With further reference to "expendable industries", historically the domestic work glove industry has been a low net profit industry. The demand for work gloves is not an elastic one. Consumer demand for work gloves does not increase automatically by reason of any reduction in the price of work gloves.

A recent survey of domestic work glove manufacturers disclosed that net profit, after taxes, amounted to 1.53% of net sales. The survey also disclosed that net profit, after taxes, amounted to 5.31% of tangible net worth. These returns are hardly worth the risks involved in operating a manufacturing company. Government bonds today yield a higher return upon investment, and no risk is involved.

As to the relationship of net profit, after taxes, to sales, the 1.53% of the work glove industry is approximately only 30% of the national average for all manufacturing corporations, as disclosed by a recent release of the Federal Trade Commission. That release, dated April 12, 1968 indicated that the comparable figure for all manufacturing corporations in the U.S. for the fourth quarter of 1967 was 5.2%.

The continuation of existing conditions under which low cost foreign work gloves can be imported into this country will affect the length of our average work week. In other words, growing imports will produce partial unemployment for some people, and will produce complete unemployment for others. This in turn creates the necessity for agencies to retrain these people in new skills, and in many instances, necessitates the uprooting of families from their communities in order to secure other opportunities to utilize their newly learned skills.

One work glove company has factories located in small communities in Alabama, Illinois, Missouri, Tennessee and Texas. Their factory labor force consists largely of female employees. In certain of the communities, other than for employment in the glove factory, employemnt for women is extremely limited and in some locations nonexistent.

One work glove company alone had a payroll in 1967 in excess of $5,000,000. Due to the higher minimum wages which became effective in 1968, the payroll will be even greater this year. The elimination of any portion of this payroll will have a material effect upon the communities in which their plants are located—the reduction of buying power will affect local merchants, professional men, and others in the community, to say nothing of the substantial reduction of taxes which would be brought about by the reduction or elimination of wages.

As an example of what in the past has been contributed to a specific community, we refer to a factory in a small Tennessee town. Before the factory was established, *there was no industry in this area employing women.* At an open house at the factory about a year after they had started production, local community leaders advised that they were grateful to the company for raising the economic level of their town. Through the channeling of wages into this community, the employees had first been able to pay their debts which had been accumulating for many years, they were able to provide a much more healthful menu for their children and they improved their individual homes and transportation. We are proud to tell you of these facts, yet at the same time the thought is running through the mind of the manufacturer, "What is the future of these people if their employment is curtailed or terminated because of the unlimited importation of work gloves?"

Although only one company has been used as an example—other work glove manufacturers belonging to our Association could relate similar stories.

This industry is in dire need of some relief. It asks not for sympathy but for some action which will freeze the percentage of the total domestic market available to importers to a figure which will allow both the domestic industry to survive, and at the same time permit foreign producers to participate in any future growth of the domestic market.

This industry does not seek an increase in tariffs upon work gloves because it is convinced that even a 100% increase in such tariffs will not help the domestic industry. The disparity in the selling prices—based principally upon the lower labor costs abroad—makes tariff barriers impractical. Only the imposition of quotas will be of any help to the domestic manufacturers of work gloves.

In using the imposition of quotas, this association does not recommend a "freeze" on total imports for all years to come. This association, instead, recommends that some recent year be adopted as a base year and that future annual imports be limited to the imports of the base year. However, this association