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UNITED STATES TARIFF COMMISSION

CERTAIN WOVEN FABRICS:
ARISTA MILLS COMPANY
Winston-Salem, North Carolina

Report to the President on Investigation No. TEA-F-12 Under
Section 301(c)(1) of the Trade Expansion Act of 1962



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UNITED STATES TARIFF COMMISSION

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Note.--The whole of the Commission's report to the President may not be made public since it contains certain information that would result in the disclosure of the operations of an individual concern. 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. Tariff Commission
November 13, 1970

To the President:

In accordance with section 301(f)(1) of the Trade Expansion Act of 1962 (76 Stat. 885), the U.S. Tariff Commission herein reports the results of an investigation made under section 301(c)(1) of that Act in response to a firm's petition for determination of eligibility to apply for adjustment assistance.

On September 15, 1970, the Arista Mills Company, Winston-Salem, North Carolina, filed a petition for a determination of its eligibility to apply for adjustment assistance. The Commission instituted an investigation (TEA-F-12) on September 25, 1970, to determine whether, as a result in major part of concessions granted under trade agreements, articles like or directly competitive with the plain-woven fabrics produced by the aforementioned firm, are being imported into the United States in such increased quantities as to cause, or threaten to cause, serious injury to such firm.

Public notice of the investigation and of a public hearing (requested by the petitioner) was published in the Federal Register (35 F.R. 15265, September 30, 1970). The hearing was held on October 13, 1970, at which all interested parties were afforded an opportunity to be present, to produce evidence, and to be heard.

The information in this report was obtained chiefly from the applicant, his former sales agent, domestic producers of shirts and fabrics, the Bureau of Customs, and the Commission's files.

Finding of the Commission

On the basis of its investigation, the Commission finds (Commissioner Leonard dissenting) that articles like or directly competitive with the plain-woven fabrics, wholly or in chief value of cotton or manmade fibers, produced by the Arista Mills Company, Winston-Salem, North Carolina, are, as a result in major part of concessions granted under trade agreements, being imported into the United States in such increased quantities as to cause, or threaten to cause, serious injury to such firm.

Considerations Supporting the Commission's Finding

In our judgment, products like or competitive with the fabrics produced by the Arista Mills Company are, as a result in major part of trade-agreement concessions, being imported in such increased quantities as to cause serious injury to the company.

The Arista Mills Company, located in Winston-Salem, North Carolina, was equipped to make cotton and manmade fabrics of simple weave patterns using its own coarse-spun yarns. The company produced chiefly woven carded-yarn shirtings (largely chambray) used, in the main, to make work and sport shirts that would sell in the medium- and low-priced ranges. Like most textile mills, the company tried, when sales of its principal lines declined, to shift its output to other fabrics that it could produce (e.g., coarse sheeting).

In the late 1960's the condition of the Arista Mills Company deteriorated severely, the firm finally closing its mill in December 1969. The company's sales declined by 50 percent between 1966 and 1969. The ratio of the mill's annual output to its annual capacity declined from 99 percent in 1966 to 44 percent in 1969. While the number of production workers employed did not decrease during the mill's last 5 years of operation, the average annual number of man-hours of employment afforded such workers declined from 2,057 in 1965 to 1,364 in 1969; thus, in the company's last year of operation, production workers were employed, on the average, only about 3 days per week. Finally, after net operating losses in its last 3 years of operation, the mill was shut down.

U.S. imports of cotton and manmade fabrics, as well as imports of shirts, have increased sharply in recent years, and the rates of duty

applicable thereto have been reduced substantially as a result of trade-agreement concessions. The growth in U.S. imports of those articles has, of course, been influenced by many factors, both commercial and Governmental. In the light of all the circumstances affecting that trade, however, we are convinced that articles like or directly competitive with the fabrics produced by Arista Mills are being imported in increased quantities as a result in major part of trade-agreement concessions. The major changes in trade and rates of duty pertinent to our conclusion are summarized below.

As a result of trade-agreement concessions, the average rate of duty on cotton cloth of the type Arista Mills was geared to make has been reduced by about a third--from 17 percent ad valorem in 1930 to 11 percent in 1969; the largest reductions occurred in 1955. The average duties on other types of cotton cloth have also been reduced by about a third to carry out trade-agreement concessions. U.S. imports of cotton cloth of all types have increased markedly in the past two decades; average annual imports in 1966-69, measured in square yards, were nearly five times greater than in 1955. U.S. imports of cotton cloth containing yarn numbers 10 through 29, the size of yarns used by Arista Mills, increased by 77 percent between 1964 and 1969.

Based on imports in 1969, the ad valorem equivalent of the rate of duty on most imports of fabrics of manmade fibers declined from 83 percent in 1930 to 31 percent in 1969; the major reductions made in response to trade-agreement concessions occurred in 1936, 1948, and 1951. U.S. imports of manmade fabrics, which included many types which Arista Mills made or was equipped to make, became substantial in 1959; the quantity of imports in 1969 was triple that of 1959.

Over the years, the U.S. rates of duty applicable to shirts have been reduced materially to carry out trade-agreement concessions, the current rates being about half those applicable in 1930. The rate applicable to cotton shirts was reduced from 45 percent in 1930 to 23 percent in 1969; the average ad valorem equivalent of the rates applicable to shirts of manmade fibers (based on 1969 imports) decreased from about 80 percent in 1930 to about 40 percent in 1969. U.S. imports of shirts have increased markedly in the last decade; entries in 1969 of work, sport, and knit shirts--the types most competitive with those produced from fabric of the type woven by Arista Mills--were approximately three times the quantity imported in 1960.

The experience of the Arista Mills Company in recent years reflects the pervasive impact of the markedly increased imports of fabrics and finished textile products. On the one hand, the company's major line of fabrics were adversely affected by increased imports of both shirtings and shirts; at least one of the company's major customers for chambray for example, shifted to the importing of chambray work shirts. On the other hand, the opportunity for the company to shift to the production of fabrics other than its customary line, which the company made every effort to do, proved to be limited because of the volume of imports of low-priced fabrics of the type that the company could produce.

In view of the foregoing circumstances, we have determined that the petitioner has met the statutory criteria.

Dissenting Views of Commissioner Leonard

Since the conditions imposed by section 301(c)(1) of the Trade Expansion Act of 1962 have not been satisfied, a negative determination in the instant investigation is required. The statute contains four conditions, each of which must be satisfied for an affirmative determination. The conditions are:

1. Articles like or directly competitive with plain-woven fabrics produced by the Arista Mills Company are being imported in increased quantities.
2. The increased imports are in major part the result of concessions granted under trade agreements.
3. The petitioning firm is seriously injured or threatened with serious injury.
4. The increased imports (resulting in major part from trade agreement concessions) have been the major factor causing or threatening to cause serious injury.

The facts in the instant investigation do not support a finding under either the second or the fourth condition described above.

Taking the fourth condition first, the facts do not show increased imports to be the major factor causing or threatening to cause serious injury. Prior to 1968, virtually all of Arista's production consisted of chambray cotton fabrics. These fabrics were purchased from Arista by domestic companies for use in the manufacture of work and sport shirts, as well as for making shirts for the United States Government. Production of this type of fabric, which is a coarse fabric, has been subject to rather sharp fluctuations over the years, reflecting primarily changes in the demand of the consuming public and in the level of governmental purchases.

During the late 1950's and early 1960's, for example, Arista experienced a very sharp drop in its sales of chambray cotton fabrics and converted, but without much success, a large portion of its production to the making of coarse sheetings. (In 1960, about 46 percent of its looms were making sheetings rather than shirtings.) Much the same falloff in demand for chambray cotton fabrics was experienced by Arista during the second half of the 1960's (orders for fabrics meeting U.S. Government specifications ceased after July, 1968), and again, without success, it sought to convert a substantial portion of its production to the making of sheetings. Unlike the other domestic producer of chambray fabrics (WestPoint Pepperell, Inc.), Arista has not had facilities for the production of knit fabrics or of woven fabrics of combed cotton yarn or of manmade-fiber yarn other than coarse yarn. Consequently, whenever a falloff in demand for chambray fabrics has occurred, Arista has been unable to shift its production to the making of fabrics--such as manmade knit or woven fabrics--for which domestic demand and production have increased. It has had facilities for the making of coarse woven fabrics only.

Basically, Arista's problem over the years has been its inability to adjust to changes in the demand for its product. The role that imports have played in this connection could hardly be categorized as "major." Imports of cotton chambray have been negligible during the past decade, and imports of cotton chambray work shirts have been quite small in relation to the domestic production of such shirts. Imports of knit fabrics and of shirts of manmade fiber and of combed cotton yarn fabrics have, on the other hand, increased substantially during the 1960's, but, as indicated, the petitioner

neither has produced nor has he had the facilities to produce such fabrics (other than fabrics of coarse manmade-fiber yarns). He has periodically produced cotton sheeting, and imports of such sheeting have sharply increased, but such production has traditionally been a makeshift operation for him with which he experienced difficulty long before the substantial increase in such imports.

Therefore, increased imports of a wide range of fabrics and shirts of cotton and of manmade fibers cannot be termed the "major" factor causing Arista to close its doors. To conclude otherwise would be to regard imports as the cause for the petitioner's nonproduction of articles that it has not been in a position to produce or, at least, to produce with any degree of success, or as the cause for the change in demand of a product (chambray for shirting) which the petitioner readily admits occurs every five or six years and which did in fact occur periodically long before imports reached their present proportions.

As for the other condition of the statute that the increase in imports is due in "major" part to trade agreement concessions, the facts again do not support the necessary cause-and-effect relationship.

A very large percentage of the imports of the fabrics and shirts that have been regarded as being like or directly competitive with the fabrics produced by Arista was produced in the Far East. The textile industries in that area, as in the United States, are labor-intensive industries--that is, labor accounts for a sizable portion of the cost of production. The wages paid to the textile workers in these countries are, however, much lower than those paid to their counterparts in the United States. It has been estimated

that textile wages in such countries range from a high of 30 to 35 cents an hour in Japan to a low of less than 10 cents per hour in Korea, as compared to about \$2.35 per hour in the United States. Even if worker productivity in some or all of these countries is less than worker productivity in the United States and even if certain fringe benefits in these countries are added to the cost of their labor, there still would appear to be a significant difference in labor costs. The petitioner in fact has testified that if the 1930 rate of duty on certain shirts had not been reduced, imports of such products would still undersell by a rather substantial amount the comparable United States products due to differences in labor and other production costs.

In view of the apparent existence of significant price disparities, which appear to reflect not only duty reductions but also substantial differences in costs of production (including raw material, overhead and labor), the increase in imports in the instant investigation cannot be said to have resulted in "major" part from concessions granted under trade agreements. Especially is this so when it is considered that the bulk of the reductions in the rates of duty on such imported articles was made as far back as 1948, long before any significant increase in imports of such articles.

Since two of the criteria of the statute cannot be satisfied by the facts revealed and since the failure to satisfy any one of the criteria precludes an affirmative determination, a negative determination must be made in this investigation.

INFORMATION OBTAINED IN THE INVESTIGATION

Scope of the investigation

Arista Mills Company.--Arista Mills Company produced woven carded-yarn shirtings (chambray, 1/ twill, oxford, and denim) used principally to make work and sport shirts to sell in the medium- and low-price range. Its principal product in the period 1965-69 was cotton chambray for work shirts. It also made interlining and pocketing for the garment trade, coarse sheeting for the broad market area of apparel, furniture, and other industries, and acrylic fabrics for sandbags. The fibers utilized were cotton and manmade fibers (principally polyester). The plant was geared to making fabrics with simple weave patterns from its own coarse-spun yarns (10's to 30's). The petitioner's equipment was capable of producing a wider range of shirting and other fabrics than those which were produced. The company was founded in 1838 and operated continuously until it ceased its textile operations in December 1969. The machinery is in the process of being sold.

Allegations of petitioner.--Arista Mills Company contended that it suffered serious injury as a result of increased imports of fabrics competitive with those it could produce, particularly cotton sheeting, and of woven shirts (the product in which the bulk of its fabrics were used). The petitioner alleged that the increased imports of all textile products created such keen competition in the market that he was severely limited in the alternatives he had in his production planning.

1/ Chambray is a plainwoven fabric with colored warp yarns and white filling yarns that give a mottled colored surface.

U.S. tariff treatment

The U.S. rates of duty on cotton fabrics of the types produced by Arista Mills were essentially unchanged from 1930 until the granting of concessions, originally negotiated with Japan, under the General Agreement on Tariffs and Trade (GATT), effective September 10, 1955. ^{1/} The rates applicable before the reductions ranged from 13.50 to 20.15 percent ad valorem on unbleached fabrics such as sheetings and from 19.50 to 26.15 percent on colored fabrics such as chambrays. ^{2/} The lower rates resulting from the Japanese trade agreement in 1955 represented reductions on most cotton fabrics of about 26 percent from the 1930 rate. The resulting rates for fabrics in the yarn sizes produced by Arista ranged from 10.00 to 14.75 percent ad valorem on unbleached fabrics and from 14.50 to 19.25 percent on colored fabrics. ^{2/} The rates on most cotton fabrics were further reduced by 24 percent in the Kennedy Round. The reduction is scheduled to occur in five annual stages, beginning January 1, 1968. The 1969 rates were thus about 33 percent less than the 1930 rates; they ranged from 9.04 to 13.33 percent ad valorem on unbleached fabrics and from 13.24 to 17.53 percent on colored fabrics. ^{2/} See table 1 for a rate history on selected yarn numbers.

The U.S. rates of duty applicable to fabrics of manmade fibers have been reduced on several occasions as a result of trade-agreement concessions--1936, 1948, 1951, and 1968-70 (staging of the Kennedy

^{1/} Although the rates on higher-valued fabrics were reduced earlier (in 1939 and bound in 1948), the reduced rates applied to fabrics of higher value than those generally sold by Arista Mills.

^{2/} Duty range for fabrics of yarn numbers 10-29.

Round). As a result of the concessions, the compound rate of duty was reduced from 45 cents per pound plus 60 percent or 70 percent ad valorem in 1930 to 25 cents per pound plus 22.5 percent ad valorem in 1951 (table 2). Pursuant to concessions granted in the Kennedy Round, the specific part of the compound rate has been reduced from 25 cents to 22 cents per pound at the beginning of 1968, and to 20 cents per pound at the beginning of 1969. Based on the value of imports in 1969, the average ad valorem equivalent of the duty was reduced by trade-agreement concessions from about 83 percent in 1930 to 33 percent in 1951 and to 31 percent in 1969. ^{1/}

The rates of duty on men's and boys' shirts of woven fabrics vary depending upon the presence or absence of ornamentation, the method of manufacture, the fiber, and for those of wool, the value per pound. The rate of duty on men's and boys' shirts, not ornamented, not knit, of cotton was reduced from 45 percent ad valorem, the 1930 rate, to 25 percent ad valorem on January 1, 1948 or by about 44 percent. No further reductions were made until the Kennedy Round when the rate of duty was reduced by about 16 percent, effective in five annual stages, beginning January 1, 1968; the 1969 rate was about 49 percent less than the 1930 rate.

The rate of duty on men's and boys' shirts, not ornamented, not knit, of manmade fibers was reduced to 27.5 cents per pound plus 35 percent ad valorem in January 1948, to 25 cents per pound plus 32.5

^{1/} The ad valorem equivalent of the rates based on imports in years in which the duties were in effect are shown in table 2.

percent ad valorem in June 1951, and to 25 cents per pound plus 27.5 percent ad valorem in September 1955. No further reduction was made in the Kennedy Round. Based on the value of imports in 1969, the ad valorem equivalent of the rate of duty was reduced by trade-agreement concessions from 81 percent in 1930 to 45 percent in 1948, 41.5 percent in 1951 and 36.5 percent in 1955. The 1969 ad valorem equivalent of the rate was about 55 percent less than in 1930. A history of rate reductions on men's and boys' shirts, ornamented and not ornamented and knit and not knit, of cotton and of manmade fibers, is shown in table 3.

Imports of cotton articles have been limited to some degree by quota since 1957. During 1957-61, Japan voluntarily limited her exports of cotton products to the United States. Since October 1961, imports of cotton products have been subject to restraint under the Short-Term (October 1931-September 1962) and the current Long-Term Arrangement Regarding International Trade in Cotton Textiles (LTA) (October 1962 to the present).

U.S. imports

Total imports of woven cotton fabrics (except specialty fabrics) averaged about 70 million square yards annually--or about 1 percent of domestic consumption--from 1930 until the beginning of World War II when they dropped to a much lower level. After the War, imports increased but remained less than 75 million square yards annually until 1955 when they increased to 133 million. Imports again increased sharply in 1959 and 1960; during 1960-64 they averaged over 400 million square yards annually. From 1964 to 1966 imports of woven cotton fabrics (in square yards) increased 60 percent and in 1969 amounted to 665 million square yards or about 8 percent of domestic consumption. The sharpest increase, however, was from 1964 to 1966; imports in 1967 and 1968 were slightly below those in 1966 (table 4(b)).

In recent years, imports of cotton fabrics of yarn numbers in the range produced by Arista Mills (10-29) increased more sharply than total imports--rising by 77 percent from 1964 to 1969. Imports of the particular cotton fabrics listed in the petition 1/ as being competitive increased by 139 percent. These fabrics, however, did not comprise a large part of the actual production of Arista Mills during this period. Imports of cotton chambray, which accounted for more than 90 percent of Arista's production during 1965-67, and the major part of production in 1968 and 1969, are believed to have been negligible during the past decade.

1/ Table 4 shows fabrics listed in the petition and the quantity and value of imports.

Among the fabric imports, sheetings were emphasized by the petitioner as having a critical effect on the ability of his company to continue in business. The company manufactured sheeting fabrics periodically whenever business on shirting fabrics was poor, although it had not produced sheetings since 1960. According to testimony, the company could not obtain orders for cotton sheeting fabrics in 1968 and 1969 at a price sufficient to cover direct costs, because of the availability of low-priced imports. Annual U.S. imports of sheeting of the types that would be produced by Arista Mills nearly tripled between 1964 and 1969 (table 4(b)); imports supplied about 8 percent of domestic consumption in 1964 and 17 percent in 1969. The foreign unit value of imports of class A and B sheetings of average yarn number 10-19 was 46 cents per pound in both 1965 and 1969 (table 5(a)). The addition of duty increased the unit value to a range of 51-53 cents during 1965-69 and the wholesale value of such fabrics after allowance for insurance, freight, and other costs and importer's markup, is estimated at about 60-65 cents per pound. If the 1930 duty rate were in effect, the calculated wholesale value of the imports would be increased by 2 or 3 cents per pound. The price of domestically-produced class A and B sheetings is estimated to have averaged about 67 cents per pound or higher during the same period (table 5(b)).

Imported fabrics of manmade fibers are not classified in a way to distinguish those types which were, or could have been, produced by Arista Mills. The petitioner made fabrics similar to some of the imports and was equipped to produce many additional types. The total

quantity of imports of broadwoven fabrics of manmade fibers were not important prior to 1953. They became heavy in 1959 and increased steadily through 1969. Detailed statistics on dutiable imports follow for specified years 1935-69: 1/

<u>Year</u>	<u>Quantity</u> (1,000 pounds)	<u>Value</u> (1,000 dollars)
1935-----	233	467
1937-----	1,041	993
1948-----	416	1,137
1949-----	155	397
1950-----	237	575
1952-----	394	1,160
1953-----	1,235	2,298
1957-----	3,171	5,332
1959-----	10,873	10,471
1964-----	11,910	25,408
1965-----	20,876	41,286
1966-----	36,204	58,285
1967-----	25,596	51,832
1968-----	28,629	66,467
1969-----	32,975	80,641

U.S. imports of men's and boys' shirts were small during the period 1948-55. Not until 1956 did imports of woven shirts reach 1 million dozens and knit shirts approximately the same amount. Imports of men's and boys' shirts, not knit, 2/ were five times as large in 1969 as in 1960, increasing from 2.1 million dozens to 10.3 million dozens during this period; the values rose from \$14 million in 1960 to \$103 million in 1969 (table 6). Imported shirts, not knit, supplied 25 percent of domestic consumption in 1969, compared with 9 percent in 1965 (table 11). Most of the increase in imports

1/ Excludes pile, glass, and specialty fabrics.

2/ Statistics on imports of men's and boys' chambray shirts are not reported separately. Imports of work shirts of chambray are included with those of yarn-dyed fabrics, if of cotton, and with all work shirts, if of manmade fibers.

consisted of dress and sport shirts. Imports of work shirts have been small since 1960. They amounted to 114,000 dozens, valued at \$1 million, in 1969, up from 34,000 dozens, valued at \$216,000, in 1960. Imports of men's and boys' cotton shirts, not knit, not ornamented, were small for several years after 1948. The value of these imports amounted to \$1.1 million in 1954, but rose steadily to a value of \$31 million in 1966 and were valued at \$31.1 million in 1969. U.S. imports of men's and boys' shirts of manmade fibers, not knit, not ornamented, were small until 1963, but increased from a value of \$1.1 million in that year to \$67.7 million in 1969.

U.S. imports of men's and boys' knit shirts, except sweat shirts, increased from 1.6 million dozens in 1964 to 4.1 million dozens in 1969 and their corresponding values rose from \$9 million to \$39 million (table 7). Most of the increase occurred in knit sport shirts other than all-white T-shirts.

The petitioner contended that the entire textile import rise contributed to injury to his firm, the rationale being that as some textile mills were affected by one class of imports they then switched to the production of other merchandise still being produced domestically, thus increasing the fierce competition in all lines of textiles. Tables 8 and 9 indicate the trend in total textile imports in recent years.

U.S. production

Total production of woven fabrics of cotton and manmade fibers in 1969 was almost the same as in 1965, but the production of cotton fabrics declined nearly 25 percent over the period, in favor of those of manmade fiber (table 10). A decline of 20 percent occurred in the production of A.B.C. sheeting, the type manufactured by Arista Mills in periods of slack demand for chambray, and a decline of 60 percent, in the production of carded colored-yarn chambrays and shirtings for which Arista Mills was primarily designed. The output of other carded colored-yarn fabrics, such as denims, also declined.

The decline in the U.S. production of shirts of carded colored-yarn fabrics was a large factor in the decline in the domestic production of such fabrics. 1/ Total production of woven shirts declined from 976 million equivalent square yards in 1965 to 734 million equivalent square yards in 1969. 2/ Much the greater part of this decline, as shown in table 10, occurred in sport shirts, in which chambrays and other carded colored-yarn fabrics are used. Little occurred in work shirts, however, for which carded cotton chambrays are peculiarly designed.

There may have been four or five producers of carded-yarn chambray in 1960 but in the past 2 or 3 years there have been only two, the applicant and WestPoint Pepperell, Inc. * * *

* * * * *

* * *. WestPoint Pepperell is a large textile

1/ Imports of these fabrics are very small.

2/ A large portion of domestic consumption of woven shirts has been replaced by knit shirts in the past decade.

concern making a variety of fabrics. * * *

* * *. The fabric is a staple
that can be stored for future sale.

Arista Mills Company

Status of the company.--On December 4, 1969, the stockholders authorized the officers of Arista Mills to terminate the textile manufacturing and textile sales activities of the company and to dispose of the textile inventories and the machinery and equipment used in connection with its textile operations. According to the President of Arista Mills, practically all the employees have obtained new jobs in other textile mills. The machinery is in the process of being sold.

* * * * *

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APPENDIX

Table 1.--Countable cotton cloth: U.S. rates of duty for specified fabrics

Fabric description	(In percent ad valorem)				
	1930	1948 ^{1/}		1955 ^{2/}	1967 ^{3/} 1969
		A	B		
Wholly of cotton, not fancy or figured:					
Unbleached (TSUS item 320.--):					
Yarn No. 15-----	15.25	15.25	11.25	11.25	11.25 : 10.17
Yarn No. 25-----	18.75	18.75	13.75	13.75	13.75 : 12.43
Bleached (TSUS item 321.--):					
Yarn No. 15-----	18.25	18.25	13.75	13.75	13.75 : 12.37
Yarn No. 25-----	21.75	21.75	16.25	16.25	16.25 : 14.63
Colored (TSUS item 322.--):					
Yarn No. 15-----	21.25	21.25	15.75	15.75	15.75 : 14.37
Yarn No. 25-----	24.75	24.75	18.25	18.25	18.25 : 16.63

^{1/} The column B rates were applicable to certain cloths above stated values (70 cents per pound for unbleached, 80 cents per pound for bleached, and 90 cents per pound for printed, dyed, or colored fabrics). The reduced rates on higher-valued fabrics resulted from a trade agreement with the United Kingdom in 1939 and were bound in the Geneva negotiations, effective Jan. 1, 1948.

^{2/} Concessions to Japan, effective September 1955, extended the 1948 GATT rates on higher-priced fabrics to apply also to lower-priced fabrics.

^{3/} Pre-Kennedy Round rate.

Table 2.--Woven fabrics of manmade fibers (TSUS item 338.30): Changes in U.S. rates of duty, unit value of imports, calculated amount of duty, and ad valorem equivalents, for specified years

Effective date of duty rate <u>1/</u>	Rate of duty	Foreign value of imports	Duty	Average ad valorem equivalent	Year on which AVE was cal- culated
	Cents per lb. + percent ad val.	Per pound:			
June 16, 1930 <u>2/</u>	(pt.) 45¢ + 60% (pt.) 45¢ + 70%	\$2.00	\$1.59	79.5	1935
June 15, 1936 <u>3/</u>	45¢ + 45% 45¢ + 45%	.95 5.78	.86 3.06	90.1 52.9	1937 1947
Jan. 1, 1948	(pt.) 27½¢ + 45% (pt.) 27½¢ + 22.5% (pt.) 27½¢ + 45% (pt.) 27½¢ + 22.5% (pt.) 27½¢ + 45% (pt.) 27½¢ + 22.5%	2.73 2.55 2.42	1.25 1.15 1.08	45.8 45.1 44.6	1948 1949 1950
Jan. 6, 1951	25¢ + 22.5% 25¢ + 22.5%	2.95 2.02	.65 .71	22.0 35.1	1952 1967
Jan. 1, 1968	22¢ + 22.5%	2.32	.74	31.9	1968
Jan. 1, 1969	20¢ + 22.5%	2.45	.75	30.6	1969

1/ Pursuant to concessions under the General Agreement on Tariffs and Trade, unless otherwise noted.

2/ Tariff Act of 1930.

3/ Trade agreement with France.

Table 3.--Men's and boys' shirts, not knit: Changes in U.S. rates of duty since 1930

TSUS item	Commodity	Tariff rate in--						
		1930	1/ 1948	2/ 1951	3/ 1955	4/ 1958	1/ 1968	1/ 1969
380.03 5/	Men's and boys' lace, net, and/or ornamented shirts-----	90%	60%	45%	45%	42.5%	41%	39%
380.27	Men's and boys' shirts, not ornamented, not knit, of cotton-----	45%	25%	25%	25%	25%	24%	23%
380.84	Men's and boys' shirts, not ornamented, not knit, of manmade fibers--	45¢ + 65%	27.5¢ + 35%	25¢ + 32.5%	25¢ + 27.5%	25¢ + 27.5%	25¢ + 27.5%	25¢ + 27.5%
	Ad valorem equivalent (percent) 6/	(81)	(45)	(41.5)	(36.5)	(36.5)	(36.5)	(36.5)

1/ Effective Jan. 1, the General Agreement on Tariffs and Trade (GATT).

2/ Effective June 6, GATT.

3/ Effective Sept. 10, GATT.

4/ Effective June 30, GATT.

5/ TSUS item 380.03 was replaced by the four TSUS item numbers 380.00, 380.02, 380.04, and 380.05, effective Jan. 1, 1968. The rates shown for 1968 and 1969 are for shirts of cotton (item 380.00); the rates did not change in 1968 and 1969 for those of manmade fibers (item 380.04).

6/ Based on value in 1969.

Table 4.a).--Countable cotton cloth: U.S. imports for consumption, total and selected fabrics, 1964-69

Fabric	(In thousands of pounds)					
	1964	1965	1966	1967	1968	1969
Total, countable cotton cloth-----	122,322	161,027	207,214	195,832	186,062	212,455
All fabrics of yarn Nos. 10-29-----	86,784	115,457	150,645	146,742	140,348	158,500
Cotton fabrics listed in petition, total-----	30,664	44,443	51,911	62,137	62,524	71,546
ABC sheeting, gray (320.1038)-----	9,379	16,583	18,243	25,457	25,971	28,631
(320.2038)-----	1,064	1,301	3,396	1,769	2,134	2,556
Twill, n.e.s., gray (320.1058)-----	10,269	13,137	14,499	17,992	14,880	16,190
(320.2058)-----	1,701	4,057	4,184	4,465	4,399	5,347
Fabric, n.e.s., gray (320.1092)-----	6,692	5,868	6,721	9,958	10,523	10,169
(320.2092)-----	343	1,166	2,331	916	2,498	4,518
Twill, n.e.s., colored (322.1058)-----	48	92	366	44	36	125
(322.2058)-----	11	23	4	13	61	105
Fabric, n.e.s., colored (322.1092)-----	482	867	938	690	987	1,932
(322.2092)-----	675	1,349	1,059	626	974	1,723
ABC sheeting, chief value cotton, gray (326.1038)-----	-	-	170	207	61	250
Yarn dyed, n.e.s., under 52 inches wide, wholly cotton, plain woven (322.10-29, Stat. Nos. 84 and 86) I/-----	397	216	485	253	221	105
All other, yarn Nos. 10-29-----	55,723	70,798	98,249	84,352	77,824	86,849

I/ This is the category (not listed in the petition) in which imports of cotton chambray would be classified. It is believed, however, that imports of chambray have been negligible in recent years and would comprise a minor part of the imports shown in this category.

Table 4(b).--Countable cotton cloth: U.S. imports for consumption, total and selected fabrics, 1964-69

Fabric	(In thousands of square yards)					
	1964	1965	1966	1967	1968	1969
Total, countable cotton cloth-----	416,955	563,513	668,770	589,751	600,516	665,399
All fabrics of yarn Nos. 10-29-----	270,973	364,665	449,558	425,539	433,516	479,523
Cotton fabrics listed in petition, total-----	92,532	136,142	162,255	184,948	192,485	221,857
ABC sheeting, gray (320.1038)-----	30,857	54,831	60,480	83,008	86,076	95,953
(320.2038)-----	5,837	6,598	14,618	6,952	9,942	11,175
Twill, n.e.s., gray (320.1058)-----	24,187	31,333	35,869	43,263	37,081	38,783
(320.2058)-----	5,776	13,713	14,038	14,757	13,981	16,740
Fabric, n.e.s., gray (320.1092)-----	20,135	18,527	19,664	28,375	30,376	29,159
(320.2092)-----	1,305	4,240	8,422	3,149	7,912	17,157
Twill, n.e.s., colored (322.1058)-----	156	295	954	144	106	433
(322.2058)-----	36	71	11	43	188	367
Fabric, n.e.s., colored (322.1092)-----	1,432	2,760	3,145	2,138	3,175	5,480
(322.2092)-----	2,811	5,774	4,563	2,525	3,474	5,962
ABC sheeting, chief value cotton, gray (326.1038)-----	-	-	491	594	174	648
Yarn dyed, n.e.s., under 52 inches wide, wholly cotton, plain woven (322.10-29, Stat. Nos. 84 and 86) 1/-----	1,404	794	1,893	1,000	783	341
All other, yarn Nos. 10-29-----	177,037	227,729	285,410	239,591	240,248	257,666

1/ This is the category (not listed in the petition) in which imports of cotton chambray would be classified. It is believed, however, that imports of chambray have been negligible in recent years and would comprise a minor part of the imports shown in this category.

Table 4(c).--Countable cotton cloth: U.S. imports for consumption, total and selected fabrics, 1964-69

Fabric	(In thousands of dollars)					
	1964	1965	1966	1967	1968	1969
Total, countable cotton cloth-----	92,982	121,944	125,690	124,514	125,770	146,180
All fabrics of yarn Nos. 10-29-----	49,807	65,194	88,706	81,146	80,426	94,132
Cotton fabrics listed in petition, total-----	14,885	21,964	26,457	32,053	32,129	38,195
ABC sheeting, gray (320.1038)-----	4,174	7,568	8,514	12,286	12,043	13,102
(320.2038)-----	560	658	1,808	965	1,095	1,253
Twill, n.e.s., gray (320.1058)-----	4,657	6,083	6,771	8,617	6,839	7,386
(320.2058)-----	858	2,155	2,342	2,579	2,413	2,965
Fabric, n.e.s., gray (320.1092)-----	2,881	2,529	2,972	4,544	4,856	4,558
(320.2092)-----	212	676	1,303	580	1,457	2,562
Twill, n.e.s., colored (322.1058)-----	47	78	227	26	35	86
(322.2058)-----	17	15	4	19	64	132
Fabric, n.e.s., colored (322.1092)-----	757	1,034	1,279	1,315	1,480	2,766
(322.2092)-----	722	1,150	1,167	1,037	1,821	3,257
ABC sheeting, chief value cotton, gray (326.1038)-----	-	-	70	85	26	128
Yarn dyed, n.e.s., under 52 inches wide, wholly cotton, plain woven (322.10-29, Stat. Nos. 84 and 86) 1/-----	441	259	503	333	269	162
All other, yarn Nos. 10-29-----	34,481	42,971	61,746	48,760	48,028	55,775

1/ This is the category (not listed in the petition) in which imports of cotton chambray would be classified. It is believed, however, that imports of chambray have been negligible in recent years and would comprise a minor part of the imports shown in this category.

Table 5(a).--Class A and B sheetings wholly of cotton, unbleached, of average yarn number 10-19: Average unit value of U.S. imports, calculated duty, and total value, 1/ 1965-69

Year	Duty rate <u>2/</u>	Imports		Foreign unit value	Duty	Total unit value <u>1/</u>
		Quantity	Value			
	Percent ad val.	<u>1,000</u> pounds	<u>1,000</u> dollars	Cents per pound	Cents per pound	Cents per pound
1965--	11.25	16,583	7,568	46	5.2	51
1966--	11.25	18,243	8,514	47	5.3	52
1967--	11.25	25,457	12,286	48	5.4	53
1968--	10.71	25,971	12,043	46	4.9	51
1969--	10.17	28,631	13,102	46	4.7	51

1/ Foreign value plus duty; wholesale market value would include an additional amount to cover CIF and importer's markup--possibly equal to 10 cents per pound.

2/ The rate used for calculating duty is that for fabrics of average yarn number 15.

Table 5(b).--Average annual prices 1/ of domestic Class A and B sheetings, total and selected constructions, 1965-69

Fabric description	Price <u>1/</u> (in cents per pound)				
	1965	1966	1967	1968	1969
Class A and B sheetings, total-----	<u>2/</u>	66.6	67.0	66.1	66.8
Class A sheetings-----	<u>2/</u>	63.1	62.7	59.8	60.8
Class B sheetings-----	<u>2/</u>	70.0	71.2	72.3	72.8
31 inch, 48x48, \$5.00 per yard <u>3/</u> --	<u>2/</u>	68.7	71.4	72.4	73.7
37 inch, 48x48, \$4.00 per yard <u>3/</u> --	<u>2/</u>	68.1	69.1	68.3	70.2
40 inch, 48x44, \$3.75 per yard <u>3/</u> --	<u>2/</u>	64.4	65.4	64.8	66.6

1/ Not actual sale prices; see note below.

2/ Not available on a basis comparable with later years.

3/ Constructions produced by Arista Mills.

Source: Mill Margins Report, Vol. 45, No. 13, U.S. Department of Agriculture, Cotton Division, Memphis, Tennessee.

Note.--Figures reported by the U.S. Department of Agriculture are cloth values obtainable from one pound of raw cotton based on prices of fabrics published in trade publications. Such values are lower than reported prices because of adjustments for processing waste, etc. Published prices, however, are often higher than actual sales prices. The above figures, therefore, are shown as a reasonable approximation of the lower range of domestic prices.

Table 6.--Men's and boys' shirts, not knit: U.S. imports for consumption, by shirt type and fiber, 1960-69

Shirt type and fiber	Quantity (1,000 dozens)									
	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969
Dress, total	1/ 475	1/ 567	909	954	1,389	1,610	2,276	3,083	3,524	5,164
Cotton	475	567	856	905	1,270	1,317	1,278	814	1,011	1,042
Manmade fibers	2/	2/	53	49	119	293	998	2,269	2,513	4,122
Sport, total	1/ 1,576	1/ 1,386	1,978	2,152	2,336	2,492	3,206	3,610	4,445	5,059
Cotton	1,576	1,386	1,876	1,993	2,157	2,188	2,516	2,199	2,143	2,169
Wool	2/	2/	43	97	98	145	175	122	131	136
Manmade fibers	2/	2/	59	62	81	159	515	1,289	2,171	2,754
Work, total	1/ 34	1/ 8	50	93	71	30	39	70	130	114
Cotton	34	8	43	93	71	30	36	66	122	104
Manmade fibers	2/	2/	7	3/	3/	3/	3	4	8	10
All shirts, total	2,085	1,961	2,937	3,199	3,796	4,132	5,521	6,724	8,099	10,337
Value (1,000 dollars)										
Dress, total	1/ 4,340	1/ 5,642	8,872	9,253	13,739	15,397	22,326	28,621	34,787	51,337
Cotton	4,340	5,642	8,227	8,638	12,114	12,313	11,597	7,021	9,377	11,020
Manmade fibers	2/	2/	645	615	1,626	3,084	10,729	21,600	25,410	40,317
Sport, total	1/ 9,479	1/ 8,485	12,662	15,301	18,271	21,657	28,845	31,343	41,015	50,261
Cotton	9,479	8,485	11,158	12,406	15,094	17,163	19,218	16,025	16,826	19,278
Wool	2/	2/	1,067	2,393	2,467	3,531	4,266	3,309	3,329	3,628
Manmade fibers	2/	2/	437	502	710	963	5,361	12,009	20,859	27,355
Work, total	1/ 216	1/ 65	364	804	672	368	343	593	1,163	1,048
Cotton	216	65	339	804	668	364	319	553	1,082	975
Manmade fibers	2/	2/	25	4/	4	4	24	40	81	73
All shirts, total	14,035	14,192	21,898	25,358	32,682	37,423	51,514	60,557	76,964	102,646

1/ Includes imports of shirts of cotton only; imports of shirts of other fibers not reported separately.
 2/ Not separately reported.
 3/ Less than 500 dozens.
 4/ Less than \$500.

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

Table 7.--Men's and boys' knit shirts: U.S. imports for consumption, by type and fiber, 1964-69

Shirt type and fiber	1964	1965	1966	1967	1968	1969
	Quantity (1,000 dozens)					
All knit shirts, except sweat, total---	1,551	2,488	3,291	3,018	4,102	4,138
T-shirts, all white, total--:	493	453	559	498	730	722
Cotton-----:	493	450	559	496	727	712
Manmade fibers-----:	<u>1/</u>	3	<u>1/</u>	2	3	10
Other knit shirts, except sweat, total-----:	1,058	2,035	2,732	2,520	3,372	3,416
Cotton-----:	863	1,099	1,460	1,037	1,460	1,368
Wool-----:	28	31	29	50	111	115
Manmade fibers-----:	167	905	1,243	1,433	1,801	1,933
	Value (1,000 dollars)					
All knit shirts, except sweat, total---	8,725	21,676	30,633	23,255	35,328	39,258
T-shirts, all white, total--:	802	786	924	946	1,537	1,521
Cotton-----:	801	772	923	915	1,492	1,443
Manmade fibers-----:	1	14	1	31	45	78
Other knit shirts, except sweat, total-----:	7,923	20,890	29,709	22,309	33,791	37,737
Cotton-----:	4,579	8,314	16,427	7,856	10,540	11,655
Wool-----:	1,709	1,817	1,754	2,877	5,818	6,102
Manmade fibers-----:	1,635	10,759	11,528	11,576	17,433	19,980

1/ Less than 500 dozens.

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

TABLE 8.—*Manufactures of cotton, wool, and manmade fibers: U.S. imports for consumption,¹ 1961-69*

[In thousands of pounds]

Item	1961	1962	1963	1964	1965	1966	1967	1968	1969
Yarn:									
Cotton.....	16,042	32,818	26,576	18,837	24,738	102,264	43,897	57,673	31,365
Wool.....	5,420	8,892	9,802	7,808	10,890	12,481	8,977	10,051	7,726
Manmade fiber.....	5,720	7,880	7,451	9,129	15,351	19,843	32,625	69,439	53,568
Total.....	27,191	49,590	43,829	35,774	50,979	134,588	85,499	137,163	92,659
Fabric:									
Cotton.....	80,898	145,177	148,360	137,173	178,397	228,222	213,916	210,918	243,861
Wool.....	19,207	22,108	22,266	19,804	25,702	24,836	24,019	32,696	29,200
Manmade fiber.....	8,212	12,321	14,265	15,668	26,094	44,198	32,714	38,086	48,341
Total.....	108,317	179,606	184,891	172,645	230,193	297,256	270,649	281,700	321,402
Apparel:									
Cotton.....	60,267	91,823	94,204	107,578	119,891	128,000	133,092	140,047	142,692
Wool.....	13,717	22,790	28,039	28,421	35,443	33,021	30,771	41,358	41,476
Manmade fiber.....	5,033	10,443	12,847	21,650	30,581	38,424	60,886	91,329	143,529
Total.....	79,017	125,056	135,090	157,649	185,915	199,445	224,749	272,734	327,697
Other manufactured textile articles:									
Cotton.....	31,689	40,030	35,172	36,577	37,684	51,811	52,480	65,208	70,064
Wool.....	31,916	35,180	27,803	29,131	23,933	17,798	11,372	12,761	12,152
Manmade fiber.....	9,449	6,609	7,715	11,511	20,564	34,089	35,192	40,275	45,340
Total.....	73,054	81,819	70,690	77,219	82,181	103,698	98,044	118,244	127,556
Total:									
Cotton.....	188,896	309,848	304,312	300,165	360,710	510,297	443,385	473,846	487,982
Wool.....	70,269	88,970	87,910	85,164	95,968	88,136	75,139	96,866	90,554
Manmade fiber.....	28,414	37,253	42,278	57,958	92,590	136,554	161,417	239,129	290,778
Total.....	287,579	436,071	434,500	443,287	549,268	734,987	679,941	809,841	869,314

¹ Estimated raw fiber equivalent of cotton and manmade fiber products; raw wool content of wool products. Does not include tops, noils, and wastes.
² Actual weight.

Source: U.S. Department of Agriculture, *Wool Situation and Cotton Situation*; and official statistics of the U.S. Department of Commerce.

Table 9 .--Textile manufactures, except floor coverings: U.S. imports for consumption, 1962-69

Description (SITC division and group 1/)	(Value in thousands of dollars)							
	1962	1963	1964	1965	1966	1967	1968	1969
Textile yarn and thread (651)---	56,444	57,133	53,277	65,481	103,174	81,161	128,460	100,441
Fabrics and certain small wares (652, 653, 654, 655)----	497,731	540,586	543,184	640,003	689,850	627,410	709,770	780,038
Clothing (except fur); elastic or rubberized knit fabric; knit house furnish- ings and articles (841)-----	362,748	391,722	450,135	537,147	599,149	649,651	846,569	1,082,372
Other made-up articles (656)----	42,961	37,097	32,323	35,314	46,843	48,575	54,756	61,230
Total-----	959,884	1,026,538	1,078,919	1,277,945	1,439,016	1,406,797	1,739,555	2,024,081

1/ Standard International Trade Classification.

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

Table 10.--Broadwoven fabrics of cotton, broadwoven fabrics of manmade fibers, and shirts: U.S. production, 1965-69

Item	1965	1966	1967	1968	1969
Cotton fabrics, total <u>1/</u> million square yards--	10,854	10,560	9,852	8,779	8,182
A.B.C. sheeting-----	671	660	621	571	538
Carded colored yarn fabrics:					
Denims-----	289	332	296	241	249
Other-----	254	149	134	128	111
Chambrays and shirtings-----	57	47	34	<u>2/</u> 20	<u>2/</u> 23
Manmade fiber fabrics million square yards <u>4/</u> --	5,252	5,492	5,781	7,328	<u>3/</u> 7,606
Shirts of woven fabrics, total--million square yards equivalent <u>5/</u> --	976	925	836	776	734
Work-----	96	101	113	109	94
Sport-----	563	534	439	372	341
Dress-----	317	290	284	295	299

1/ Excludes pile and specialty fabrics amounting to about 5 percent of mill output. Census data converted from linear yards to square yards.

2/ Partly estimated.

3/ Estimated from linear yards.

4/ Except pile, glass, and specialty fabrics.

5/ Converted on the basis of 2 square yards per shirt.

Source: Compiled from official statistics of the U.S. Department of Commerce, except as noted.

Table 11.--Men's and boys' shirts, not knit: U.S. production, imports for consumption, exports of domestic merchandise, and apparent consumption, total and by shirt type, 1965-69

(Quantity in thousands of dozens)						
Year	Production	Imports ^{1/}	Exports	Apparent consumption	Ratio (percent) of imports to consumption	
All shirts ^{2/}						
1965-----	41,268	4,132	487	44,913	9	
1966-----	40,045	5,521	501	45,065	12	
1967-----	35,889	6,764	511	42,142	16	
1968-----	33,429	8,099	429	41,099	20	
1969-----	31,978	10,337	380	41,935	25	
Dress shirts						
1965-----	^{3/} 12,261	1,610	199	13,672	12	
1966-----	^{3/} 12,071	2,276	214	14,133	16	
1967-----	^{3/} 11,825	3,083	199	14,709	21	
1968-----	^{3/} 12,305	3,524	156	15,673	22	
1969-----	^{3/} 12,473	5,164	175	17,462	30	
Sport shirts						
1965-----	24,039	2,492	208	26,323	9	
1966-----	22,269	3,206	253	25,222	13	
1967-----	18,310	3,610	274	21,646	17	
1968-----	15,514	4,445	248	19,711	23	
1969-----	14,191	5,059	182	19,068	27	
Work shirts						
1965-----	4,029	30	80	3,979	1	
1966-----	4,190	39	34	4,195	1	
1967-----	4,695	70	38	4,727	1	
1968-----	4,520	130	25	4,625	3	
1969-----	3,919	114	23	4,010	3	

^{1/} Excludes shirts of vegetable fibers except cotton and of silk.

^{2/} Includes dress, sport, work, and uniform shirts.

^{3/} Includes dress shirts of knit fabric, not separately reported.

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

