

UNITED STATES TARIFF COMMISSION

BROADWOVEN FABRICS OF MANMADE FIBERS AND OF COTTON:
WORKERS OF HILL DIVISION
OF BATES MANUFACTURING CO., INC.

Report to the President
on Investigation No. TEA-W-128
Under Section 301(c)(2) 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
February 18, 1972.

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)(2) of that act in response to a workers' petition.

On December 20, 1971, a petition was filed on behalf of the workers formerly employed at the Hill Division of the Bates Manufacturing Co., Inc., New York, N.Y., for a determination of their eligibility to apply for adjustment assistance. The Commission instituted an investigation (TEA-W-128) on December 27, 1971, to determine whether, as a result in major part of concessions granted under trade agreements, articles like or directly competitive with broadwoven fabrics of cotton or of manmade fiber and cotton blends of the types produced by the Hill Division are being imported into the United States in such increased quantities as to cause, or threaten to cause, the unemployment or underemployment of a significant number or proportion of the workers of the Division.

Public notice of the receipt of the petition and the institution of the investigation was published in the Federal Register on December 30, 1971 (36 F.R. 25267). No public hearing was requested and none was held.

The information in this report was obtained principally from the petitioners, from the officials of Bates Manufacturing Co., and from the Commission's files.

Finding of the Commission

On the basis of its investigation, the Commission finds (Commissioners Sutton and Moore dissenting) that articles like or directly competitive with broadwoven fabrics of cotton and/or man-made fibers of the types produced by the Hill Division, Bates Manufacturing Company, Inc., Lewiston, Maine, are not, 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, unemployment or underemployment of a significant number or proportion of the workers of such plant.

Views of Chairman Bedell, Vice Chairman Parker,
and Commissioner Young

Section 301(c)(2) of the Trade Expansion Act of 1962 has established four conditions, each of which must be satisfied if an affirmative determination in this investigation is to be made by the Commission:

1. Articles like or directly competitive with the fabrics produced by the firm which employed the workers concerned are being imported in increased quantities.
2. The increased imports are in major part the result of duty concessions granted under trade agreements.
3. A significant number or proportion of the workers concerned are unemployed or underemployed, or threatened with unemployment or underemployment.
4. The increased imports resulting in major part from trade-agreement concessions are the major factor causing or threatening to cause the unemployment or underemployment.

In the case at hand, we have concluded that the foregoing conditions have not been met. The evidence developed in the instant investigation does not show that increased imports resulting in major part from trade-agreement concessions have been the major factor causing unemployment or underemployment at the Hill Division plant of the Bates Manufacturing Co.

The principal products of the Hill Division plant from 1967 to 1969 were almost equally divided between woven fabrics of 100-percent cotton for military use and those of polyester fiber blended with rayon

and with cotton for civilian use. Following a sharp drop in total output at the Hill Division in 1967, caused entirely by a decrease in military contracts for 100-percent-cotton fabrics, output of each type of Hill's fabrics rose sharply in 1968 and 1969 when total output regained its 1966 level.

Although there was no substantial change in the ratio of the 100-percent-cotton fabrics to polyester blended fabrics from 1967-1969, the Hill Division greatly increased its emphasis on the production of a cotton-polyester voile fabric. This fabric is used principally in women's, misses', and infants' blouses and dresses. In each of the years 1967, 1968, and 1969 Hill's sharply expanded production of voile coincided with expanded U.S. production * * *. In other words, Hill was maintaining its share of the market for a fabric, whose production expanded by 250 percent during these 3 years. Hill maintained this position by a general increase in output and by curtailing production of other polyester blended fabrics, the demand for which was increasing but not nearly so sharply as that for voile. Concurrently, Hill's production of 100-percent-cotton fabrics for the military was expanding.

In 1970, total U.S. production of all types of polyester-cotton ("easy care") fabrics, which had doubled since 1966, continued its upward trend. On the other hand, the popularity of voile declined suddenly in 1970 as styles shifted to other related fabrics. As a

result of this style change, domestic producers of voile--other than the Bates Hill Division plant--reduced production of voile by 60 percent and concentrated productive capacity on other more popular fabrics. The Hill Division, however, chose to continue its emphasis on voile and increased its production of that fabric in 1970 * * *.

Voile prices responded to the sharp drop in the U.S. demand and prices received by the Hill Division for its voile output fell more than 30 percent from January 1970 to December 1970. This sharp drop in voile prices was extremely serious for Hill since it occurred at a time when Hill was expanding its voile production. * * *

The combined effect of these business reversals was so severe that Bates decided to close the Hill Division plant effective March 31, 1971.

Bates had extensively modernized the machinery at its Hill plant in 1968 and 1969. The plant was thereafter equipped to produce a wide variety of polyester blended fabrics efficiently, subject only to minimum, inexpensive adjustments in the existing machinery. Small quantities of other fabrics of polyester blends, such as poplin, crepe, basket weave, and duck, were produced by Hill in 1969 and 1970, indicating that the plant was capable of supplying polyester-blend fabrics, other than voile, to the garment trade without undergoing any

significant change in manufacturing facilities. There is no information on the cause of Hill's failure to shift to these other polyester-blend fabrics, as the rest of the industry did, when the domestic market for them increased markedly between 1965 and 1970. This market shift was evidenced by the increase in domestic production of polyester blend fabrics from 1.0 billion square yards in 1965 to 2.8 billion square yards in 1970. To repeat, the Hill Division elected to increase its output of a fabric that experienced a sharp drop in demand rather than shift to those fabrics for which the demand was increasing.

The investigation did not reveal any evidence that imports of fabrics like or directly competitive with those made by Hill took over the markets for the products of Hill. On the contrary, imports of fabrics like those produced by Hill declined sharply. Although statistical data on the imports of voile are not reported separately, imports of all polyester fabrics of spun yarn (which include voile) declined from 80 million square yards in 1966 to 14 million in 1970. In view of the diminishing popularity of voile and the decline in voile prices, it seems reasonable to conclude that imports of voile would have declined along with those of other related polyester fabrics. In this connection, representatives of the garment trade indicated that the decrease in the purchases of domestic voiles in 1970 was caused primarily by style changes and not by increased fabric imports.

Imports of other woven fabrics of manmade fibers which might be considered to be directly competitive with those produced by Hill increased from 1967 to 1970 but were less than they had been in 1966. At no time has the share of the domestic market accounted for by imports been as great as it was in 1966.

Information available on the imports of certain woven cotton fabrics of medium-fine yarn numbers, including those fabrics similar to the polyester voile produced at Hill, does not reveal any upward trend. Except for those in 1967, imports in 1970 were the smallest for the 1965-70 period. Although imports of these cotton fabrics did not increase, they represented an increasingly larger share of the domestic market because of the sharp decline in the demand for and use of 100-percent-cotton fabrics.

That imports were not the major cause of Hill's difficulty is further evidenced by the steady, sharp, year-by-year upward trend in U.S. exports of polyester fabrics generally similar to those produced by Hill. U.S. exports of these fabrics increased almost fourfold from 1965 to 1970 and in 1970 they substantially exceeded imports. Hill contributed to this increase in exports.

From the foregoing discussion, it is clear that imports of the polyester type of fabrics produced by Hill decreased. We have not dealt with the relationship of duty concessions granted under trade agreements to the relevant imports because such imports were not a

significant factor affecting the operations of Hill or the major factor causing unemployment or underemployment of its workers. 1/

In view of the foregoing, it is necessary that we make a negative determination.

1/ Commissioner Young does not concur with this sentence, but comments as follows:

Even if apparel and other fabrics discussed herein were considered to be like or directly competitive with fabrics produced by Hill, I have not dealt with the relationship of duty concessions granted under trade agreements to the imports of such articles because such imports were not a significant factor affecting the operations of Hill or the major factor causing unemployment or underemployment of its workers.

Views of Commissioner Leonard

This investigation relates to a petition filed on behalf of former workers at the Hill Division plant of the Bates Manufacturing Co., located in Lewiston, Maine, for a determination of their eligibility to apply for adjustment assistance under the Trade Expansion Act of 1962.

Section 301(c)(2) of the Trade Expansion Act of 1962 has imposed four conditions, each of which must be satisfied if an affirmative determination is to be made. The conditions are:

1. Articles like or directly competitive with the fabrics produced by the workers concerned are being imported in increased quantities;
2. The increased imports are in major part the result of concessions granted under trade agreements;
3. A significant number or proportion of the workers concerned are unemployed or underemployed, or threatened with unemployment or underemployment; and;
4. The increased imports resulting in major part from trade-agreement concessions are the major factor causing or threatening to cause the unemployment or underemployment.

A negative determination in the instant investigation is required because all of the conditions described above are not satisfied.

In the years preceding its closing in March 1971, the output of the Hill Division plant was about equally divided between cotton fabrics and polyester-blend fabrics (chiefly polyester-cotton).

The cotton fabrics woven at the Hill Division were sold to the Federal Government for military use. Because of an abrupt decline in Government orders, the output of such fabrics by the plant dropped drastically in its last year of operation * * *. Moreover, U.S. imports of broadwoven cotton fabrics in medium-fine yarn numbers (30's-50's)--the category in which fabrics produced by the Hill Division would be classified--have declined in recent years; entries amounted to 238 million square yards in 1970 compared with 296 million square yards in 1966. Clearly, imports had little to do with the recent decline in output of cotton fabrics by the Hill Division.

The output of polyester-cotton fabrics and polyester-rayon fabrics by the Hill Division rose steadily in the last 5 years of the plant's operation. These fabrics were used by the apparel trade to manufacture shirts, blouses, dresses, and rainwear. In general, U.S. imports of articles that might be regarded as like or directly competitive with fabrics produced by the Hill Division have increased in recent years. There has been little correlation, however, between such increased imports and trade-agreement concessions applicable to the products concerned--indicating that the growth in imports has not resulted in "major" part from changes in rates of duty to carry out the concessions, but rather chiefly from other factors.

First, let us consider imports of fabrics. U.S. imports of fabrics of manmade fibers nearly quadrupled in the late 1960's, rising from an average of 10 million pounds annually in 1960-64 to

39 million pounds in 1970 (the last full year the Hill Division was in operation). The major trade-agreement concessions, however, had been granted two to three decades earlier--in 1936 and 1948. Although concessions were granted on these fabrics in the Kennedy Round, they resulted in only small changes in the rates of duty; imports of these fabrics, moreover, had almost reached their peak in 1966 before the small Kennedy Round reductions began to be put into effect. The changes in rates of duty thus appear to have had little to do with changes in imports. I would also note that imports of fabrics of manmade fibers of the types produced by the Hill Division--i.e., broadwoven fabrics chiefly of noncontinuous polyester fibers--have declined sharply in recent years; entries of these fabrics amounted to only 14 million square yards in 1970 compared with 80 million square yards in 1966.

Second, let us consider imports of finished articles. As indicated above, the fabrics produced by the Hill Division that were sold to the civilian market were used to manufacture shirts, blouses, dresses, and rainwear. Even if I were to consider these finished articles to be "directly competitive," within the terms of the statute, with the fabrics produced by the Hill Division, I would have to conclude that imports of such apparel were not in "major" part the result of trade-agreement concessions. The great bulk of recently increased imports of shirts, blouses, dresses, and rainwear has consisted of such apparel made chiefly of manmade fibers. Typically, the growth in imports of such articles began in the mid- or late 1960's. For

example, U.S. imports of shirts made of woven fabrics chiefly of manmade fibers rose from 1.5 million dozen in 1966 to 8.9 million dozen in 1970, those of blouses made of woven fabrics chiefly of manmade fibers increased from 700,000 dozen in 1966 to 2.8 million in 1970, and those of dresses made of woven fabrics chiefly of manmade fibers rose from 163,000 dozen in 1966 to 612,000 dozen in 1970. The major trade-agreement concessions applicable to these articles, however, were granted in 1948; small further concessions were made in 1951 and 1956, but none have been made since then. There is little in this pattern to indicate that increased imports have resulted in major part from trade-agreement concessions.

The recent changes in imports just described, in fact, have been related less to duty changes than to expanding demand in the United States for certain fabrics and apparel made of those fabrics, as well as inherent cost advantages held by foreign suppliers. Consumer demand in the United States has moved strongly toward manmade textile materials. In the areas formerly served by the Hill Division, the use of articles of polyester-cotton blends, stimulated by "easy care" attributes, has grown explosively. This strong demand has probably been the most important factor that has influenced both U.S. production and imports.

The ability of the imported goods to supply some of the increased U.S. demand has resulted in substantial part from labor cost advantages held by the principal foreign suppliers, who are located in the Far East. Textile industries in general are labor-intensive, that is, labor accounts for a sizable proportion of costs of production. In

the United States, for example, labor costs represent about a third of the factory cost of production of the apparel items of concern in this investigation and somewhat more than a fourth of the factory cost of production of fabrics. Wages paid to textile workers in the Far Eastern countries are much lower than those paid to their counterparts in the United States. Such data as are available indicate that average hourly earnings in the textile industries of the Far Eastern countries ranged in 1970 between 16 and 67 cents, compared to \$2.45 in the United States. Even if worker productivity in some or all of these countries is less than in the United States, there would still appear to be such a difference in labor costs as to be a more important stimulus to U.S. imports than the trade-agreement concession.

In light of the circumstances set forth above, I have made a negative determination.

Views of Commissioner Sutton and Commissioner Moore

This investigation was undertaken pursuant to section 301(c)(2) of the Trade Expansion Act of 1962 in response to a petition filed on behalf of former employees of the Hill Division of the Bates Manufacturing Co., Inc., Lewiston, Maine, for a determination of their eligibility to apply for adjustment assistance.

The Hill Division, which ceased operations on March 31, 1971, was the sole plant in the Bates system producing fine-yarn cotton fabrics, polyester-cotton fabrics, and polyester-rayon fabrics. In recent years, the types of fabrics produced were principally oxfords, poplins, crepes, and voiles, which were sold to the apparel industry for manufacture into shirts, blouses, dresses, and rainwear. The petitioners contend that imports of fabrics like or directly competitive with those produced by the Hill Division, as well as imports of the finished articles made from such fabrics, have increased in major part as a result of trade-agreement concessions and have been the major factor in causing their unemployment.

Imports of manmade and of cotton fabrics, as well as imports of apparel items manufactured from such fabrics, have increased sharply in recent years. Applicable rates of duty for such articles were reduced substantially as a result of trade-agreement concessions. Although the growth in imports of these articles has been influenced by many factors, it is our judgment that articles like or directly competitive with the fabrics produced by the Hill Division have been

imported in increased quantities, as a result in major part of trade-agreement concessions, and were the major factor in causing the closing of the Hill Division and the resulting unemployment of its workers. The principal changes in trade and in rates of duty pertinent to this determination are discussed below.

According to a Bates Company official, the Hill Division in the early 1960's was a prime supplier of 100-percent combed cotton goods to the men's and women's shirting and apparel trades. One of the important fabrics produced was a filling sateen which became a significant commodity item in the U.S. market. The official said that the Japanese quickly recognized the magnitude of this potential market and began to export this fabric to the United States in both the grey and printed condition at much lower prices than it could be competitively produced at the Hill Division. In order to survive, the mill was forced to change its basic product mix to less desirable and less profitable styles. In corroboration of this contention, the ad valorem equivalents of the rates of duty on cotton fabrics in the yarn-count range of those produced by the Hill Division were reduced about 40 percent between 1930 and 1971, as a result of trade-agreement concessions. Imports of such fabrics increased substantially over this period and in 1970 were nearly two-thirds of the domestic consumption.

The official said that during the Viet-Nam buildup in the mid-1960's the Hill Division, at the request of the U.S. Government, began to manufacture certain cotton fabrics required by the Defense Supply

Agency and continued to make cotton fabrics for the Government until the plant closed. Thus a source of supply of such fabrics was lost to the Government.

In 1967 a major marketing thrust into polyester-cotton fabrics was launched by the Hill Division from which voiles, crepes, and rain-wear styles were developed. This direction was established to afford other avenues of distribution in the event reductions in Government requirements occurred. In this regard, the ad valorem equivalents of the compound rate of duty on broadwoven fabrics of manmade fibers, including polyester-cotton fabrics of the types produced by the Hill Division, was reduced 66 percent between 1930 and 1971, or from 80.4 percent to 27.6 percent. Imports of fabrics of manmade fibers increased sharply following concessions under the GATT effective in 1951 and in the years from 1968 through 1971, from 212 thousand pounds in 1951 to 48 million pounds in 1971. Polyester-cotton fabrics of the types produced at the Hill Division figured prominently in these increases.

As for the pertinent articles of apparel made of manmade-fiber fabrics, the ad valorem equivalents of the compound rates of duty on certain of these articles, together with their imports in specified years, are shown in the following table.

Certain articles of wearing apparel of manmade fibers: Ad valorem equivalents of U.S. rates of duty in 1930 and 1971, and U.S. imports for consumption in specified years

Article	Ad valorem equivalents			Imports			
	1930	1971	Decrease	Year	Quantity	Year	Quantity
	Percent	Percent	Percent		<u>1,000</u> <u>dozen</u>		<u>1,000</u> <u>dozen</u>
Men's and boys' shirts, not ornamented, not knit—	80.6	36.1	55.2	1962	85	1971	9,950
Women's, girls', and infants' blouses and shirts, not ornamented, not knit—	78.2	34.8	55.5	1962	17	1971	2,780
Women's, girls', and infants' blouses, not ornamented, knit—	78.8	40.2	49.0	1963	2	1971	5,898
Women's, girls', and infants' dresses, not knit, not ornamented—	74.8	32.9	56.0	1964	17	1971	343
Women's, girls', and infants' dresses, knit, not ornamented—	72.6	36.7	49.5	1964	31	1971	902
Women's, girls', and infants' dresses, orna- mented, knit and not knit—	90.0	42.5	52.8	1964	41	1971	634
Raincoats, not knit, not ornamented—	78.0	34.7	55.5	1962	3	1971	165

The foregoing table shows that following trade-agreement concessions substantial increases occurred in imports of certain articles of wearing apparel of manmade fibers. Imports of men's and boys' shirts, not ornamented, not knit, increased from 85 thousand dozen in 1962 to nearly 10 million dozen in 1971. Similarly, imports of women's, girls', and infants' blouses and shirts, not ornamented, not knit, increased from 17 thousand dozen in 1962 to 2.8 million dozen in 1971, and imports of women's, girls', and infants' blouses, not ornamented, knit, increased from 2 thousand dozen in 1963 to 5.9 million dozen in 1971.

As further evidence of the increasing penetration of the U.S. market by highly competitive imports, a comparison of the ratios of imports to consumption of certain articles of wearing apparel, including those made from fabrics similar to the Hill Division types, is shown in the following table.

Certain articles of wearing apparel: U.S. imports for consumption and ratio of imports to domestic consumption in specified years

Article	: Year :	: Quantity :	: Ratio to :	: Year :	: Quantity :	: Ratio to :
			domestic			domestic
			consumption			consumption
		<u>1,000</u>			<u>1,000</u>	
		<u>dozen</u>	<u>Percent</u>		<u>dozen</u>	<u>Percent</u>
Men's and boys' shirts, not knit:						
Total-----	1966 :	5,521 :	13 :	1971 :	12,638 :	31
Of manmade fibers-----	1967 :	3,562 :	22 :	1970 :	8,935 :	33
Women's, girls', and infants'						
blouses and shirts, of						
manmade fibers:						
Not knit-----	1966 :	700 :	9 :	1971 :	2,869 :	26
Knit-----	1967 :	1,334 :	13 :	1970 :	3,766 :	28
Women's, girls', and infants'						
dressess, of manmade fibers:						
Not knit-----	1966 :	163 :	1 :	1971 :	685 :	6
Knit-----	1966 :	44 :	1 :	1971 :	1,194 :	11
Raincoats, 3/4-length or longer,						
of textile materials, not knit--	1966 :	137 :	8 :	1970 :	244 :	17

As examples of the market penetration, the ratio of imports to consumption of men's and boys' shirts, not knit, of manmade fibers increased from 22 percent in 1967 to 33 percent in 1970, up 50 percent; the ratio of imports to consumption of women's, girls', and infants' blouses and shirts, not knit, of manmade fibers increased from 9 percent in 1966 to 26 percent in 1971, up 189 percent; and the ratio of imports to consumption of women's, girls', and infants' blouses and shirts, knit, of manmade fibers, increased from 13 percent in 1967 to 28 percent in 1970, up 115 percent.

The severe impact of concession-generated imports on the Hill Division has its parallels in the recent firm and worker investigations in connection with the Arista Mills Co. 1/ and the Bibb Manufacturing Co. 2/ and in the worker investigation in connection with the Birmingham Plant of Avondale Mills. 3/ For all four firms, major product lines were adversely affected by concession-generated imports of highly competitive products. And for all four firms, reorientation of their production facilities into other lines proved ineffective, resulting in plant closings and worker unemployment.

1/ Arista Mills Co., TEA-F-12 (November 1970) and TEA-W-57 (March 1971). In these two investigations the majority--Commissioners Sutton, Clubb, and Moore--found in the affirmative. Commissioner Leonard found in the negative. Commissioner Young did not participate in the decision. Chairman Bedell and Vice Chairman Parker were not then members of the Commission.

2/ Bibb Manufacturing Co., TEA-F-31 and TEA-W-112 (November 1971). In these two investigations the majority--Chairman Bedell, Vice Chairman Parker, Commissioner Sutton, and Commissioner Moore--found in the affirmative. Commissioners Leonard and Young found in the negative.

3/ Birmingham Plant of Avondale Mills, TEA-W-116 (November 1971). In this investigation the majority--Chairman Bedell, Commissioner Sutton, and Commissioner Moore--found in the affirmative. Commissioner Leonard found in the negative. Vice Chairman Parker and Commissioner Young did not participate in this decision.

That increased concession-generated imports were the major factor causing the closing of the Hill Division Plant which resulted in the unemployment is made clear by a statement of Mr. H. L. Gosselin, assistant to the president of Bates Manufacturing Co., Inc. When Bates Manufacturing Co. was forced to close the Hill Division Plant, he made the following statement:

Much as we regret having to make this decision, it is necessitated by the flood of uncontrolled foreign imports which have destroyed almost all the markets for Hill goods and made operations at that plant unprofitable.

We regret the necessity of closing Hill but even modern mills, such as Hill, simply cannot compete with the uncontrolled flood of imported textiles coming into this country.

We want to emphasize that the closing of Hill is due entirely to market conditions caused by imports.

In view of all of the evidence, we believe that the petitioners have met the criteria for eligibility to apply for adjustment assistance under the provisions of the Trade Expansion Act of 1962.

INFORMATION OBTAINED IN THE INVESTIGATION

Description of the Articles Under Investigation

The Hill Division plant of Bates Manufacturing Co., which ceased operations on March 31, 1971, produced woven fabrics of spun (noncontinuous fiber) yarns. In 1966 its production consisted principally of grey cotton woven fabrics sold to the United States Government; in 1967-69, production was about equally divided between cotton fabrics sold to the Government and polyester/cotton and polyester/rayon blends sold to civilian customers. By 1970, the plant had shifted almost all of its production to polyester blends sold principally to the apparel industry. The types of fabrics woven at the Hill Division plant (hereinafter referred to as Hill Division) were not made in any other Bates Manufacturing Co. plant.

The polyester/cotton blends made by the Hill Division were woven mainly with combed yarns consisting of 65-percent polyester fibers and 35-percent cotton of yarn Nos. 30 to 50 1/ in both warp 2/ and filling. 3/ Also important were polyester/rayon blends containing 50-percent polyester fibers and 50-percent rayon fibers. The types of fabrics produced in 1966 and 1967 were principally oxfords and poplins; beginning in 1968 and continuing through 1970 and early 1971, they were overwhelmingly voiles. Nearly all the polyester-blend fabrics woven at the Hill

1/ Yarns spun on the cotton system are numbered according to the number of 840-yard hanks that weigh 1 pound. No. 30 yarn measures 25,200 yards (30 hanks) to the pound; No. 50 measures 42,000 yards (50 hanks) to the pound; the higher the yarn number the finer the yarn.

2/ Yarns running lengthwise of the fabric.

3/ Yarns running from edge to edge of the fabric, at right angles to the warp.

Division were sold to the apparel industry for manufacture into shirts, blouses, dresses, and raincoats.

U.S. Tariff Treatment

Broadwoven fabrics of manmade fibers

Nearly all the fabrics of manmade-cotton blends of the types woven at the Hill Division if imported would be classified under item 338.30 of the Tariff Schedules of the United States Annotated (TSUSA). The rate history for this item is shown in the following table.

Certain woven fabrics of manmade fibers (item 338.30), including polyester and cotton blends in chief value of polyester: Changes in rate of duty pursuant to trade agreements, 1930 to 1971

Rate of duty	Effective date	Ad valorem equivalent of the rate of duty, based on imports in 1970
<u>Cents per pound and percent ad valorem</u>		<u>Percent</u>
45¢ + 60% or 70%	: June 18, 1930 <u>1/</u>	<u>2/</u> 80.4
45¢ + 45%	: June 15, 1936 <u>3/</u>	60.4
27.5¢ + 45% or 22.5%	: Jan. 1, 1948 <u>4/</u>	<u>2/</u> 38.4
25¢ + 22.5%	: June 6, 1951 <u>4/</u>	31.1
22¢ + 22.5%	: Jan. 1, 1968 <u>5/</u>	30.2
20¢ + 22.5%	: Jan. 1, 1969 <u>5/</u>	29.4
17¢ + 22.5%	: Jan. 1, 1970 <u>5/</u>	28.3
15¢ + 22.5%	: Jan. 1, 1971 <u>5/</u>	27.6
13¢ + 22.5%	: Jan. 1, 1972 <u>5/</u>	27.0

1/ Tariff Act of 1930.

2/ Estimated; 1970 import classes not strictly comparable.

3/ Trade agreement with France.

4/ Pursuant to reductions under the General Agreement on Tariffs and Trade (GATT).

5/ Kennedy Round.

As illustrated above, the rate of duty applicable to the Hill Division-type fabrics has undergone several reductions pursuant to trade agreements. Table 1 in the statistical appendix shows the quantity and value of imports under the various duty rates and the ad valorem equivalents of the rates, based on imports in 1970. The ad valorem equivalent decreased from an estimated 80.4 percent in 1930 to 27 percent in 1972.

Recently, formal agreements were signed between the United States and Japan, the Republic of Korea, Taiwan, and Hong Kong which imposed quantitative limitations on imports of specified manmade-fiber textile categories, including woven fabrics.

Broadwoven fabrics of cotton

Broadwoven fabrics of cotton of the types similar to the cotton and polyester-blend fabrics produced by the Hill Division, are dutiable in the TSUSA under items 320.30 to 320.50, if not bleached and not colored; 321.30 to 321.50, if bleached but not colored; and 322.30 to 322.50, if colored, whether or not bleached. The rates of duty vary according to yarn number and are summarized in table 2. The duty reductions effected between 1930 and 1972 amounted to a total reduction of about 40 percent.

Since 1962, imports of cotton fabrics have been subject to restraints in accordance with the provisions of the Long-Term Arrangement Regarding International Trade in Cotton Textiles (LTA).

Shirts, blouses, dresses, and raincoats

The rate histories of the categories containing the shirts, blouses, dresses, and raincoats, which the petitioners claim are directly competitive with the polyester-blend fabrics produced by the Hill Division, are shown in table 3. The U.S. rates of duty on apparel of manmade fibers, not ornamented, not knit, were reduced drastically in 1948. There were additional small reductions in 1951, and those not knit were reduced further in 1958. The rate of duty on ornamented apparel of manmade fibers was reduced from 90 percent ad valorem in 1930 to 60 percent in 1948, to 45 percent in 1951, and finally to 42.5 percent in 1958. Raincoats of cotton were the only pertinent apparel articles on which rates of duty were reduced after 1958. Those not ornamented were dutiable at 37.5 percent ad valorem in 1930. They were reduced in several stages to the 1972 rates of 16.5 percent for those valued not over \$4 each and 8 percent for those valued over \$4 each.

Tables 4 through 11 show the imports of the principal classes of shirts, blouses, dresses, and raincoats under the various ad valorem duty rates or ad valorem equivalents of the duty rates. The ad valorem rates applicable to these articles in 1930 and at the last rate change are shown in the following table.

Principal items of apparel pertinent to the claim of the petitioners:
Rates of duty in 1930 and at the last rate change

Description	Ad valorem rate of duty (percent)		Date of last change
	1930	At last rate change	
Men's and boy's shirts, not ornamented, not knit, of manmade fibers-----	81	36	June 30, 1958
Women's, girls', and infants' blouses and shirts, not orna- mented, not knit, of manmade fibers-----	78	35	June 30, 1958
Women's, girls', and infants' blouses, not ornamented, knit, of manmade fibers-----	79	40	June 6, 1951
Women's, girls', and infants' dresses, not knit, not orna- mented, of manmade fibers-----	75	33	June 6, 1951
Women's, girls', and infants' dresses, knit, not ornamented, of manmade fibers-----	73	37	June 6, 1951
Women's, girls', and infants' dresses, ornamented, of manmade fibers-----	90	42.5	June 30, 1958
Raincoats, of manmade fibers, not ornamented-----	78	35	June 30, 1958
Raincoats, of cotton, not ornamented:			
Valued not over \$4 each-----	37.5	17	Jan. 1, 1972
Valued over \$4 each-----	37.5	8	Jan. 1, 1971

U.S. Consumption

Broadwoven fabrics of manmade fibers

The U.S. consumption of broadwoven fabrics of manmade fibers increased from 2.9 billion square yards, valued at \$0.8 billion, in 1961 to 7.1 billion square yards, valued at \$1.8 billion, in 1969 (table 12). Consumption declined in 1970 to 6.6 billion square yards, valued at \$1.6 billion, and is believed to have continued to decline in 1971. The major types of fabrics in which consumption increased during the 1961-69 period consisted of nylon filament fabrics, spun rayon and acetate fabrics, spun rayon and acetate blends with cotton, polyester and cotton blends, polyester and rayon blends, and filament/spun combinations of rayon and acetate. The declines in 1970 and 1971 are reflected in a reduction in demand in the United States of almost all the principal types of fabrics. It is estimated, however, that the output of nylon fabrics and spun acetate and rayon fabrics decreased to a larger extent than the polyester and cotton and polyester and rayon blends. During the 1961-70 period, the ratio of annual imports to consumption was less than 5 percent.

Data on domestic consumption of fabrics of polyester blends similar to those produced by the Hill Division are not available because import and export statistics do not report such fabrics separately. It is believed, however, that domestic consumption of all polyester blends increased consistently from 1964 to 1970, but declined in 1971.

Broadwoven fabrics of cotton

The domestic consumption of broadwoven cotton fabrics of a similar range of yarn numbers as the fabrics produced by the Hill Division declined drastically from about 1.1 billion square yards in 1965 to approximately 0.4 billion square yards in 1970 (table 13). The share of imports, however, increased greatly, from about 24 percent of consumption in 1965 to 65 percent in 1970. It is not known how many of these imports were fabrics for blouses, shirts, dresses, and rainwear.

Shirts

U.S. consumption of men's and boys' woven shirts of manmade fibers, a large segment of which was made of polyester-blend fabrics like those produced by the Hill Division, increased from 16.5 million dozen in 1967 to 26.9 million dozen in 1970 (table 14). This increase was accompanied by a relatively even rate of annual consumption of men's and boys' woven shirts of all fibers (table 15) and men's and boys' knit shirts of all fibers (table 16).

Blouses

U.S. consumption of women's, girls', and infants' woven blouses (and shirts) of manmade fibers increased from 7.9 million dozen in 1966 to 10.9 million dozen in 1971 (table 17). Consumption of woven blouses of all fibers, however, declined sharply during the period (table 18) while knit blouses of manmade fibers increased from 10.5 million dozen in 1967 to 13.3 million dozen in 1970 (table 19).

Dresses

U.S. consumption of women's, girls', and infants' woven dresses of manmade fibers declined from 15.6 million dozen in 1966 to 12.1 million dozen in 1971 (table 20). This decline is reflected in a similar quantitative decline in dresses of all fibers (table 21). The annual consumption of knit dresses of manmade fibers increased over 6 million dozens from 1966 to 1971 (table 22) which more than compensates for the decline in woven dresses.

Raincoats

Domestic consumption of woven raincoats of all textile fibers did not fluctuate to a great degree between 1966 and 1970 but there was a downward trend (table 23). According to a Bates spokesman, there was probably some increase in corduroy and other pile-surfaced raincoats with a corresponding decrease in raincoats made of smooth fabrics like or similar to those produced by the Hill Division.

U.S. Production

Broadwoven fabrics of manmade fibers

The U.S. production of all broadwoven fabrics of manmade fibers (except glass) increased from 3.0 billion square yards, valued at \$0.9 billion, in 1961 to 7.0 billion square yards, valued at \$1.8 billion, in 1969 (table 12). It declined to 6.5 billion square yards, valued at \$1.6 billion, in 1970, and is expected to have declined further in 1971. The largest increases in production from 1961 to 1969 were in polyester and cotton blends, nylon fabrics, spun rayon and/or acetate

and cotton blends, polyester and rayon blends, saran and olefin filament fabrics, and combination filament and spun polyester fabrics. In 1970, declines in the output of these same fabrics contributed to the overall decrease in production. The largest declines, however, were in those fabrics containing rayon and nylon fibers. The great bulk of the domestically produced broadwoven fabrics of manmade fibers are shipped to other domestic companies which use the fabrics chiefly for manufacture into apparel.

Data on domestic production of the specific polyester blends made by the Hill Division are not available. The production of broadwoven polyester and cotton fabrics, wholly of noncontinuous fibers and in chief weight of polyester, increased from 0.6 billion square yards in 1964 to 2.8 billion square yards in 1970 (table 24). Consistent increases in production were recorded in polyester and cotton bedsheeting, and, except for 1966, also in polyester and cotton broadcloth. U.S. production of polyester and cotton voiles, the predominate type of fabric woven from 1968 to 1970 at the Hill Division, increased from 13 million square yards in 1964 to 47 million square yards in 1966, then declined to 34 million square yards in 1967; in 1968 and 1969 it increased, respectively, to 110 and 115 million square yards, but in 1970 it declined to 60 million square yards, about half of the 1969 quantity. The decline in 1970 has been attributed by some apparel manufacturers to a switch to other types of fabrics and by Bates Manufacturing Co. and other large fabric producers to the increasing

penetration of the market by imports of voile fabrics 1/ and apparel of all types of manmade-fiber fabrics.

Broadwoven fabrics of cotton

The U.S. production of cotton fabrics of medium-fine yarn numbers, which would include types similar to the cotton and polyester-blend fabrics woven by the Hill Division, declined substantially, from 890 million square yards in 1965 to about 166 million square yards in 1970 (table 13). The increasing consumption of manmade fibers in fabrics which formerly were wholly of cotton was a large factor in causing this decline.

Shirts

U.S. production of men's and boys' woven shirts of manmade fibers increased at a rapid rate in the 1967-70 period (table 14). Production in 1970 was 38 percent greater than in 1967 while the production of woven shirts of all fibers declined in recent years (table 15), the total in 1971 being 27 percent less than total production in 1966. There were no abrupt changes in knit-shirt production in the period 1966-70 (table 16) with the exception of the year 1968 when production was 21 percent more than the average of the other 4 years in the period.

Blouses

U.S. production of women's, girls', and infants' woven blouses of manmade fibers reached a peak of 9 million dozen in 1968 (table 17).

1/ See comments on imports of all polyester broadwoven fabrics of noncontinuous fibers (p. A-12).

The decreased production in 1971 (8.1 million dozen) was higher than the 1966 quantity. The production of woven blouses of all fibers declined sharply from 18.7 million dozen in 1966 to 11.8 million dozen in 1970, then increased to an estimated 13 million dozen in 1971 (table 18). Production of knit blouses of manmade fibers remained comparatively stable in the period 1967-70 (table 19).

Dresses

U.S. production of woven dresses of manmade fibers declined steadily from 15.6 million dozen in 1966 to 11.6 million dozen in 1971 (table 20). Dresses of all fibers declined from 32.4 to 28.4 million dozen between 1968 and 1971 (table 21). Production of knit dresses of manmade fibers increased markedly in recent years. The 1970 and 1971 annual quantities were more than double the quantity produced in 1966 (table 22).

Raincoats

Textile raincoat production in the United States did not show large changes in the 1966-70 period but there was a definite downward trend in the 1968-70 period (table 23).

U.S. Imports

Broadwoven fabrics of manmade fibers

Imports of broadwoven fabrics of manmade fibers (except glass) under TSUS item 338.30, including spun-yarn and filament-yarn goods, increased from 40.2 million square yards, valued at \$12.8 million, in

1961 to 255.3 million square yards, valued at \$66.2 million, in 1966, then declined to 177.7 million square yards, valued at \$59.0 million, in 1967 (table 12). Thereafter, they increased to 234.9 million square yards, valued at \$129.0 million, in 1970 and to 248.7 million square yards, valued at \$136.7 million, in 1971. The imports have been principally polyester fabrics, especially dyed and finished spun-yarn goods (chiefly blends with cotton), and dyed and finished filament-yarn goods (mostly blends with rayon); rayon fabrics, particularly dyed and finished filament-yarn goods; and nylon fabrics, notably grey filament-yarn goods. Polyester fabrics accounted for 45 percent of the imports in 1970 and for 54 percent in 1971. Almost all the imports are similar in type and quality to the like domestic fabrics; their prices, however, are usually lower.

Imports of the specific types of fabrics woven by the Hill Division and imports of polyester blends are not separately reported in official statistics. They would, however, be included in TSUSA classes 338.3065 and 338.3085, described as woven polyester fabrics wholly of noncontinuous fibers. Imports in these two classes rose from 2.8 million square yards, valued at \$1.0 million, in 1964 to 80.1 million square yards, valued at \$18.6 million, in 1966 (table 25). From the high in 1966, imports declined irregularly to 14.4 million square yards, valued at \$7.2 million in 1970. The imports in 1971 were 17.1 million square yards, valued at \$7.6 million.

Broadwoven fabrics of cotton

Imports of broadwoven fabrics of cotton, of the types similar to the polyester blends of the Hill Division, fluctuated substantially during 1965-70. The peak of the period was in 1966, when 296 million square yards were imported. The lowest year of the period was 1967, when 229 million square yards were imported (table 13).

Shirts

Imported woven shirts of manmade fibers accounted for 22 percent of domestic consumption in 1967 and 33 percent in 1970 (table 14). Imports of the type representing the bulk were not significant prior to 1966 (table 4). They became 1.4 million dozen in 1966 and then rose steadily to about 10.0 million dozen in 1971. Imports of woven shirts of all fibers more than doubled from 1966 to 1970, and continued to increase in 1971 (table 15). Imports of these woven shirts were 13 percent of domestic consumption in 1966, rising to 28 percent in 1970 and to 31 percent in 1971. Imports of knit shirts of manmade fibers were much smaller than woven shirts. In the period 1966-70 the average ratio of imports to consumption was 16 percent. There was a downward trend in the quantity of imports of knit shirts after 1969 (table 16).

Blouses

Imports of all woven blouses of manmade fibers accounted for 9 percent of domestic consumption in 1966, and 27 percent in 1970, and 26 percent in 1971 (table 17). Of these imports, the type

representing the bulk rose from an insignificant quantity in 1962 to 2.7 million dozen in 1970 and to 2.8 million dozen in 1971 (table 5). Imported woven blouses of all fibers amounted to 19 percent of domestic consumption in 1966, reached 28 percent in 1970, then fell to 25 percent in 1971 (table 18). Imported knit blouses of manmade fibers, not ornamented, increased very rapidly between 1963 and 1971 (table 6). Imports of all knit blouses and women's shirts of manmade fibers increased more than four-fold from 1968 to 1971 and amounted to 28 percent of domestic consumption of such garments in 1970 (table 19).

Dresses

Imports of woven dresses of manmade fibers amounted to 6 percent of domestic consumption of such dresses in 1971, up from 1 percent in 1966 and 1967 (table 20). Imports of the type representing the bulk rose steadily from 1964 to 1971 but amounted to only 343,000 dozen in 1971 (table 7) thus not attaining the rapid growth shown by blouses. Imports of dresses of all fibers rose from 0.8 million dozen in 1966 to 2.1 million dozen in 1970 and to 2.5 million dozen in 1971; in the latter 2 years they constituted 7 and 8 percent, respectively, of domestic consumption (table 21). Imports of knit dresses of manmade fibers grew from 44,000 dozen in 1966 to 1.2 million dozen in 1971, accounting for 11 percent of domestic consumption in 1971 (table 22) and surpassing the imports of woven dresses of manmade fibers.

Raincoats

Imports of raincoats of manmade fibers were insignificant in 1962 and were only 165,000 dozen in 1971 (table 10). Imports of cotton raincoats were also not large and were higher in 1969 than at any other time in the 1962-71 period (table 11). Imports of all textile raincoats amounted to 8 percent of domestic consumption in 1966 and 17 percent in 1970 (table 23).

U.S. ExportsBroadwoven fabrics of manmade fibers

In 1961-70, U.S. exports of broadwoven fabrics of manmade fibers (except glass) ranged between 137 million square yards, valued at \$72 million, in 1961 and 181 million square yards, valued at \$101 million, in 1964 (table 12). They declined from the 1964 high to 147 million square yards, valued at \$95 million in 1968, then increased to 174 million square yards, valued at \$108 million, in 1970. The largest exports have been polyester fabrics, especially dyed and finished filament goods; rayon and/or acetate filament yarn fabrics, particularly dyed and finished goods; and rayon and/or spun yarn fabrics, mostly mixed and blended printed goods.

Exports of the polyester blend types woven by the Hill Division and of all polyester blends are not separately reported in official statistics. Data on exports of broadwoven polyester fabrics wholly or chiefly by weight of noncontinuous fibers, however, are available.

Such exports are reported according to whether the fabrics are unbleached (grey) or bleached, dyed, or colored (finished). The exports of the grey goods, which would include the Hill Division types, decreased from 1.3 million square yards, valued at \$0.9 million, in 1965 to 0.7 million square yards, valued at \$0.5 million, in 1968; they then increased to 1.1 million square yards, valued at \$0.6 million, in 1969 and to 3.1 million square yards, valued at \$1.1 million, in 1970 (table 26).

Broadwoven fabrics of cotton

Exports of certain broadwoven fabrics (Nos. 30s to 50s), which would include types similar to fabrics made at the Hill Division, declined from 65 million square yards in 1966 to 37 million square yards in 1970 (table 13).

Apparel

In the period 1966-71, exports of apparel covered herein have amounted to 3 percent or less of the domestic production.

Bates Manufacturing Co., Inc.

The Bates Manufacturing Co., Inc., was incorporated as Consolidated Textile Co., Inc., on May 2, 1938. The present name was adopted on May 15, 1965. The company's textile operations consist of three major groups: The Maine Operations, including Bates, Edwards, and Hill Divisions, and two subsidiaries, Kahn & Feldman, Inc., and

Sweet-Orr & Co., Inc. The Bates Division has one plant and manufactures bedspreads and fringes. The Edwards Division also has one plant and manufactures blankets, mattress pads, and cotton piece goods. The Hill Division had one plant in which it manufactured polyester blends and cotton fabrics before it was closed on March 31, 1971. Kahn & Feldman, Inc., operates two plants and produces textured yarns in both of them. Sweet-Orr & Co., Inc., also operates two plants and manufactures principally boy scout shirts in both of them.

* * * * *

According to its Annual Report, the net profit of Bates Manufacturing Co., Inc., was \$1,476,314 in 1966, \$813,046 in 1969, and \$2,638,703 in 1970. The company had losses of \$2,492,529 in 1967 and \$4,922,797 in 1968.

The Hill Division Plant

The Hill Manufacturing Company established a plant to produce textiles at the falls of the Androscoggin River in Lewiston, Maine, in

1840. Additions were made to the plant until 1923. Bates Manufacturing Co. purchased the plant in the middle 1940's and named it its Hill Division. The Hill Division plant as operated by Bates was constructed of brick and contained 7 floors with a total area of 432,000 square feet. In the middle 1960's Bates renovated the plant and installed new looms and other equipment to make it run more efficiently. In 1968 and 1969 Bates completely overhauled and renovated the plant's spinning equipment to prepare it for the manufacture of polyester blends. At the height of its operations in the late 1960's the plant had 938 looms and 223 spinning frames containing more than 69,000 spindles. Since its beginning the plant has produced woven fabrics.

Production and sales

The types of fabrics woven at the Hill Division were not produced in any other Bates plant during the period 1966-70. None of the fabrics produced were used by any other Bates plant or subsidiaries. None of the fabrics formerly woven at the Hill Division are currently being produced in any other Bates plants and the company presently does not plan to manufacture them.

The types of fabrics woven at the Hill Division consisted of four major groups: polyester/cotton blends, polyester/rayon blends, all cotton fabrics, and fabrics of other fibers (mostly rayon). * * * The total production of polyester blends woven by the plant consistently increased * * *. All-cotton fabric production, almost all of which was sold to the U.S. Government, fluctuated * * * during 1966-69, but in 1970 was nearly phased out.

The polyester blends woven at the Hill Division consisted principally of voiles, ducks, poplins, oxfords, crepes, and basket weaves.

* * *

Polyester blends manufactured by the Hill Division were sold principally to converters 1/ who arranged for the grey goods to be dyed and finished. The converters then sold them to apparel manufacturers who cut the goods into shirts, blouses, dresses, and rainwear.

Exports

Beginning in 1969, the Hill Division exported some of its production, especially polyester/cotton voiles, to European markets. * * *

* * * * *

Prices

The Hill Division manufactured a variety of polyester-blend woven fabrics during 1966-70. The only fabrics woven consistently throughout this period were voiles. The most important voile produced at the plant, and accounting for a substantial portion of its output, was a grey polyester/cotton plainwoven fabric with a warp count of 60 yarns per inch and a filling count of 56 yarns per inch. This particular voile was used by the customers of the plant for manufacture into blouses, shirts, and dresses.

1/ Converters buy the grey-woven goods from weaving mills or have them woven on commission and then dyed, printed, or otherwise processed in job-finishing plants. Their function is primarily that of merchandising and selling finished fabrics to garment manufacturers and other users.

Although this voile was produced throughout the 1966-70 period, the Division manager indicated that import competition for this particular fabric did not begin until late 1969 but continued strong throughout 1970. The table below shows Bates' prices for the 60 x 56 polyester/cotton voile from 1969 through 1970.

Polyester/cotton voiles: Bates' prices for 60 x 56 grey goods,
by month, January 1969 to December 1970

(In cents per linear yard)

Month	Bates' prices	
	1969	1970
January-----	24	24-1/2
February-----	24	22-1/2
March-----	23-1/2	20-1/2
April-----	23-1/2	20
May-----	23-1/2	20
June-----	23	20-1/2
July-----	24	21
August-----	24-1/2	21
September-----	24-1/2	19-1/2
October-----	24-1/4	18-1/2
November-----	24-1/4	17-3/4
December-----	24-1/2	17-1/4

The price per linear yard of the voile that was the mainstay of the Hill Division plant had deteriorated to such an extent during 1970 that Bates Manufacturing Co. made a decision in October 1970 to close the plant. In fact, Japanese importers stated that the price of the domestic voile in that month had become so attractive in the market that they decided to buy voiles domestically for export to European countries rather than to purchase them from their own suppliers in

Japan. The price deterioration during 1970 has been attributed mainly to the decreased popularity of the voile in the market and to imports of competitive fabrics and of apparel.

The imported prices from Japan for the same voile were considerably lower than Bates' prices in early 1970 but by the end of 1970 they were close to Bates' prices as shown in the following table.

Polyester/cotton voiles: Importers' prices from Japan for
60 x 56 grey goods, by month, 1970

(In cents per linear yard)

Month	Importers' prices for 1970
January-----	18
February-----	17
March-----	16
April-----	16
May-----	16
June-----	16
July-----	17
August-----	17
September-----	16
October-----	14
November-----	14
December-----	14

* * * * *

The Closing of the Hill Division

Company comments.--According to a company official the Hill Division in the early 1960's was a prime supplier of 100-percent combed cotton goods to the men's and ladies' shirting and apparel trades. One of the important fabrics produced was a filling sateen which became a significant commodity item in the United States. The official said that the Japanese quickly recognized the magnitude of this potential market and began to export this fabric to the United States in both the grey and printed condition at much lower prices than it could be competitively produced at the Hill Division. In order to survive, the mill was forced to change its basic product mix to less desirable and less profitable styles.

During the Vietnam buildup in the mid-1960's, the company official said that the U.S. Government requested the Hill Division to manufacture certain fabrics required by the Defense Procurement Supply Agency. The plant responded and continued to make fabrics, although in variable quantities, for the U.S. Government until it closed.

The official said that in 1967 a major marketing thrust into polyester/cotton fabrics was launched from which the voiles, crepes, and rainwear styles were developed. This direction was established to afford other avenues of distribution that might become necessary if there were to have been any reduction in Government requirements in the future.

General Comments

Cotton fabric imports of the type made by the Hill Division were large in the early 1960's but so was domestic production. Domestic production, however, declined substantially from 1960 to 1966 while imports increased. After 1966 both domestic production and imports declined, the latter not as drastically as the former (table 13). The increasing consumption of manmade fibers in fabrics which formerly were wholly of cotton was a large factor in causing this decline.

The cotton fabrics woven by the Hill Division from 1966 to 1970 were almost all sold to the Government. The production varied from year to year * * * and appeared to be strongly influenced by the demands of the Government requiring critical and priority fabrics for the Viet-Nam conflict. The Hill Division management grew fearful of the varying cotton fabric requirements requested by the Government and the unexpected effect these large orders would have on the operation of the plant.

To at least partially offset the variations in Government orders for cotton fabrics, the Hill management began to emphasize fabrics demanded by its civilian customers. * * *

In 1970 the Hill Division management, and market specialists in general, did not anticipate the softening market prices for voiles. Bates' management could not cope with the rapid drop in prices. In addition, Bates felt that it would have to entail considerable expense to again convert the Hill Division for manufacturing other fabrics.

The decision to close the plant was made and imports were cited as the principal cause. (See statement by H. L. Gosselin, Assistant to the President, Bates Manufacturing Co., Inc., reproduced as Appendix B to this report).

APPENDIX A

Table 1.—Woven fabrics of manmade fibers covered by TSUS item 338.30: Changes in U.S. rates of duty, and U.S. dutiable imports for consumption, 1935-71

Period	Change in rates of duty	Ad valorem equivalent of rates of duty, based on imports in 1970	Dutiable imports	
			Quantity	Value
			<u>1,000 pounds</u>	<u>1,000 dollars</u>
		Percent		
1935-----	45¢ lb. + 60% or 70% ad val. 1/	2/ 80.4	234	467
1936-----	45¢ lb. + 45% ad val.	60.4	474	604
1937-----			1,041	993
1938-----			555	671
1939-----			420	470
1940-----			256	273
1941-----			116	112
1942-----			45	60
1943-----			66	131
1944-----			41	168
1945-----			299	1,285
1946-----			597	2,730
1947-----			204	1,183
1948-----	27.5¢ lb. + 45% or 22.5% ad val.	2/ 38.4	416	1,137
1949-----			156	397
1950-----			237	575
1951-----	25¢ lb. + 22.5% ad val.	31.1	212	802
1952-----			394	1,160
1953-----			1,235	2,298
1954-----			1,111	2,336
1955-----			1,576	2,900
1956-----			2,700	4,897
1957-----			3,170	5,332
1958-----			4,782	5,795
1959-----			10,873	10,471
1960-----			10,097	12,182
1961-----			7,575	12,832
1962-----			10,062	18,247
1963-----			10,682	19,071
1964-----			11,910	25,408
1965-----			20,876	41,286
1966-----			36,204	58,285
1967-----			25,596	51,832
1968-----	22.5¢ lb. + 22.5% ad val.	30.2	28,629	66,467
1969-----	20¢ lb. + 22.5% ad val.	29.4	32,975	80,641
1970-----	17¢ lb. + 22.5% ad val.	28.3	39,042	113,974
1971-----	15¢ lb. + 22.5% ad val.	27.6 3/	47,853	3/136,718

1/ The 1930 rate.

2/ Estimated.

3/ Includes small amount of nondutiable imports.

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

Table 2.--Selected cotton fabrics: Changes in U.S. rates of duty and U.S. imports for consumption, specified years, 1930 to 1972

Year	Range in rate of duty <u>1/</u>	Imports <u>2/</u>
	Percent <u>ad valorem</u>	<u>1,000 pounds</u>
1930-----	20.5-33.5	9,059
1948 <u>3/</u> -----	15.0-24.5	6,551
1949-----		4,019
1950-----		10,882
1951-----		12,142
1952-----		5,263
1953-----		15,109
1954-----		18,287
1955-----		32,049
1956-----		44,393
1957-----	15.0-24.5	30,465
1958-----		34,674
1959-----		62,411
1960-----		123,310
1961-----		76,476
1962-----		138,327
1963-----		143,767
1964-----		131,724
1965-----		173,359
1966-----		218,210
1967-----		201,531
1968-----	14.28-23.34	194,143
1969-----	13.56-22.28	220,245
1970-----	12.84-21.12	211,792
1971-----	12.12-20.06	226,967
1972-----	11.41-19.01	<u>4/</u>

1/ The rates apply to fabrics, wholly of cotton, not fancy or figured. The lower part of the range applies to fabrics, not bleached or or colored, of average yarn No. 30. The upper part of the range applies to colored fabrics of average yarn No. 50. Fabrics bleached but not colored and other fabrics of average yarn Nos. 31-49 are dutiable between the stated extremes of the ranges.

2/ Raw cotton required to produce all imported fabrics primarily cotton.

3/ Rates reduced for certain fabrics above stated values (70 cents per pound for unbleached; 80 cents per pound for bleached; and 90 cents per pound for colored fabrics); all other fabrics were dutiable at the 1930 rate.

4/ No representative data available.

Table 3 ,--U.S. rates of duty applicable to certain apparel,
1930 and GATT concessions to Jan. 1, 1972

Description	1930 rate and subsequent GATT concessions	
	Rate	Effective date
	<u>Percent ad</u>	
	<u>valorem and</u>	
	<u>cents per</u>	
	<u>pound</u>	
Outerwear, of manmade fibers, not ornamented or of lace or net: <u>1/</u>		
Not knit-----	45¢ + 65%	June 18, 1930
	27.5¢ + 35%	Jan. 1, 1948
	25¢ + 32.5%	June 6, 1951
	25¢ + 27.5%	June 30, 1958
Knit-----	45¢ + 65%	June 18, 1930
	27.5¢ + 35%	Jan. 1, 1948
	25¢ + 32.5%	June 6, 1951
Outerwear, ornamented or of lace or net: <u>1/</u>		
Of manmade fibers-----	90%	June 18, 1930
	60%	Jan. 1, 1948
	45%	June 6, 1951
	42.5%	June 30, 1958
Of cotton-----	90%	June 18, 1930
	60%	Jan. 1, 1948
	45%	June 6, 1951
	42.5%	June 30, 1958
	41%	Jan. 1, 1968
	39%	Jan. 1, 1969
	38%	Jan. 1, 1970
	36%	Jan. 1, 1971
	35%	Jan. 1, 1972
Raincoats of cotton, not ornamented, not coated with rubber or plastics:		
Valued not over \$4 each-----	37.5%	June 18, 1930
	20%	Jan. 1, 1948
	19%	Jan. 1, 1968
	18.5%	Jan. 1, 1969
	17.5%	Jan. 1, 1970
	17%	Jan. 1, 1971
	16.5%	Jan. 1, 1972
Valued over \$4 each-----	37.5%	June 18, 1930
	20%	Jan. 1, 1939
	10%	Jan. 1, 1948
	9.5%	Jan. 1, 1968
	9%	Jan. 1, 1969
	8.5%	Jan. 1, 1970
	8%	Jan. 1, 1972

1/ Includes the shirts, blouses, and dresses which the petitioners claim are directly competitive with the polyester-blend fabrics produced by the Hill Division.

Table 4.--Men's and boys' shirts, not ornamented, not knit, of man-made fibers: Ad valorem equivalents of U.S. rates of duty and U.S. imports for consumption, specified years 1930 to 1971

Year	Ad valorem equivalent of rate of duty <u>1/</u>	Imports
	Percent	1,000 dozen
1930-----	80.6 :	<u>2/</u>
1948-----	44.5 :	<u>2/</u>
1951-----	41.1 :	<u>2/</u>
1956-----	39.1 :	<u>2/</u>
1957-----	37.6 :	<u>2/</u>
1958-----	36.1 :	<u>2/</u>
1962-----	36.1 :	85
1963-----	36.1 :	78
1964-----	36.1 :	178
1965-----	36.1 :	352
1966-----	36.1 :	1,433
1967-----	36.1 :	3,471
1968-----	36.1 :	4,503
1969-----	36.1 :	6,773
1970-----	36.1 :	8,837
1971-----	36.1 :	9,950

1/ Based on imports in 1970.

2/ Not available.

Source: Import data compiled from official statistics of the U.S. Department of Commerce.

Note.--Imports of ornamented apparel are very small.

Table 5 .--Women's, girls', and infants' blouses and shirts, not ornamented, not knit, of manmade fibers: Ad valorem equivalents of U.S. rates of duty and U.S. imports for consumption, specified years 1930 to 1971

Year	Ad valorem equivalent of rate of duty <u>1/</u>	Imports
	Percent	1,000 dozen
1930-----	78.2 :	<u>2/</u>
1948-----	43.0 :	<u>2/</u>
1951-----	39.8 :	<u>2/</u>
1956-----	37.8 :	<u>2/</u>
1957-----	36.3 :	<u>2/</u>
1958-----	34.8 :	<u>2/</u>
1962-----	34.8 :	17
1963-----	34.8 :	46
1964-----	34.8 :	288
1965-----	34.8 :	361
1966-----	34.8 :	459
1967-----	34.8 :	453
1968-----	34.8 :	676
1969-----	34.8 :	1,531
1970-----	34.8 :	2,660
1971-----	34.8 :	2,780

1/ Based on imports in 1970.

2/ Not available.

Source: Import data compiled from official statistics of the U.S. Department of Commerce.

Note.--Imports of ornamented blouses and shirts are very small.

Table 6 .--Women's, girls', and infants' blouses, not ornamented, knit, of manmade fibers: Ad valorem equivalents of U.S. rates of duty and U.S. imports for consumption, specified years 1930 to 1971

Year	Ad valorem equiv-	Imports
	alent of rate of duty <u>1/</u> Percent	<u>1,000 dozen</u>
1930-----	78.8	<u>2/</u>
1948-----	43.4	<u>2/</u>
1951-----	40.2	<u>2/</u>
1963-----	40.2	2
1964-----	40.2	11
1965-----	40.2	54
1966-----	40.2	644
1967-----	40.2	850
1968-----	40.2	960
1969-----	40.2	2,348
1970-----	40.2	3,572
1971-----	40.2	5,898

1/ Based on imports in 1970.

2/ Not available.

Source: Import data compiled from official statistics of the U.S. Department of Commerce.

Note.--Imports of ornamented blouses are very small.

Table 7.--Women's, girls', and infants' dresses, not knit, not ornamented, of manmade fibers: Ad valorem equivalents of U.S. rates of duty and U.S. imports for consumption, specified years 1930 to 1971

Year	Ad valorem equivalent of rate of duty <u>1/</u>	Imports
	Percent	<u>1,000 dozen</u>
1930-----	74.8	<u>2/</u>
1948-----	41.0	<u>2/</u>
1951-----	37.9	<u>2/</u>
1958-----	32.9	<u>2/</u>
1964-----	32.9	17
1965-----	32.9	39
1966-----	32.9	60
1967-----	32.9	58
1968-----	32.9	116
1969-----	32.9	201
1970-----	32.9	294
1971-----	32.9	343

1/ Based on imports in 1970.

2/ Not available.

Source: Import data compiled from official statistics of the U.S. Department of Commerce.

Table 8 .--Women's, girls', and infants' dresses, knit, not ornamented, of manmade fibers: Ad valorem equivalents of U.S. rates of duty and U.S. imports for consumption, specified years 1930 to 1971

Year	Ad valorem equivalent of rate of duty <u>1/</u>	Imports
	Percent	1,000 dozen
1930-----	72.6 :	<u>2/</u>
1948-----	37.2 :	<u>2/</u>
1951-----	36.7 :	<u>2/</u>
1964-----	36.7 :	31
1965-----	36.7 :	26
1966-----	36.7 :	37
1967-----	36.7 :	91
1968-----	36.7 :	204
1969-----	36.7 :	364
1970-----	36.7 :	484
1971-----	36.7 :	902

1/ Based on imports in 1970.

2/ Not available.

Source: Import data compiled from official statistics of the U.S. Department of Commerce.

Table 9 .--Women's, girls', and infants' dresses, ornamented, of man-made fibers: Changes in U.S. rates of duty and U.S. imports for consumption, by types, specified years 1930 to 1971

Year	Rate of duty	Imports		
		Knit	Not knit	Total
	<u>Percent</u> <u>ad valorem</u>	<u>1,000</u> <u>dozen</u>	<u>1,000</u> <u>dozen</u>	<u>1,000</u> <u>dozen</u>
1930-----	90.0	<u>1/</u>	<u>1/</u>	<u>1/</u>
1948-----	60.0	<u>1/</u>	<u>1/</u>	<u>1/</u>
1951-----	45.0	<u>1/</u>	<u>1/</u>	<u>1/</u>
1958-----	42.5	<u>1/</u>	<u>1/</u>	<u>1/</u>
1964-----	42.5	1	40	41
1965-----	42.5	5	36	41
1966-----	42.5	7	103	110
1967-----	42.5	29	109	138
1968-----	42.5	58	189	247
1969-----	42.5	96	269	365
1970-----	42.5	219	318	537
1971-----	42.5	292	342	634

1/ Not available.

Source: Import data compiled from official statistics of the U.S. Department of Commerce.

Table 10.--Raincoats, of manmade fibers, not knit, not ornamented:
Ad valorem equivalents of the rates of duty and U.S. imports for
consumption, specified years, 1930 to 1971

Year	: Ad valorem	:
	: equivalent of	: Imports
	: rate of duty <u>1/</u>	:
	: <u>Percent</u>	: <u>1,000 dozen</u>
1930-----	77.9 :	<u>2/</u>
1948-----	42.9 :	<u>2/</u>
1951-----	39.7 :	<u>2/</u>
1958-----	34.7 :	<u>2/</u>
1962-----	34.7 :	3
1963-----	34.7 :	7
1964-----	34.7 :	5
1965-----	34.7 :	5
1966-----	34.7 :	4
1967-----	34.7 :	16
1968-----	34.7 :	34
1969-----	34.7 :	42
1970-----	34.7 :	96
1971-----	34.7 :	165

1/ Based on imports in 1970.

2/ Not available.

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

Note.--Imports of ornamented raincoats are small.

Table 11.--Raincoats of cotton, not knit, not ornamented: Changes in rates of duty and U.S. imports for consumption, specified years, 1930 to 1971:

Year	Valued not over \$4 each		Valued over \$4 each		Total Imports
	Rate of duty	Imports	Rate of duty	Imports	
	Percent ad valorem	1,000 dozen	Percent ad valorem	1,000 dozen	1,000 dozen
1930-----	37.5	1/	37.5	1/	1/
1939-----	37.5	1/	20.0	1/	1/
1948-----	20.0	1/	10.0	1/	1/
1962-----	20.0	31	10.0	143	174
1963-----	20.0	6	10.0	80	86
1964-----	20.0	11	10.0	85	96
1965-----	20.0	20	10.0	100	120
1966-----	20.0	23	10.0	100	123
1967-----	20.0	22	10.0	119	141
1968-----	19.0	28	9.5	153	181
1969-----	18.5	26	9.0	169	195
1970-----	17.5	10	8.5	127	137
1971-----	17.0	9	8.0	139	148

1/ Not available.

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

Note.--Imports of ornamented raincoats are small.

Table 12.--Broadwoven fabrics of manmade fibers (except glass): U.S. production, imports for consumption, exports of domestic merchandise, and apparent consumption, 1961-70

(In thousands of square yards)

Year	Production ^{1/}	Imports	Exports	Apparent consumption	Ratio :(percent) of imports to consumption
1961-----	3,006,802	40,177	136,851	2,910,128	1.4
1962-----	3,423,550	64,049	137,468	3,350,131	1.9
1963-----	3,886,456	75,909	153,205	3,809,160	2.0
1964-----	4,375,123	87,261	181,454	4,280,930	2.0
1965-----	4,892,109	161,069	145,514	4,907,664	3.3
1966-----	5,092,945	255,279	150,277	5,197,947	4.9
1967-----	5,416,657	177,724	152,771	5,441,610	3.3
1968-----	6,925,176	195,935	146,618	6,974,493	2.8
1969-----	7,026,995	218,702	163,299	7,082,398	3.1
1970-----	6,506,753	234,938	173,806	6,567,885	3.6

^{1/} Square yards estimated from official statistics reported in linear yards by use of conversion factors shown by the U.S. Bureau of the Census in Current Industrial Reports, series MQ-22T.2 Supplement dated Dec. 5, 1968.

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

Table 12a.--Broadwoven fabrics chiefly of noncontinuous polyester fibers: U.S. production, imports for consumption, exports of domestic merchandise, and apparent consumption, 1965-70

Year	Production <u>1/</u> <u>2/</u>	Imports <u>3/</u>	Exports <u>1/</u>	Apparent consumption	Ratio of imports to consumption
	<u>1,000 sq. yds.</u>	<u>1,000 sq. yds.</u>	<u>1,000 sq. yds.</u>	<u>1,000 sq. yds.</u>	<u>Percent</u>
1965-----	1,171,128	29,905	7,109	1,193,924	2.5
1966-----	1,715,738	80,125	9,596	1,786,267	4.5
1967-----	1,865,630	21,056	11,684	1,875,002	1.1
1968-----	2,959,223	32,382	12,996	2,978,609	1.1
1969-----	3,248,048	19,895	20,617	3,247,326	0.6
1970-----	3,498,675	14,359	26,740	3,486,294	0.4
	:	:	:	:	:

1/ Wholly or in chief weight of noncontinuous polyester fibers.

2/ Square yards estimated from official statistics reported in linear yards by use of conversion factors shown by the U.S. Bureau of the Census in Current Industrial Reports, series MQ-22T.2 Supplement dated Dec. 5, 1968.

3/ Wholly or in chief value of noncontinuous polyester fibers.

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

Table 13.--Certain cotton broadwoven fabrics of medium-fine yarn numbers (approximately 30s to 50s): U.S. production, imports for consumption, exports of domestic merchandise, and apparent consumption, 1960 and 1965-70

Year	Production <u>1/</u>	Imports <u>2/</u>	Exports <u>2/</u>	Apparent consumption	Ratio of imports to consumption
	<u>1,000</u> sq. yds.	<u>1,000</u> sq. yds.	<u>1,000</u> sq. yds.	<u>1,000</u> sq. yds.	<u>Percent</u>
1960----	1,384,170	<u>3/</u> 218,231	<u>3/</u> 107,818	1,494,583	15.8
1965----	890,313	258,909	63,237	1,085,985	23.8
1966----	772,832	296,486	65,325	1,003,993	29.5
1967----	583,350	228,617	62,499	749,468	30.5
1968----	390,945	253,846	49,182	595,609	42.6
1969----	290,290	277,258	40,247	527,301	52.6
1970----	166,351	237,738	37,064	367,025	64.8

1/ Square yards estimated from official statistics reported in linear yards.

2/ Includes some carded fabrics.

3/ Partly estimated.

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

Table 14.--Men's and boys' shirts, of manmade fibers, not knit: U.S. production, imports for consumption, exports of domestic merchandise, and apparent consumption, 1966-71

Year	Production	Imports	Exports	Apparent consumption	Ratio of imports to consumption
	<u>1,000</u> <u>dozen</u>	<u>1,000</u> <u>dozen</u>	<u>1,000</u> <u>dozen</u>	<u>1,000</u> <u>dozen</u>	Percent
1966-----	<u>1/</u>	1,516	121	<u>1/</u>	<u>1/</u>
1967-----	13,149	3,562	166	16,545	22
1968-----	16,038	4,692	170	20,560	23
1969-----	17,410	6,882	157	24,135	29
1970-----	18,137	8,935	183	26,889	33
1971-----	<u>1/</u>	10,055	<u>2/</u> 215	<u>1/</u>	<u>1/</u>

1/ Not available.

2/ Estimated.

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

Table 15.--Men's and boys' shirts, not knit: U.S. production, imports for consumption, exports of domestic merchandise, and apparent consumption, 1966-71

Year	Production	Imports ^{1/}	Exports	Apparent consumption	Ratio of imports to consumption
	<u>1,000</u> <u>dozen</u>	<u>1,000</u> <u>dozen</u>	<u>1,000</u> <u>dozen</u>	<u>1,000</u> <u>dozen</u>	<u>Percent</u>
1966-----	38,420	5,521	501	43,440	13
1967-----	35,632	6,764	511	41,885	16
1968-----	33,209	8,099	429	40,879	20
1969-----	31,630	10,337	380	41,587	25
1970-----	31,482	12,005	305	43,182	28
1971-----	^{2/} 28,135	12,638	^{2/} 348	40,470	31

^{1/} Excludes shirts of vegetable fibers except cotton and of silk, not separately reported.

^{2/} Estimated.

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

Table 16.--Men's and boys' shirts, knit: 1/ U.S. production, imports for consumption, exports of domestic merchandise, and apparent consumption, 1965-71

Year	Production	Imports	Exports	Apparent consumption	Ratio of imports to consumption
	<u>1,000</u> <u>dozen</u>	<u>1,000</u> <u>dozen</u>	<u>1,000</u> <u>dozen</u>	<u>1,000</u> <u>dozen</u>	<u>Percent</u>
1966-----	13,182	2,386	93	15,475	15
1967-----	13,051	2,123	83	15,091	14
1968-----	16,574	2,727	116	19,185	14
1969-----	12,855	2,996	122	15,729	19
1970-----	13,440	2,675	74	16,041	17
1971-----	<u>2/</u>	2,460	<u>3/</u> 96	<u>2/</u>	<u>2/</u>

1/ Includes dress and sport shirts, but excludes T-shirts.

2/ Not available.

3/ Estimated.

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

Table 17.--Women's, girls', and infants' blouses and shirts, not knit, of manmade fibers: U.S. production, imports for consumption, exports of domestic merchandise, and apparent consumption, 1966-71

Year	Production <u>1/</u>	Imports	Exports	Apparent consumption	Ratio of imports to consumption
	<u>1,000</u> <u>dozen</u>	<u>1,000</u> <u>dozen</u>	<u>1,000</u> <u>dozen</u>	<u>1,000</u> <u>dozen</u>	<u>Percent</u>
1966-----	7,212	708	48	7,872	9
1967-----	6,965	609	37	7,537	8
1968-----	9,007	818	106	9,719	8
1969-----	8,254	1,652	167	9,739	17
1970-----	7,785	2,785	202	10,368	27
1971-----	8,100	2,869	<u>1/</u> 111	10,858	26

1/ Partially estimated.

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

Table 18.--Women's, girls', and infants' blouses, not knit: U.S. production, imports for consumption, exports of domestic merchandise, and apparent consumption, 1966-71

Year	Production	Imports	Exports	Apparent consumption	Ratio of imports to consumption
	<u>1,000</u> <u>dozen</u>	<u>1,000</u> <u>dozen</u>	<u>1,000</u> <u>dozen</u>	<u>1,000</u> <u>dozen</u>	<u>Percent</u>
1966-----	18,657	4,204	138	22,723	19
1967-----	15,712	2,945	119	18,538	16
1968-----	16,062	3,129	167	19,024	16
1969-----	12,506	3,741	256	15,991	23
1970-----	11,796	4,392	261	15,927	28
1971-----	<u>1/</u> 12,986	4,167	<u>1/</u> 167	16,986	25

1/ Partially estimated.

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

Table 19.—Women's, girls', and infants' blouses and shirts, knit, of manmade fibers: U.S. production, imports for consumption, exports of domestic merchandise, and apparent consumption, 1966-71

Year	Production	Imports	Exports	Apparent consumption	Ratio of imports to consumption
	<u>1,000</u> <u>dozen</u>	<u>1,000</u> <u>dozen</u>	<u>1,000</u> <u>dozen</u>	<u>1,000</u> <u>dozen</u>	<u>Percent</u>
1966-----	<u>1/</u>	876	28	<u>1/</u>	<u>1/</u>
1967-----	9,209	1,334	24	10,519	13
1968-----	8,459	1,377	56	9,780	14
1969-----	9,264	2,567	31	11,800	22
1970-----	9,594	3,766	24	13,336	28
1971-----	<u>1/</u>	6,076	<u>2/</u> 82	<u>1/</u>	<u>1/</u>

1/ Not available.

2/ Partially estimated.

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

Table 20.--Women's, girls', and infants' dresses, not knit, of manmade fibers: U.S. production, imports for consumption, and exports of domestic merchandise, 1966-71

Year	Production ^{1/}	Imports	Exports	Apparent consumption	Ratio of imports to consumption
	<u>1,000</u> <u>dozen</u>	<u>1,000</u> <u>dozen</u>	<u>1,000</u> <u>dozen</u>	<u>1,000</u> <u>dozen</u>	<u>Percent</u>
1966-----	15,600	163	119	15,644	1
1967-----	15,400	167	124	15,443	1
1968-----	15,300	305	165	15,440	2
1969-----	13,800	470	182	14,088	3
1970-----	12,000	612	126	12,486	5
1971-----	11,600	685	^{1/} 150	12,135	6

^{1/} Partially estimated.

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

Table 21.--Women's, girls', and infants' dresses: U.S. production, imports for consumption, and exports of domestic merchandise, 1966-71

Year	Production	Imports	Exports	Apparent consumption	Ratio of imports to consumption
	<u>1,000</u> <u>dozen</u>	<u>1,000</u> <u>dozen</u>	<u>1,000</u> <u>dozen</u>	<u>1,000</u> <u>dozen</u>	<u>Percent</u>
1966-----	32,260	786	319	32,727	2
1967-----	32,429	1,115	444	33,100	3
1968-----	32,422	1,447	635	33,234	4
1969-----	31,307	1,831	739	32,399	6
1970-----	29,457	2,082	590	30,949	7
1971-----	28,419	2,524	584	30,359	8

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

Table 22.—Women's, girls', and infants' dresses, knit, of manmade fibers: U.S. production, imports for consumption, and exports of domestic merchandise, 1966-71

Year	Produc- tion <u>1/</u>	Imports	Exports	Apparent consump- tion	Ratio of imports to consumption
	<u>1,000</u> <u>dozen</u>	<u>1,000</u> <u>dozen</u>	<u>1,000</u> <u>dozen</u>	<u>1,000</u> <u>dozen</u>	<u>Percent</u>
1966-----	4,200	44	18	4,226	1
1967-----	5,600	120	27	5,693	2
1968-----	6,900	262	41	7,121	4
1969-----	8,300	460	76	8,684	5
1970-----	9,800	703	78	10,425	7
1971-----	9,500	1,194	90	10,604	11

1/ Partially estimated.

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

Table 23.—Raincoats, 3/4-length or longer, of textile materials, not knit (except of fabrics coated, filled, or laminated with rubber or plastic): U.S. production, imports for consumption, exports of domestic merchandise, and apparent consumption, 1966-71

Year	: Produc- : tion <u>1/</u>	: Imports <u>2/</u>	: Exports	: Apparent : consump- : tion	: Ratio of : imports to : consumption
	: <u>1,000</u> : <u>dozen</u>	: <u>1,000</u> : <u>dozen</u>	: <u>1,000</u> : <u>dozen</u>	: <u>1,000</u> : <u>dozen</u>	: <u>Percent</u>
1966-----	: 1,494	: 137	: 7	: 1,624	: 8
1967-----	: 1,407	: 181	: 6	: 1,582	: 11
1968-----	: 1,554	: 235	: 8	: 1,781	: 13
1969-----	: 1,324	: 257	: 8	: 1,573	: 16
1970-----	: 1,215	: 244	: 7	: 1,452	: 17
1971-----	: <u>3/</u>	: 317	: 5	: <u>3/</u>	: <u>3/</u>

1/ Includes raincoats of all lengths.

2/ Includes raincoats of cotton and of manmade fibers only; imports of raincoats of other fibers not separately reported, but believed to have been small.

3/ Not available.

Source: 1966 production compiled from data of the National Cotton Council of America; other data compiled from official statistics of the U.S. Department of Commerce.

Table 24.--Broadwoven polyester-cotton fabrics, wholly of noncontinuous fibers:
U.S. production, by types, 1964-70

(In thousands of square yards) ^{1/}								
Type of fabric	1964	1965	1966	1967	1968	1969	1970	
Batiste-----	112,991	156,208	212,371	236,451	415,566	377,854	398,798	
Bedsheeting-----	<u>2/</u>	<u>2/</u>	49,194	93,182	270,298	479,402	633,999	
Broadcloth-----	124,877	170,522	231,183	201,059	310,269	401,212	526,018	
Twills-----	28,336	39,672	63,535	81,029	441,183	348,555	306,238	
Oxfords-----	16,302	32,047	108,100	177,769	167,532	164,837	83,626	
Poplins-----	146,753	191,667	213,772	208,466	283,039	211,298	209,433	
Sateens-----	<u>2/</u>	<u>2/</u>	<u>2/</u>	<u>2/</u>	9,075	9,672	6,577	
Voiles-----	12,539	14,503	46,541	33,539	110,488	114,584	60,061	
Yarn-dyed fabrics---	<u>2/</u>	<u>2/</u>	214,655	210,684	281,078	306,047	280,700	
Other polyester-								
cotton blends-----	168,252	352,893	289,144	358,929	263,985	270,922	337,015	
Total-----	610,050	957,512	1,419,495	1,601,108	2,552,513	2,684,383	2,842,465	

^{1/} Square yards estimated from official statistics reported in linear yards by use of conversion factors shown by the U.S. Bureau of the Census in Current Industrial Reports, series MQ-22T.2 Supplement dated Dec. 5, 1968.

^{2/} Not separately classified; included with "other polyester-cotton blends."

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

Table 25.--Broadwoven polyester fabrics, wholly of noncontinuous fibers: U.S. imports for consumption, by types, 1964-71

Year	Not bleached and not colored	Other	Total
	Quantity (square yards)		
1964-----	357,339	2,409,267	2,766,606
1965-----	12,503,019	17,401,842	29,904,861
1966-----	34,647,156	45,477,843	80,124,999
1967-----	6,404,719	14,651,081	21,055,800
1968-----	3,083,116	29,298,890	32,382,006
1969-----	2,187,116	17,708,118	19,895,234
1970-----	728,518	13,630,016	14,358,534
1971-----	170,604	16,961,345	17,131,949
	Value		
1964-----	\$73,730	\$911,008	\$984,748
1965-----	2,364,947	5,086,592	7,451,539
1966-----	6,177,430	12,438,775	18,616,205
1967-----	1,549,698	4,215,586	5,765,284
1968-----	670,225	9,114,197	9,784,422
1969-----	451,132	7,383,489	7,834,621
1970-----	164,232	7,040,233	7,204,465
1971-----	66,344	7,488,984	7,555,328

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

Table 26.--Broadwoven polyester fabrics, wholly or chiefly by weight of noncontinuous fibers: U.S. exports of domestic merchandise, by kinds, 1965-70

Year	Bleached,		Total
	Unbleached	dyed, colored, etc.	
Quantity (square yards)			
1965-----	1,264,346	5,844,399	7,108,745
1966-----	900,349	8,695,424	9,595,773
1967-----	804,433	10,879,345	11,683,778
1968-----	724,284	12,271,519	12,995,803
1969-----	1,172,638	19,444,584	20,617,222
1970-----	3,106,611	23,633,201	26,739,812
Value			
1965-----	\$897,018	\$3,939,224	\$4,836,242
1966-----	529,632	5,593,177	6,122,809
1967-----	367,897	7,486,506	7,854,403
1968-----	485,872	8,278,750	8,764,622
1969-----	576,771	13,217,201	13,793,972
1970-----	1,057,472	14,330,873	15,388,345

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

APPENDIX B

Statement by H. L. Gosselin, Assistant to the President,
Bates Manufacturing Co., Inc., on closing
the Hill Division Plant

March 31, 1971

Operations at the Hill Division of Bates Manufacturing Co., Inc., will, by a decision made today, be permanently terminated, effective immediately. Much as we regret having to make this decision, it is necessitated by the flood of uncontrolled foreign imports which have destroyed almost all the markets for Hill goods and made operations at that plant unprofitable.

Some of the machinery at Hill will be transferred to the Bates Division in Lewiston and to the Edwards Division in Augusta.

A considerable number of the 575 Hill employees affected have already been provided employment at our two other divisions. More will be given opportunities as job openings occur.

Bates will cooperate with city and State officials in endeavors to utilize the space in the Hill Division to provide the community with job opportunities.

We regret the necessity of closing Hill but even modern mills, such as Hill, simply cannot compete with the uncontrolled flood of imported textiles coming into this country. In January of this year, imports were the highest on record.

We commend and express our appreciation to the Members of the Maine Congressional delegation for their continued efforts to obtain remedial action and we urge once again immediate enactment of textile quota legislation which the textile industry has fought for over 15 years.

We want to emphasize that the closing of Hill is due entirely to market conditions caused by imports. It is in no way a reflection upon the nearly 600 employees and supervisors of the plant or local Union officials, whose cooperation and efforts throughout the years have been excellent.

