It can leave no doubt as to the nature of the foreign competition with which the U.S. knitted outerwear industry has been waging a losing battle. While we will be submitting the entire five-page statement for the record, we quote the following as particularly worthy of note:

For some time, manufacturers in U.S.A. have been discovering new places in Southeast Asia and Asia as new sources of supplying the American market with hand-detailed sweaters to be retailed at reasonable prices due to the East's unlimited sources of cheap labor.

It has taken three Americans from widely diverse backgrounds, and three Koreans in the hotel business in South Korea, along with the cooperation of the South Korean government, to come up with the means for the American retailers that takes all the gambling out of importing . . .

The sweaters are designed in the U.S.A. for American women, produced in South Korea in Westar's—the name of the South Korea mill—own mill under strict quality controls, shipped to Westar's own warehouses in Boston, Massachusetts and Nashua, New Hampshire, and permits Westar, Ltd. to offer quality conformity of production at prices far below imports from Japan, Hong Kong, Okinawa or Taiwan . . .

The results have been electrifying . . . on August 25th, a shipment of 80,000 hand-loomed, hand-crocheted fall sweaters for women arrived at the Boston warehouse. By September 6th, every single sweater had been bought up by the first few chains and department stores to see the merchandise.

The new spring line of fine gauge knits, novelty knits, and bulky knit sweaters opened last week. One chain confirmed an initial order of 2,700 dozen. It is now certain that 10,000 dozen will be sold by October 15th, and by November 30th, over 30,000 dozen will be confirmed for delivery from January through February 1st. It is expected that the capacity of 50,000 dozen sweaters will be fulfilled before Thanksgiving.

It goes on to say that the new plant is being built to 50,000 square feet, the present mill has more than 150 hand knittng frames and employs 450 South Koreans.

The plant output will be increased to a minimum of 2,000 dozen sweaters per week.

The labor costs range from 3 to 7 cents per hour to 21 cents, Dr. Tyler said—

He is one of the principals in the mill—

but living costs are scaled proportionately, and South Korea does not have the galloping inflation problems of other countries. The United States and South Korean governments are fostering investment in Korea . . . the American Embassy was especially helpful . . . in initiating so large a venture.

Now, importers are rarely as candid as this in declaring the basis for their competitive advantage and their apparel to our market.

This testimony directly from the mouth of our foreign rival suffices to pierce all the elaborate rationalizations with which importer spokesmen here have sought to mask the problem but the problem is critical.

The problem cannot be masked or avoided, nor can a solution be deferred. The U.S. industry has been efficient. It has been a leader in innovation and technological advance. It has nourished comparable industries elsewhere in the world with the concepts it has originated and which others have adopted. But it cannot contend against such competition as this.

Such evidence as this and the record of the domestic industry under the impact of the low-wage foreign competition makes the conclusion unavoidable that in the absence of restraint upon imports of knitwear, the trend demonstrated by the figures furnished here will continue and will operate to the serious detriment of American Labor and