for domestic Osnaburgs in a 40 inch, 40 x 26, 2.11 construction dropped from 15.43 cents in November 1960 to 13.07 cents in November 1962. Imported soft-filled sheetings in a 40½ inch, 42 x 44, 3.50 construction have been offered at 16 cents, in comparison with a market price of 19 cents for the domestic article.

Category 15, poplin and broadcloth, carded

Imports of carded broadcloth and poplin rose substantially in 1962. Imports during the year of the Short-Term Arrangement totalled 20.2 million square yards, compared to 12.6 million during fiscal 1961.

This extremely rapid build-up has been disruptive to the domestic market. As an example, one large producer reports substantial inventories of poplins and broadcloth when normally, at this time of the year, no inventory would be available. This is in spite of the fact that one of the company's two mills has been taken off these constructions entirely, and the other mill is running only five days, instead of a normal six-day week.

The poplin and broadcloth market is depressed. A typical construction of domestically-produced broadcloth which is selling for 23.5 cents costs even the more efficient mills over 24 cents to produce. The substantial rise in imports has contributed significantly to the depressed condition of the market, particularly since the imports sell at prices below those that can be offered by domestic manufacturers.

Category 16, poplin and broadcloth, combed

Imports of combed poplins and broadcloth during the Short-Term Arrangement year were nearly four times those of fiscal 1961, rising to 24.0 million square yards from the 6.1 million received in the earlier period.

Prices of these imports are considerably lower than those products made by the domestic manufacturers. An imported 40 inch fabric, 136 x 60 construction, is currently selling at from 24 to 24.5 cents, compared to the domestic market price of about 27 cents for the American-made article. The same construction in a 48 inch width is being imported to sell at 28.5 cents, compared to the market price of 30 cents for United States goods. These price differentials, combined with the very rapid increase in imports, have created serious disruption to the domestic market.

Category 17, typewriter ribbon cloth

Imports of typewriter ribbon cloth during the Short-Term Arrangement year were about 150 per cent of the level of imports during fiscal 1961. Imports during the first three months of the Long-Term Arrangement were at an even higher rate than that of the Short-Term Arrangement. This upward trend in imports has occurred despite an increase in the import duty during fiscal 1961.
This rapid increase in imports could not occur without displacing significant domestic production. A typical situation is that of one large producer who reports having recently cut by 50 per cent the number of looms producing typewriter ribbon cloth, and who fears that even further reductions will be necessary if business does not improve in the immediate future. Other domestic producers report similar problems.

The imported cloth is selling at prices well below the domestic market. In fact since June 1962, prices in this category have fallen off 15 per cent. A 42 inch imported cloth with a 270-count construction is being sold at 55 cents, compared to the domestic market of 58 cents. This market price about equals or is slightly below domestic costs, as domestic producers have recently trimmed prices in order to hold on to as much of the market as is still possible. Similar price differentials have been reported on other constructions of typewriter ribbon cloth.

Category 18, printcloth shirting, 80 x 80
Category 19, printcloth shirting, other
Category 20, shirting, carded
Category 21, shirting, combed

The printcloth shirting and the shirting categories are herein considered together because the fabrics are quite similar in construction; have the same use, with inter-related and interdependent markets; and to a large extent are manufactured by the same producers on the same textile equipment. Therefore, restraint in any one of these categories compels restraint in all four.

The domestic printcloth and shirting markets have been depressed for many months. Prices, which in these very competitive types of cloths rarely provide more than a fraction of a cent profit, have been so low that even the more efficient mills have not been able to break even. Inventories are high, and there is substantial capacity now curtailed; much of the mill capacity for shirting production has already shifted to other fabrics.

As an example, an imported European 30. 25 inch 64 x 60 5.50 construction of printcloth shirting now appears on the New York market at 12.5 cents, while the comparable American product sells at 13.75 cents. A 45 inch 64 x 56 4.75 construction from Asia sells for 14 cents, while an American-made good in the same construction costs at least one cent more. Another Asian fabric, a 45 inch 60 x 48 5.35 construction appears for 12 and 5/8 cents while the domestic fabric sells for 13.5 cents. The same construction from another Asian country sells at 12.5 cents and thus enjoys an even greater price differential.

In this abnormal market situation, imports even in small amounts in relation to the total, and at prices even one cent below the market, are disruptive and frustrate the efforts of domestic producers to achieve badly needed improvement of the shirting market. Nevertheless, imports have grown rapidly from a small base. In the four shirting categories (18, 19, 20 and 21), imports during the Short-Term Arrangement year were 191, 129, 783, and 222 per cent, respectively, of those levels reached during fiscal 1961.
Category 22, twill and sateen, carded

Imports of carded twills and sateens have risen rapidly over the past five years, from less than 4 million square yards in 1958 to 19 million during fiscal 1961 and to over 27 million during the Short-Term Arrangement year, or 142 per cent of fiscal 1961. Import figures show the trends continuing for the first three months of the Long-Term Arrangement: the total was 34 per cent of the Short-Term Arrangement year.

Such rapid increases of imports, combined with prices well below the domestic market, have been seriously disruptive. A 40 inch, 72 x 60, 1.96 weight imported twill is being sold for 27.5 cents, compared to the domestic market price of 30 to 30.5 cents for the American product. A 40 inch, 72 x 48, 2.40 weight import is offered at 25.5 cents, while the domestic market is at 28 cents.

Category 23, twill and sateen, combed

Imports of combed twills and sateens have increased substantially, rising from 2.4 million square yards in fiscal 1961 to 3.8 million during the Short-Term Arrangement year.

Prices of the imported fabrics have been reported to be substantially below the domestic market price. For example, a 38.5 inch 84 x 136, 4.25 weight imported fabric is being sold for 27 cents, compared to the domestic market price of 30 cents. These low prices and the rapid increases in imports have been disruptive to the domestic twill and sateen market.

Category 24, yarn-dyed fabrics, carded

Imports of carded yarn-dyed fabrics, other than ginghams, have only recently become seriously disturbing to the domestic market. This may be related to restraint actions on ginghams, which to some extent utilize the same manufacturing equipment. During the first three months of the Long-Term Arrangement, imports in this category were 66 per cent of fiscal 1962 imports, and 57 per cent of the Short-Term Arrangement year figure.

The imported fabrics have been reported to be offered in the market at very substantially below the domestic prices - in some cases, over 15 per cent below. For example, a 45 inch imported fabric was offered in the American market for between 45 and 50 cents per yard, while the domestic market price for United States goods in this category was from 55 cents to 60 cents per yard.

Category 25, yarn-dyed fabrics, except ginghams, combed

United States producers of yarn-dyed fabrics have lost a substantial part of the domestic textile market to imports of gingham apparel. In an effort to offset this loss, the American mills have switched to the production of other types of box-loom fabrics and to woven stripes.
success in the promotion and sale of these goods, the producers are now confronted with increasing import competition in yarn-dyed fabrics other than ginghams. Imports of category 25 fabrics during the first two months of the Long-Term Arrangement were 8 per cent greater than during the corresponding period of the Short-Term Arrangement.

It is reported in the domestic market that imported combed yarn-dyed fabrics are being landed at costs of about 25 cents per yard (which is below the domestic mills production cost for producing similar products) and are being sold at 31 cents to 32 cents per yard, or 15 per cent to 20 per cent below the domestic price. As a result, the domestic price structure in category 25 items is being seriously disrupted, and there has been curtailment of activity in that sector of the domestic industry producing competitive fabrics.

Category 26, fabrics, n.e.s., carded

Imports in category 26 are second only to carded sheeting (category 9) imports, and totalled about 90 million square yards during the Short-Term Arrangement year. Despite this large quantity of imports and despite restraints effected with several countries, imports during the first two months of the Long-Term Arrangement year totalled 19 million square yards, or about 22 per cent of total imports in this category during fiscal 1962.

One large mill making dobby fabrics for draperies and sportswear (which fall into category 26) reports that business is so depressed that the firm was forced to shut down in December 1962 for ten days; this is the first time since 1932 that the mill has been forced to curtail operations for so long a period at that time of year. Imports have contributed significantly to the loss of business, as they are selling as much as two or three cents per yard under the domestic production cost, and even more under the wholesale market price.

Another mill which can produce cotton flannels (also included in category 26) reports that imports are priced so low that they have virtually taken over the entire market for this type of fabric. For example, one 44 inch fabric from a domestic source is priced at 52 cents per yard, but the comparable import is selling at 45 cents.

Another mill making duck fabrics, which also are included in category 26, reports increasing imports as well as offerings that have been very disruptive to the market. For example, offerings of Number 10 imported duck at 69 cents per yard in 36 inch width compare to a domestic price of 81 cents. In the 60 inch width, the price comparison is $1.16 to $1.36. For 52 inch, 48 x 44, 1.58 drapery cloth, the domestic price has dropped to 37 cents per yard. Imported drapery fabrics, however, have sold as low as 34 cents in the same construction. Similar differentials exist on other constructions.

The market for all of these fabrics is being disrupted by not only the very high level of past imports, but also by the recently increased rate of imports and the even larger quantities being offered, in addition to the very low prices for these goods, in relation to the domestic market price.
Category 27, woven fabric, not elsewhere specified, combed

Imports in this category increased from a level of 12,701,000 square yards in 1958 to 15,766,000 square yards in 1961. The level of imports recorded since that time has remained more or less stable.

Increased imports in this category undersell similar domestic products and have forced some domestic mills from production of this type of good. Some imported category 27 fabrics are selling at about 45 cents per yard, compared to a domestic cost of 50 to 52 cents per yard.

A 45 inch, 88 x 60, 6.13 lawn, for which the market price is 21.5 cents, is being imported to sell for 19.5 cents.

Category 28, pillowcases, carded

Imports of carded pillowcases have increased from 3.2 million pieces in fiscal 1961 to 8.3 million during the Short-Term Arrangement year, an increase of 261 per cent.

Prices of these imports are low in comparison with the domestic market prices, and frequently are 30 per cent or more below the lowest domestic prices.

One offering of imported pillowcases in the 42 x 36 size with a 134 thread count appeared on the domestic market at $3.12 per dozen, compared to the domestic market price of $4.56 for an American-made article of the same size with a 128 thread count. Another offering of pillowcases in the same size with a 131 thread count currently appears from another country at $2.50 per dozen in the domestic market, while the price for the comparable domestically-produced good is $3.40 per dozen.

Such low prices, combined with the very rapid increases in import quantities, have been very disruptive and have substantially displaced domestic production, resulting in curtailment by some of the largest American manufacturers of pillowcases.

Category 30, dish towels

Imports of dish towels rose to 8 million pieces during the Short-Term Arrangement year, or 141 per cent of the level reached during fiscal 1961.

Wholesale prices of these imports are at least 20 per cent less than domestic prices of comparable items. For example, an imported towel is being sold at 62.5 cents per dozen compared to a domestic price of 80 cents, a difference of 22 per cent in price for comparable articles. Such price differentials combined with rapid increases in imports, in this category, have been disruptive to the domestic dish towel market.
Category 31, other towels

Imports of "other towels" have risen steadily during the past several years, from less than 1.5 million pieces in 1958 to 27.1 million in fiscal 1961 and 54.6 million in the Short-Term Arrangement year. Imports of wiping towels, which are an important portion of this category, constitute about 20 per cent of domestic production, and have caused considerable production curtailment by United States manufacturers.

In addition, the prices of the imports are very disruptive. Imported wiping towels in a 18 x 18 size, for example, are selling at $47.50 to $52.50 per thousand, compared to domestic prices of $62 to $70. One manufacturer reports that his company has not raised prices since 1954, despite increases in raw cotton and labour costs, and that the lower priced imports are causing the very substantial loss of sales.

Imports of terry towels, as another example, are reported at prices varying from 10 to 25 per cent below domestic prices of comparable qualities. One company reported that a particular import offered to the trade at $2.25 per dozen is of a lower grade than any that the American firm produces. Yet, this company could not produce a comparable product for less than $2.60 per dozen. The loss of business has been particularly marked in the supermarket trade, where the merchandise is wrapped and its quality is not easily apparent to the customer.

In another field, imported industrial wiping towels have been reported selling in the United States market, at from 25 to 30 per cent below comparable domestic items. The imported towels bring 4.75 cents each, while domestic items are priced at from 6.5 to 7 cents.

Category 32, handkerchiefs (whether or not in one piece)

Imports of handkerchiefs, including handkerchief squares in the piece, totalled 6.7 million dozen in the period of the Short-Term Arrangement, an increase of 350,000 dozen over imports during fiscal 1961. Imports during the first two months of the Long-Term Arrangement year continued at the Short-Term Arrangement year rate.

The impact of imports of handkerchiefs has been primarily in coloured-border goods, both finished and in the piece, and in plain white, hemstitched goods. In the 70 cent per dozen wholesale range, imported handkerchiefs undersell domestic handkerchiefs by 3 to 5 cents per dozen, and it is reported that the landed price of some goods is at, or below, domestic producers' actual cost. Imported coloured-border fabrics woven in handkerchief squares (and counted as handkerchiefs in United States statistics) are landed at 16.6 to 17.5 cents per square yard (for 64 x 60, 36 inch, 5.75 square yards per pound), a price which has proved impossible for domestic mills to meet and has led to the loss of nearly all of this market to imports.

Smaller United States producers of handkerchiefs have been particularly hand-pressed by import competition, and are experiencing increasing difficulties in remaining in operation.
Category 33, table damasks

Imports of table damasks presently represent one third of domestic consumption. Imports of textiles in this category have largely taken over the domestic market for low-priced articles, with quotations so far below domestic prices that United States manufacturers cannot compete.

For example, an imported 48 x 64 damask with six 11 x 11 napkins wholesales at $1.10; manufacturers in this country cannot produce this set at less than $1.65. Similar comparisons for other sizes and types of fabrics in category 33 indicate that the lowest prices asked by domestic producers are at least 50 per cent higher than those of the imports. Several mills, which have been forced out of the market for these cheaper damasks, have faced serious curtailment of production and costly adjustments in shifting over to other fabrics.

Total imports of table damasks during the first two months of the Long-Term Arrangement year were 130 per cent of the corresponding period of the Short-Term Arrangement year. Serious disruption has resulted to the entire market and price structure as a result of the low prices of these imports. Additional disruption is now threatened by the recent increases in imports in this category.

Category 34, sheets, carded

Imports of carded sheets were nearly seven times as high during the Short-Term Arrangement year as they were during fiscal 1961, having increased from 550,000 pieces to 3.8 million pieces.

The prices at which the imported sheets are marketed are significantly below the prices for the comparable American-made goods. For example, one imported construction sold at retail for $1.67 each, compared to the domestic price of $2.59 for a comparable domestically-produced sheet. In fact, the retail price of the imported sheet in this case is lower than the wholesale price of $22.00 per dozen for the equivalent domestic product. Imported twin-bed sheets, bleached, sell for $5.00 a dozen lower than do the same type of American sheets. Double sheets, full bed, bleached, are $4.50 per dozen less than the domestic product.

The combination of these rapid increases in imports and the low prices at which the imported goods are offered has proven disruptive to the domestic market. One of the largest sheet-producing plants in New England has been forced to liquidate its finishing operation. The firm has for many years produced a large volume of finished sheeting for bed sheets, but recently, in the face of rising imports, has been unable to maintain a volume of production sufficient to cover overhead expenses.
imported, bedspreads and quilts

Imports of bedspreads and quilts during the Short-Term Arrangement year exceeded 1 million pieces, an increase of 7 per cent above the fiscal 1961 level. At the higher level, imports are approximately 10 per cent of United States production in this category and have become an important factor in the domestic bedspread market.

Imported bedspreads are entering the American market in such a large and increasing volume, and are being sold at prices so far below prices of comparable and competitive domestic bedspreads, that the domestic bedspread market has been seriously disrupted, and further disruption is threatened. Imported bedspreads are being sold in the United States market at prices as much as 50 per cent below the price of comparable domestic articles.

For example, an imported 80 x 100 rayon and cotton bedspread currently wholesales for 90 cents, while a comparable domestic bedspread would be priced at $1.80. An imported 82 x 105 Jacquard bedspread wholesales for $1.50, compared to $2.65 wholesale for a comparable domestic product. The low prices for imports have been disruptive to the domestic market not only because of the sales lost by domestic producers to the imported goods, but also because of the downward pressure upon the entire price structure of the bedspread market.

As a result, United States producers of bedspreads have not been able to maintain adequate profit margins. This has been particularly true among producers of the lower-end type of goods which make up the bulk of imported bedspreads. A number of domestic firms have been forced out of this market entirely and have had to move into other product-lines. One company reports that it has lost money in this line for several years, and at least one firm has gone out of business.

category 39, gloves and mittens

Imports in this category consist primarily of gloves cut and sewn from machine-knit fabrics, including both dress and work gloves. Imports during the Short-Term Arrangement year totalled just under 1 million dozen pairs. At this level, imports of gloves have a heavy impact upon the American market, and have for several years been a major disrupting influence upon one of the sectors of the domestic industry most sorely beset by economic troubles.

The glove industry as a whole - leather, wool, cotton, and man-made fibres, knit and woven - has undergone substantial attrition during recent years. The knit glove sector of the industry, for example, which once included some 35 manufacturers, now has shrunk to 7 companies. The high volume of imports, sold at prices which the American factories find impossible to meet, has been a primary factor in the reduction of the United States glove industry to this reduced status.
One leading textile manufacturer reports that he has completely liquidated his glove-making operation during the past two years. His mills' production of gloves was in excess of 4 million pairs annually, made in three domestic plants, but he was unable to compete with the prices at which imported gloves have been offered in this country and was forced to leave the glove business entirely.

In the past year, three other glove factories, all of them located in small cities in the mid-western part of the United States, have closed down completely. One of the plants in question employed 200 people and had been in business for 45 years; another employed 175 and had been making gloves for 15 years; and the third had 300 employees and had been manufacturing gloves for 50 years.

As an example of the price differential found in the instance of imported gloves, it is reported that imports of 8 ounce Canton flannel gloves are offered in Chicago at $2.05 per dozen pairs. The domestic price has been $2.65 per dozen for gloves of comparable quality, and was recently reduced to $2.40 per dozen pairs to meet the competition of the imports. However, domestic manufacturers cannot further lower their prices to meet the current price of $2.05 due to the higher production costs that they must bear.

To give another example of the difference in prices, imported dress gloves of coated fabric, for men, women and children, are offered at $1.00 per pair, retail, on the American market. This compares with a retail price of $2.98 for gloves of domestic manufacture that are of the same type. Knit gloves of the bulky knit variety, offered at $9.00 per dozen pairs by domestic manufacturers, are available in imported gloves at $6.00 per dozen.

The United States glove industry is largely located in rural areas, or in small towns, where other sources of employment are not readily available to workers who have been displaced by the influx of lower-prices imports. Many of these isolated industrial areas already have been classified as areas of chronic unemployment. Thus, imports are contributing to the major problem of structural unemployment in this country, a problem for which there unfortunately is no ready solution.
Category 41, men's and boys' white T-shirts

While total imports in this category were only slightly higher in the Short-Term Arrangement year than in fiscal 1961, imports during the first two months of the Long-Term Arrangement increased to a rate which would exceed the Short-Term Arrangement year level by 50 per cent if permitted to continue. In the first three months of the Long-Term Arrangement, Category 41 imports equalled 51 per cent of fiscal 1962 imports.

These goods are being sold so far below domestic prices that disruption is resulting in retail price structures and in marketing channels. T-shirts are staple items, and price is a major factor in marketing. It is reported that imported T-shirts are offered to American retailers at $3.50 per dozen, while American T-shirts cannot be offered at a price much below $4.50 per dozen. Many small producers with limited capital are unable to withstand this type of price competition and are being driven out of the market. To the remaining producers, the presence of low-priced goods means a softening of market prices, which reduces their margins and creates, in some cases, the necessity of selling at prices so low as to completely eliminate profits.

Category 42, other T-shirts

Largely because of restraints imposed relatively early in the Short-Term Arrangement year, imports in this category during the Short-Term Arrangement fell below the level of imports in fiscal 1961. During the first two months of the Long-Term Arrangement, however, imports increased at a rate more than double that of the Short-Term Arrangement year, and well in excess of fiscal 1961 or of any previous year. At 102,000 dozen in October and November 1962, imports reached over one third of the Short-Term Arrangement year level in only one sixth of the year. By 31 January 1963, they had reached 63 per cent of the Short-Term Arrangement level. This sharp, sudden, and substantial upturn in volume of imports of these goods threatens to cause additional disruption in a market already beset by difficulties resulting from imports.

Price structures and distribution channels have been disrupted as a result of the much lower prices at which imported goods are offered. The results and effects on domestic industry closely parallel those described for related products under Category 41.

Category 43, knitshirts, except T and sweatshirts

Imports in this category in the Short-Term Arrangement year more than doubled since 1958. Shipments of 1.2 million dozen in the Short-Term Arrangement year represented an increase of 15 per cent above the 1.1 million dozen reached in fiscal 1961. Imports in the early months of the Long-Term Arrangement registered a rate which will equal or exceed that of the Short-Term Arrangement year.
The disruptive effects of this sharp rise in imports over a short period have been compounded by the extremely low prices at which these goods are offered in the American market. In the case of imported children's polo shirts, for example, the wholesale price of the foreign garment is $3.75 per dozen, compared to a domestic market wholesale price of $5.75 per dozen. At 20 to 40 per cent below the prices of comparable shirts of domestic manufacture, the wholesale prices of imported shirts are frequently below the American producers' cost of manufacturing. In addition to the loss of a large volume of business to imported goods, the domestic producer also suffers from the disruptive effect of these low-priced goods on the domestic price structure.

The imported goods are largely in what the domestic industry considers as "bread and butter" items, that is, those items which are relatively staple, non-fashion, volume goods. It is upon this type of market that most American producers depend to keep their plants operating in off-seasons and to provide them with a base upon which to venture into style and promotional items. The loss of a large part of this base has resulted in dislocations to employment and marketing operations and in many small manufacturers being forced out of the market.

Category 44, sweaters and cardigans

Imports of Category 44 goods increased from a level of 41 thousand dozen in 1961 to a level of 67 thousand dozen in the Short-Term Arrangement year, an increase of 63 per cent.

The availability of these imported garments in the market at prices well below comparable merchandise of domestic manufacture has severely disrupted the market.

Category 45, men's and boys' shirts, dress, not knit

Total imports in this category have increased sharply and substantially in recent years, rising from 151,000 dozen in 1958 to 784,000 dozen during the Short-Term Arrangement year - a five-fold increase in less than four years. From fiscal 1961 to the Short-Term Arrangement year, an increase of 47 per cent was registered, despite the fact that major exporting countries were restraining shipments in this category over at least a part of the Short-Term Arrangement year. Total imports during the first two months of the Long-Term Arrangement increased at a rate which would exceed even the exceptionally high level of imports during the Short-Term Arrangement year.

The prices at which these imported goods are offered in the American market are significantly below prices at which domestic producers offer comparable garments, and often are below the domestic cost of manufacturing. Typical of this situation are the imported dress shirts which American retailers buy for $18.00 per dozen and retail at $2.95 each. For comparable American-made shirts, the price is $28.00 per dozen, with a normal retail price of $4.00 each. Similarly, 2 x 2 Pima, finely tailored, single needle, men's dress shirts are
now being imported to retail at $2.95, while an American shirt of comparable quality would have to retail at $5.95. The domestic shirt manufacturer, thus, is faced with serious price competition and has little recourse in meeting it, since his labour, material, and other costs set a minimum beneath which he cannot sell.

Both the lower retail price and the higher percentages of mark-up available to retailers create serious marketing problems to the domestic producer in trying to compete with the imported goods. Not only does the American producer lose sales to the imported goods, but also the presence of those goods at considerably lower prices on the domestic market exert a downward pressure on the entire price structure, thus narrowing the margin he is able to maintain on the sales he does make.

Until recently, the majority of imports have been in low-end items for promotional sales, and the effect has been felt mainly by the non-brand-line manufacturers of competitive goods. Many American firms operating in this sector, particularly smaller firms with limited capital resources, have experienced serious difficulties as a result of the large volume of imported goods being sold in the United States market. There also has been a rapid development of higher-quality imports, however, and these are affecting an additional and important sector of the domestic shirt industry.

**Category 46, men's and boys' shirts, sport, not knit**

Imports in this category during the Short-Term Arrangement year registered a gain of 32 per cent over imports in 1958, and of 12 per cent over imports in fiscal 1961. Through the first two months of the Long-Term Arrangement, imports were at a rate which indicated a continuation of the high volume of sport shirts imported during the Short-Term Arrangement year.

With 1.7 million dozen garments imported during the Short-Term Arrangement year, shipments into the United States market represented a substantial percentage of total domestic production. Added to the impact of this volume, the relatively low prices at which imported goods were offered on the market have created serious disruption in the American market and have resulted in serious dislocations in operations and employment in American sport shirt factories. At least one firm has had to abandon manufacture of sport shirts after finding it impossible to compete on a price basis with imported goods. A substantial part of domestic production of these goods, it should be noted, is carried on in rural areas or in smaller communities where it is difficult or impossible for employees displaced by imports to find alternative employment.

Typical of the type of price competition being experienced by domestic producers are the imported sport shirts sold at $24.00 per dozen wholesale, to retail at $3.95. Comparable American-manufactured sport shirts are priced at $35.50 wholesale, to be retailed at $5.00.
Both the lower retail price and the higher percentage of mark-up available to retailers create serious marketing problems to the domestic producer in trying to compete with the imported goods. Not only does he lose sales to the imported goods, but also their presence at considerably lower prices on the domestic market exerts a downward pressure on the entire price structure and so narrows the margin obtainable on the sales he does make.

**Category 48, raincoats, 3/4 length or over**

Imports in this category have risen from 64,000 dozen in 1958 to about 174,000 dozen in the Short-Term Arrangement year. From fiscal 1961 to the Short-Term Arrangement year, imports increased 88 per cent. Through the first two months of the Long-Term Arrangement, shipments indicated that the high rate of the Short-Term Arrangement year was continuing or increasing.

United States production of raincoats is currently estimated to be something under 800,000 dozen per year; thus, imports in the Short-Term Arrangement year represented over one fifth of domestic raincoat production. Because raincoat producers in the United States are typically specialists in this item, their machinery and equipment and their manufacturing skills are not adaptable to alternate products. Since the raincoat business is largely seasonal, it is necessary that producers manufacture for inventory during part of the year. The rising volume and low prices of imports make manufacturing, except on firm orders, extremely risky and result in idling of specialized equipment and workers.

Coupled with this rapidly rising volume of imports, the low price at which imported raincoats can be sold in the United States market has caused serious disruption of the market. They have resulted in intense pressures on operating margins of domestic producers. An example of the differentials found between imported and domestic prices are lined, ladies' cotton raincoats offered at wholesale for $8.98 each and retailing at $17.98, which are comparable to domestic garments offered at $19.50 wholesale, $32.50 retail. Another is a ladies' raincoat with zip-in lining which sells at $11.49 wholesale and $22.98 retail; American coats of comparable quality, $30.00 wholesale and $49.98 retail. Not only are these price differentials impossible for American producers to meet, but also the existence of goods on the market at such low prices makes it extremely difficult for domestic producers to maintain prices which will enable them to attain adequate margins in the face of rising production costs.

**Category 49, other coats**

It is reported that imported garments such as storm coats and car coats made in Asia, are offered at prices about 50 per cent below domestic producers wholesale prices. This differential is reflected, to a slightly lesser degree in the retail prices for the imported garments. Another manufacturer reports
losing business he has had for years from a large retail organization because imported coats of a quality comparable to those he manufactures were offered at a price that made their retail selling price $2.00 less.

Because of the extremely low margins on which United States apparel makers have traditionally operated, a price differential of this magnitude can be met by American coat producers only by selling below cost. The effect of this price competition has been most keenly felt by smaller firms, most of which specialize in staple, low-end lines, and many of which are located in areas already suffering distress as a result of other economic factors.

Category 50, men's and boys' trousers, slacks and shorts

Imports in this category have risen rapidly and substantially over the past five years, increasing from 333 million dozen in 1958 to 1,000 million dozen in fiscal 1961, to 1,500 million dozen in fiscal 1962, and to 1,675 million dozen in the Short-Term Arrangement year. An idea of the impact of these imports is conveyed by the fact that United States production of men's and boys' cotton dress and sport trousers priced at under $4.25 per garment amounted, in 1960, to 3,473 million dozen.

This precipitous rise, coupled with the seriously disturbing effect of the lower prices of the imports on the domestic price structure, has caused severe disruption in the United States market and threatens additional injury to American producers. United States manufacture of this item is located principally in rural areas where, typically, there is little other industry.

Imports of Category 50 items are appearing at prices well below those of domestic producers, and consequently have made deep inroads in the market, especially in the lower-end sector. One manufacturer stated that his corduroy slacks sell at $19.50 per dozen net. Comparable imported slacks sell at $12.50 per dozen net. Another manufacturer pointed out that imported walking shorts retail in the United States at $6.95, compared to American-made shorts of the same description retailing at $10.95.

Category 51, women's misses', and children's trousers

Total imports of women's, misses' and children's trousers, slacks and shorts have risen sharply and substantially. Imports in the Short-Term Arrangement year reached 3.5 million dozen pairs, an increase of 75 per cent over the fiscal 1961 level of 2 million dozen pairs. This rapid rise in imports over a period of little more than one year has created additional disruption in a market already seriously disrupted by the heavy volume of past imports. At the Short-Term Arrangement level, imports amounted to over 33 per cent of domestic production in this category of apparel.
Imported trousers, slacks, and shorts are offered on the United States market at prices substantially below the prices for comparable domestic products, and in many cases as much as 50 per cent below domestic prices. The presence of imported goods in the domestic market at these low prices has had a seriously depressing effect on prices of domestic goods. Added to their losses in sales as a result of import competition, the inability to maintain adequate price levels on their remaining sales has created serious financial problems for many American producers.

Typically, United States production in these items is located in smaller communities and rural areas where there is little other industry and no alternative sources of employment. The disruption of markets for domestic goods consequently leads to unemployment problems which are extremely difficult to solve.

An example of this price difference is found in the imported Capri slacks offered in the United States at $.65 wholesale, as compared to the domestic wholesale price of $1.98. Similarly, in a better-quality garment, children's velveteen slacks from abroad are offered at $1.50 wholesale; the wholesale price for the American velveteen slacks is $3.00 or exactly double.

Category 52, blouses, and blouses combined with skirts, trousers or shorts

Imports in this category were extremely high in 1960, with the result that large inventories of "basic" items were built up. Despite lower imports in 1961, these large inventories of basic blouses have overhung the market, and have had a disastrous effect on the operations of domestic producers. Increasing imports at the present time are therefore making their impact upon an already seriously aggravated condition. Imports in Category 52 increased from 2,617 thousand dozen in fiscal 1961 to 3,456 thousand dozen in the Short-Term Arrangement year, an increase of 32 per cent.

Imports of blouses have principally been in low-end items and especially in blouses retailing for $1.00 or less. An example are the Mandarin-style tailored blouses with roll-up sleeves which are imported from Asia and which retail at $.45 per blouse, as compared to the domestic market price of $.95 for a similar domestically-produced blouse. Producers in the United States have been almost completely forced out of the production of these lower-end items, and have been compelled to concentrate their activities in higher priced lines in which styling and very high quality are the main appeal. This situation has been worsened by increases, over the past two years, in labour costs. The result is that domestic producers have been forced to concentrate on a very much reduced volume of production in which manufacturing costs are considerably higher. Price-cost pressures have moved from the lower-end sector throughout the entire range of blouse production. The consequence is that profit margins have been very greatly reduced for those producers who have been able to remain in the blouse business.
As a result of declining business over the past several years, it is estimated by the National Association of Blouse Manufacturers that more than one hundred contractor shops in the Manhattan (New York City) area have been forced to close down. A representative of the Greater Blouse Contractors Association of New York City states that his membership over the period of the past few years has dropped from 450 members to half or less than half of that number. Both associations are of the opinion that the present outlook for blouse manufacturers in the United States, and especially for those in the north-eastern area, is extremely bleak. While they do not attribute all of the troubles of this industry to imports, they feel that blouse imports have been a prime factor in creating the present disrupted market situation.

Category 53, dresses, women's misses', and children's, not knit

Imports of dresses rose more than 250 per cent from 1958 through the Short-Term Arrangement year. Between fiscal 1961 and the Short-Term Arrangement year, imports increases 47 per cent.

The greater part of imports of dresses are in lower-price groupings of infants' and children's dresses. These are either hand-sewn, which are impossible to produce in the United States in the same price range, or are machine sewn, which are sold at prices 40 to 50 per cent lower than comparable domestic dresses. As an example, an imported dress retails for $1.00 or $1.29, whereas domestic dresses of the same type retail at $2.98.

These dresses are more or less staple items and are large volume items for domestic manufacturers, who depend upon a stable market for this type of garment to balance out production schedules and maintain employment levels when the slack season for more highly styled or more seasonal items occurs. The inroads of imports have deprived dress manufacturers of a substantial part of this staple market and have disrupted operations in this sector of the industry. Work stoppages have caused the layoff of employees, and have increased the cost of manufacture.

Because of the rapid and substantial increase in imports and the wide differential in prices between imported and domestic dresses, serious disruption of the domestic market and resulting injury to American producers has occurred.

Category 54, playsuits, washsuits, sunsuits, etc.

Total imports in this category in the Short-Term Arrangement year were 1.1 million dozen garments, an increase of 900,000 dozen as compared with imports in 1958. The sharp rise in imports since 1958 has adversely affected domestic producers as a result of the volume of business lost to imports and the disruptive effect of low-priced imported goods on domestic price structure and marketing channels.
Typical of the prices at which imported goods are selling are imported "toddlers' overalls" which wholesale at $1.00 per pair to retail at $1.99. Comparable United States garments are selling for $1.87 wholesale, to be retailed at $2.99.

Because of the high volume of imports selling at low prices, domestic producers find their market disrupted, with resultant loss of sales, weakening of prices, and the necessity of shifting to a narrowing range of items where import competition is not so damaging. The bulk of imports are in so-called "low-end" items which are more or less stable in character, that is, not subject to change in style and fashion. Domestic producers depend upon this type of production to keep their manufacturing operations going at a steady rate, turning to production of these items when higher styled products are not in demand. The loss of a substantial part of the market for these staple items leads to disrupted schedules of operations and attendant unemployment or underemployment. Since many of the plants manufacturing this type of garment are located in smaller communities, employees displaced by imports have little opportunity of finding other employment.

Category 55* dressing gowns, including bathrobes and beach robes, lounging gowns, housecoats and dusters, not knit

Imports of category 55, dressing gowns, increased from a level of 34 thousand dozen in 1958 to 110 thousand dozen in the Short-Term Arrangement year, a 227 per cent gain over the earlier period. The level of imports during the first four months of the Long-Term Arrangement year was at a rate even higher than that experienced during the Short-Term Arrangement year.

Foreign-made garments in this category appear on the domestic market at wholesale prices that are 45 per cent to 55 per cent below the wholesale price for comparable American robes. A domestic manufacturer who has sold children's robes to the two largest department stores in New York City recently reported that, for the first time in many years, he had failed to secure orders from those stores for the children's bathrobes that he traditionally has sold to them. One of the stores informed him that its buyers now can purchase foreign-made children's bathrobes in the New York textile market at prices that would permit the store to retail the robes for $2.00 less per robe than the retail price for the American robes, and that the store could still assign a larger mark-up to the robes, due to the very much cheaper wholesale price for the imported robes.

Category 57*, men's and boys' briefs and undershorts

In 1958, imports of category 57 registered a level of 5 thousand dozen. By the end of the Short-Term Arrangement year, imports had climbed to a level of 132 thousand dozen, for the twelve-month period, a twenty-six fold increase from the 1958 imports.
It is reported from the New York City textile market that European-made undershorts, both for men and for boys, sell at a price that is 12 per cent under the domestic market price for the comparable American product.

Domestic manufacturers have been unable to meet the prices at which the rapidly increasing quantities of imported goods have been offered, and the result has been serious disruption of this market.

Category 58, drawers, shorts and briefs, excluding men's and boys'

Imports of women's and children's knit underwear demonstrated a sudden and substantial increase, during the term of the Short-Term Arrangement, over imports in previous years, and have reached amounts which are seriously affecting the market for domestic goods in this category. Total imports during the Short-Term Arrangement year, were more than eleven times greater than imports in fiscal 1961.

In an already highly competitive domestic market, the prices at which these goods are offered have been disruptive to domestic price structures and have forced domestic producers, particularly small and medium-sized firms, to reduce their prices to a point where little if any profit remains. Prices of these goods to American importers are from a third to a half of domestic prices and, even after adding the importers' mark-up, are 20 to 30 per cent below domestic wholesale prices.

Category 60, nightwear and pyjamas

Imports of nightwear and pyjamas have increased nearly three-fold in less than four years - from 228,000 dozen in 1958 to over 626,000 dozen in the period covered by the Short-Term Arrangement. From fiscal 1961 to the Short-Term Arrangement year, total imports showed an increase of 13 per cent. Through two months of the Long-Term Arrangement, imports indicated a projected annual rate which would amount to an additional substantial increase over the high rate of shipments during the Short-Term Arrangement year.

Some idea of the magnitude of this volume of imports is gained by comparison with domestic production of similar items. In 1961, production of women's and misses' cotton nightwear, comparable to a large part of imports in this category, amounted to 2.3 million dozen. Domestic production of men's and boys' and of children's nightwear (of all fibres, including cotton) was 3.1 and 2.0 million dozen, respectively.
It is reported that imports in this category are concentrated in what is known in the trade as "bread and butter" items, that is, those items which are relatively staple, in steady demand, and free from the risks involved in style and fashion items. It is upon these items that domestic manufacturers depend to keep their production lines operating in off-seasons and as a base from which to venture into style items. Imports have heavily invaded their "bread and butter" market, taking an important part of the domestic producers' market and forcing them into greater concentration in the style-type of garments where their risk losses are considerably greater.

The pyjama and nightwear industry, like nearly all sectors of the apparel industry, operates on a high-volume, low-profit basis. Much of the success of imports in the American market is accounted for by the fact that imports are offered at prices which domestic producers, because of wage, raw material, and other manufacturing costs, cannot meet without loss.

As an example of the prices at which imported garments in this category are sold, boys pyjamas wholesale at 75 cents and sell at retail in a New York department store for $1.47. A comparable American garment wholesales for $1.80 and retails in the same store for $2.95. While these differences could once be attributed to the lower quality of the import, this is no longer true. In fabric, cutting, and sewing, and in styling as well, imported goods are now of a quality comparable to that of American-made garments.

Category 61, brassieres

Imports of brassieres have grown steadily and substantially in recent years from nominal amounts in 1956 to nearly 2.9 million dozen during the period of the Short-Term Arrangement. Imports in the latter period represent an increase of nearly 400,000 dozen, or about 15 per cent above the level of fiscal 1961. Imports during the first two months of the Long-Term Arrangement year matched the high levels experienced during the corresponding period of the Short-Term Arrangement year.

Brassiere imports have been in two broad classes: Low quality garments selling at extremely low prices, and quality garments equal in quality to the higher grade United States products but selling at much lower prices. The impact of imports, therefore, has been felt both by the quality, branded-line sector of the industry, and by the low-quality, unbranded sector of the textile industry. Hardest hit by imports have been the low-quality producers who have lost the major part of their market to imports. While these producers have benefited somewhat by the growth in the discount-house market, they are now finding that this market too is threatened by low-priced imports.
Even the low-quality imported garments, which in some cases are direct copies of American producers' styles, are finding acceptance among consumers in this country because of their good style, fabric, and findings. Comparable American brassieres retail at $2.00 each, as opposed to the imported brassieres which sell for less than $1.00 each in many instances.

Category 62, other knit or crocheted clothing

Imports in this category have risen sharply and substantially in total. From a level of 439,000 pounds in 1953, imports increased three-fold in less than four years to 1.4 million pounds in the Short-Term Arrangement year. From fiscal 1961 to the Short-Term Arrangement year, the volume more than doubled. In the first two months of the Long-Term Arrangement imports entered the American market at a projected annual rate of 3.4 million pounds, or nearly two and a half times the Short-Term Arrangement level.

One item, knit sweatshirts, is by far the major item involved in this category, accounting for over three fourths of total imports in the Short-Term Arrangement year. The remainder of the shipments consist of various knit articles of clothing not specifically covered in other categories, including knit dresses, knit dressing gowns, etc.

Imported sweatshirts are selling on the American market at 20 per cent or more below prevailing domestic market prices. It is reported that imported sweatshirts are being offered at $8.00 per dozen, while comparable domestic goods are selling at $10.00 per dozen. The differential is greater than the prices quoted indicate, however, as the imported goods are colours, which sell on the domestic market for 50 cents to $1.00 higher than the white or silver sweatshirts on which domestic prices are quoted. It should be noted that domestic prices on these goods are based on very close margins, and domestic producers must depend upon a large sales volume for their profits. Imports have created serious problems for the domestic producer by cutting into his volume and by exerting downward pressure on prices. This disruption of the market has forced manufacturers out of the staple lines of sweatshirts into higher style garments involving much greater risks.

Other items in Category 52 are also creating severe problems for domestic producers, for many of the items are produced by small firms with limited capital and limited ability to cope with the effects of price competition which imports cause.

Category 64, all other cotton textile items

Imports of category 64, all other cotton textile items, climbed from 16,969 thousand pounds in 1958 to 20,228 thousand pounds in the Short-Term Arrangement year. Imports during the first four months of the Long-Term Arrangement year continued at the same high level recorded during the Short-Term Arrangement.
Following are two principal items in this category which have been restrained:

Schedule A number 3086522, industrial wiping cloths*

Imports of industrial wiping cloths increased from 22,345 thousand units in fiscal 1961 to 49,863 thousand units in the Short-Term Arrangement year, an increase of more than 200 per cent. The rapid rise in imports of industrial wiping cloths to the point where they now constitute about 15 to 20 per cent of domestic production, combined with the low prices at which they are available, have made these imports extremely disruptive to the domestic market.

For example, one manufacturer reports an 18 x 18 towel, which sells, domestically from $62 to $70 per thousand, is being offered by importers at $47.50 to $52.50 per thousand. He further reports that his company has not raised prices since 1954, despite increases in raw cotton and labour costs, and that the pressure of lower priced imports has put him in a serious cost situation as well as causing him to lose very substantial quantities of business. Another manufacturer reports disparities in pricing substantially similar. Imports selling at $47.50 per thousand compare favourably in quality to domestic items selling at $65 to $70 per thousand.

These prices are 25 to 30 per cent below the domestic market. With this substantial price difference, and with a large per cent of the market already controlled by imports, it is apparent that this field of textiles will be completely taken over by imports in a short period if the trend is not restrained. This seems particularly unfortunate, as the wiping towel industry is one that was developed in this country after considerable research and investment.

Schedule A number 3230271, zipper chain

Imports of zipper chain prior to 1962 were nil or negligible. In February 1962, imports of chain began to appear in substantial volume and in the following seven or eight months imports reached a sizable total. In November and December, however, there was a precipitous increase in volume which, in these two months alone, exceeded the total of all entries through September. This sharp increase might have been even greater had not the dock strikes interfered with entries in the latter part of December.

Industrial wiping cloths appear under category 64 in Hong Kong statistics and under category 31 in United States statistics.
The type of chain being imported in greatest volume, 60 x 64 (30/2 KP x 30/2 KP) tape with aluminium elements, is sold to American users at $38.67 per 1,000 yards. While no United States producer is making precisely this type of chain at present, the United States cost of producing a comparable chain would be at least $52.00 per 1,000 yards. An American chain, 42 x 40 (30 KP x 20/2 KP) tape with aluminium elements, a lower quality product than the imported chain cited, sells at $48.78 per 1,000 yards.

As a result of the sudden influx of zipper chain in volume during the last two or three months, domestic producers report that, for the first time in many years, they are forced to operate on short hours and they find their inventories rising at a distressing rate. Because they are typically smaller firms, their financial resources will not permit them to withstand operating losses for more than a short period.