

UNITED STATES TARIFF COMMISSION

WOMEN'S AND GIRL'S NYLON HOSIERY:  
WORKERS OF ARCHER MILLS, INC., COLUMBUS,  
GA., A SUBSIDIARY OF WAYNE-GOSSARD CORPORATION

Report to the President  
on Worker Investigation No. TEA - W-151  
Under Section 301(c)(2) of the Trade Expansion Act of 1962



TC Publication 505  
Washington, D. C.  
August 1972

UNITED STATES TARIFF COMMISSION

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Will E. Leonard, Jr.

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J. Banks Young

Italo H. Ablondi

Kenneth R. Mason, *Secretary*

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Address all communications to

United States Tariff Commission

Washington, D. C. 20436

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REPORT TO THE PRESIDENT

U.S. Tariff Commission,  
August 25, 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 August 7, 1972, in response to a petition filed on behalf of the workers formerly employed at Archer Mills, Inc., Columbus, Ga., a subsidiary of the Wayne-Gossard Corporation, the Commission instituted an investigation (TEA-W-151) to determine whether, as a result in major part of concessions granted under trade agreements, articles like or directly competitive with women's or girls' nylon hosiery (of the types provided for in item 374.60 of the Tariff Schedules of the United States (TSUS)) manufactured by said firm 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 such company or an appropriate subdivision thereof.

Public notice of the receipt of the petition and the institution of the investigation was given by publication in the Federal Register (37 F.R. 16207) on August 11, 1972. No public hearing was held.

The information in this report was obtained principally from the petitioners, from the officials of Wayne-Gossard Corporation, and from the Commission's files.

The Commission is not publishing as part of its report a separate section on information obtained in the course of the investigation. During the course of the investigation, the Commission found that conclusive information was available on which to make its decision (see below) without further investigation. Consequently, it was not necessary to prepare the section referred to above.

Finding of the Commission 1/

On the basis of its investigation, the Commission 2/ finds unanimously that articles like or directly competitive with women's or girls' nylon hosiery produced by Archer Mills, Inc., Columbus, Ga., a subsidiary of the Wayne-Gossard Corporation, 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, the unemployment or underemployment of a significant number or proportion of the workers of such company or an appropriate subdivision thereof.

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1/ Commissioner Ablondi concurs in the result.

2/ Vice Chairman Parker did not participate in the decision.

### Considerations Supporting the Commission's Finding

This investigation was conducted in response to a petition for adjustment assistance filed on behalf of workers formerly employed at Archer Mills, Inc., a subsidiary of the Wayne-Gossard Corporation, in the production of women's and girls' full-length hosiery.

In December 1971 the Wayne-Gossard Corporation closed Archer Mills, Inc., a plant in which women's and girls' full-length nylon hosiery and small quantities of nylon panty hose were dyed and finished. In 1971 the Wayne-Gossard Corporation operated four plants in which one or more operations in the manufacture of full-length hosiery--or panty hose--were performed. The operations formerly performed at Archer Mills, Inc., are now being performed at Wayne-Gossard's Wayne Knitting Mills plant in Humboldt, Tenn.

#### Statutory criteria

Section 301(c)(2) of the Trade Expansion Act of 1962 has established four conditions that must be met in the judgment of the Commission if an affirmative determination is to be reached. The determination must be negative if any one of the four conditions is not met. The conditions as they apply to the instant case are as follows:

- (1) Articles like or directly competitive with the hosiery and panty hose produced by the workers of Archer Mills, Inc. must be imported in increased quantities;
- (2) The increased imports must be in major part the result of concessions granted under trade agreements;

- (3) A significant number or proportion of the workers of the firm or appropriate subdivision thereof must be unemployed or underemployed, or threatened with unemployment or underemployment; and
- (4) The increased imports resulting in major part from trade-agreement concessions must be the major factor in causing or threatening to cause the unemployment or underemployment.

In the case at hand, we have determined that the fourth condition has not been met, i.e., any increased imports have not been the major factor in causing or threatening to cause unemployment or underemployment of the petitioning workers. Consequently, we have had to make a negative determination. The facts supporting our determination are discussed on the following pages.

The U.S. market for women's and girls'  
full-length nylon hosiery

U.S. consumption of women's and girls' full-length nylon hosiery declined sharply from 1967 through 1971. Apparent consumption of hosiery of manmade fibers (almost all nylon) decreased substantially each year, from 120 million dozen pairs in 1967 to 28 million dozen pairs in 1971, and the decline continued in January-March 1972 (table 1). This decline is attributable almost entirely to the increase in consumption of panty hose. U.S. producers reduced their output of women's and girls' full-length hosiery from 119 million dozen pairs in 1967 to 27 million dozen pairs in 1971.

U.S. imports of all hosiery of manmade fibers, including women's and girls' full-length nylon hosiery, 1/ increased from 899,000 dozen pairs in 1967 to 1.3 million dozen pairs in 1969, then declined to 563,000 dozen pairs in 1971 (table 1). Only a small portion of the imports in 1970 and 1971 were believed to be women's and girls' full-length nylon hosiery. Imports have continued to decline in 1972. The ratio of imports of women's and girls' nylon hosiery to consumption probably was 1 percent or less in each of the years 1967-71.

#### The U.S. market for panty hose

Panty hose are garments for women and girls which are worn in lieu of hosiery. They were developed and marketed in the 1950's but did not become commercially important until about 1967. Virtually all panty hose have been made of manmade fibers, mostly nylon.

U.S. consumption of panty hose boomed spectacularly in the late 1960's. Apparent consumption rose from about 18 million dozen in 1968 to about 97 million dozen in 1970, mostly because of the popularity of mini-length dresses and skirts, with which the wearing of panty hose was particularly suitable. In 1971, apparent consumption dropped sharply to 69 million dozen (table 2).

In response to the reduced demand, U.S. producers cut back their output of panty hose beginning in November 1970. U.S. production had risen phenomenally from about 6.5 million dozen in 1967 to 89.4 million dozen in 1970, but then declined to 65.6 million dozen in 1971.

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1/ Data on imports of women's and girls' full-length nylon hosiery are not reported separately.

U.S. imports of panty hose 1/ increased from 1.4 million dozen in 1968 to 7.8 million dozen in 1970, and then declined to 3.8 million dozen in 1971 (table 2). The imports continued to decline during January-March 1972. Some of the increase in imports during 1968-70 was accounted for by domestic producers that imported panty hose because their own production facilities were not adequate to meet the sudden increase in demand. The ratio of imports to consumption was 8 percent in 1968, rose to 9 percent in 1969, then declined to 8 percent in 1970 and 6 percent in 1971.

The major cause of unemployment or underemployment

As noted above, the Archer Mills plant was engaged almost wholly in the dyeing and finishing of full-length nylon hosiery. As a result of greatly reduced demand in the United States, sales of such hosiery by the Wayne-Gossard Corporation had fallen drastically by 1970 and 1971. Coincidentally, domestic demand for panty hose declined sharply in late 1970 and 1971, adversely affecting sales of those articles by Wayne-Gossard. As a consequence, the corporation experienced excess productive capacity, high inventories, and depressed prices for

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1/ The data given on imports of panty hose include some tights and body stockings, and panty-hose blanks (which are two elongated "stockings," usually produced on circular-knitting machines). In 1969 and 1970 there were significant imports of panty-hose blanks from West Germany into Puerto Rico. These panty-hose blanks were slit, sewn, dyed, and finished in Puerto Rico and then sold in numerous types of retail stores on the U.S. mainland. Inasmuch as Puerto Rico is in the customs territory of the United States, the completed panty hose resulting from the processing operations on the panty-hose blanks are considered as domestically produced articles. Imports of panty-hose blanks in 1971 and in January-March 1972 were negligible.



both items. Because of these developments (rather than any increased imports), the Wayne-Gossard Corporation, late in 1971, decided to close Archer Mills and consolidate its dyeing and finishing operations with those of a plant at Humboldt, Tenn.

#### Conclusion

In view of the foregoing, we have made a negative determination because imports were not the major factor causing unemployment or underemployment of the petitioning workers.

Table 1. Women's and girls' full-length hosiery of manmade fibers: U.S. production, imports for consumption, exports of domestic merchandise, and apparent consumption, 1967-71, January-March 1971, and January-March 1972

Period	Production 1/	Imports 2/	Exports 3/	Apparent consumption	Ratio of imports to consumption
	dozen pairs	dozen pairs	dozen pairs	dozen pairs	Percent
	1,000	1,000	1,000	1,000	
1967	119,153	899	496	119,556	0.8
1968	104,570	1,108	524	105,154	1.1
1969	68,486	1,326	535	69,277	1.9
1970	36,219	788	384	36,623	2.2
1971	27,379	563	198	27,744	2.0
January-March 1971	8,128	146	4/ 50	8,224	1.8
January-March 1972	5,662	124	4/ 45	5,741	2.2

1/ Compiled from statistics of the National Association of Hosiery Manufacturers.  
 2/ Includes all types of hosiery--men's and boys' and women's, girls', and infants' knee-length and full-length hosiery.  
 3/ Includes panty hose and tights.  
 4/ Estimated.

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

Table 2.--Women's, girls', and infants' panty hose, knit, of man-made fibers, not ornamented: U.S. production, imports for consumption, and apparent consumption, 1967-71, January-March 1971, and January-March 1972

Period	Production <u>1/</u>	Imports <u>2/</u>	Apparent consumption <u>3/</u>	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>Percent</u>
1967-----	<u>4/</u> 6,500	<u>5/</u>	<u>5/</u>	<u>5/</u>
1968-----	16,893	<u>4/</u> 1,391	18,284	7.6
1969-----	60,225	<u>4/</u> 5,896	66,121	8.9
1970-----	89,428	7,759	97,187	8.0
1971-----	65,569	3,842	69,411	5.5
January-March--				
1971-----	14,416	1,529	15,945	9.6
1972-----	16,550	402	16,952	2.4

1/ Includes some tights; compiled from statistics of the National Association of Hosiery Manufacturers.

2/ Includes completed panty hose, tights, body stockings, and panty-hose blanks.

3/ Production plus imports; statistics on exports are not separately reported, but exports are estimated to amount to less than 1 percent of domestic production.

4/ Estimated.

5/ Not available.

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





