

the same as it was in 1940, notwithstanding sharply higher prices. However, our fish netting market, though not declining, is not growing at the present time.

GREATLY EXPANDED USE OF FISH FOR FOOD FORESEEN IN FUTURE DECADES

If we are able to survive the probable deluge of Japanese (and Korean) imports of fish netting during the next few years, we might be in a position to contemplate and prepare for greatly expanded markets for fish netting in a decade or two. The distant future appears bright.

Under Secretary Black of the U.S. Department of Interior at the Commercial Fish Exposition in Boston last October said in part:

"With the land in many underfed countries already producing at levels of near-maximum yield, it is natural that we turn our attention to the sea. As population pressures mount in these countries, they are being backed up against the oceans. We can count ourselves uncommonly blessed that the oceans are so full of food.

"Experts vary in their assessments of the food potential of the seas, but we do know that the present world marine catch is approximately 52 million metric tons per year. At the Law of the Sea Institute meetings at the University of Rhode Island in June, experts presented exciting estimates of potentials ranging from 200 million to 4 billion metric tons or nearly 100 times the present world catch."

INDUSTRY SUFFERING FROM IMPORT COMPETITION

Right now, our industry is in trouble because another country—Japan—is vying for our presently stagnant market. U.S. imports (mostly from Japan) of synthetic fish netting—our chief product—within the last three years have increased over 200 percent, and now supply nearly 21 percent of U.S. apparent consumption (recorded imports plus domestic shipments; exports are negligible as explained below).

JAPAN'S EXPORTS POSE DIRE THREAT TO INDUSTRY'S EXISTENCE

Of even greater concern to us is the vast export capacity of the Japanese fish netting industry. In 1966, only 5.2 percent of Japan's exports of fish netting came to the United States, although we were in sixth place among the world's fisheries, having been barely nosed out of fifth place by Norway. Only about half of this amount actually entered the United States; part of the difference could be accounted for by shipments to the U.S. Free Trade Zones—New Orleans and Seattle. The half that did enter trade in the United States accounted for 15 percent of the total U.S. apparent consumption of fish nets and netting. In 1967, incidentally, this market share jumped to nearly 20 percent.

Expressing this towering strength of the Japanese fish netting industry in another way, Japan could have supplied the entire U.S. market in 1966 with only 18 percent of her exports that year (See Chart). In many commodities, the U.S. takes the bulk of Japan's exports. Is our industry going to be next? Drastically reduced prices (in spite of upward pressures on costs) at which Japanese netting is now being offered indicate that Japan is looking to this country where she can make up for her sales declines in other areas that are becoming saturated. Japanese nylon shrimp netting delivered ex-duty at New Orleans was \$1.25 per pound in January 1967. By January 1968, prices had dropped 12½%.

Another indication that Japan is turning her attention to sales in the United States is the fact that the share of Japan's exports of synthetic netting that went to the United States increased from 3.1% of the total in 1965 to 6.3% during the first eleven months of 1967, and for cotton netting the share increased from 36% to 65% in the same period. Thus, whereas Japan's world exports of fish netting declined from 7.7 million kilograms in 1965 to 6.8 million kilograms in the first 11 months of 1967, her exports to the United States increased from 307 thousand kilograms to 522 thousand during the same period.

INDUSTRY MAY SOON BE CANDIDATE FOR RELIEF

If the present trend continues, we will be candidates for tariff adjustment and/or adjustment assistance. Already we are feeling many of the symptoms of serious injury. During the first quarter of this year, we at Blue Mountain were forced to lay off some 50 employees in our fish netting division, representing