The result to our company has been stagnation and a gradual dwindling of towel sales in an otherwise rising economy. Thus, net sales of towels and toweling for our company reflected in dollars are as follows:

Year:	
1964	$1,340,592
1965	1,444,441
1966	1,307,687
1967	881,579

We see no future in the towel business, if this continues.

III. THIS COMPANY RECOMMENDS MORE PRACTICAL ANTIDUMPING PROCEDURES BASED ON A PERCENTAGE OF THE DOMESTIC MARKET

We cannot depend on dumping or anti-dumping procedures as legislated. Our competition comes from countries where costs, capital investment, fringe benefits, and the cost pattern normal to the American industrial method, have little or no meaning. Evaluation from any country of origin where capital investment, wages, social welfare, is entirely an outshoot of social ideology, cannot be reasonably equated or measured by our own industrial and marketing yardstick standards.

Under present anti-dumping law, proof is difficult and, in our opinion, almost impossible to obtain in the case of importation from countries such as Poland or Czechoslovakia.

We respectfully submit that anti-dumping legislation must be based on how much of the domestic market is captured over an historical past of five years.

IV. THIS COMPANY RECOMMENDS QUOTAS ON TEXTILE ARTICLES OF NATURAL FIBERS BASED ON A PAST HISTORICAL PERIOD AVERAGE

We are strongly in favor of the principles of import quotas as proposed in the H.R. 11578 bill of July 19, 1967. However, we contend that as meritorious as these principles may be to the domestic industry, it will be of no help to us unless the bill also includes *natural fibers* along with cotton, wool or man-made fibers, since flax, hemp or ramie are such natural fibers; these are the fibers of which coarse towels are usually made.

Such quotas should be based on either the previous year's imports, or even more equitably, an average taken from the previous five years.

FIRST WASHINGTON NET FACTORY, INC.,
Blaine, Wash., May 22, 1968.

Mr. JOHN MARTIN, Jr.,
Chief Counsel, Committee on Ways and Means,
Longworth House Office Building,
Washington, D.C.

DEAR SIR: To submit our stand in summary to the Committee regards importation of Japanese netting:

1. Total imports of synthetic netting (mostly Japanese) have increased 65% from 415,876 lb in 1966 to 640,044 lb in 1967.

2. In Japan netting is being produced at a wage level of appr. 1/7 of ours. In addition, basic raw material for netting (nylon filament) which is made in Japan as well, cost appr. 1/3 less to Japanese netting manufacturers as does U.S. made nylon to us. (Japanese 840 denier nylon filament, dutiable at 18½%, is offered to us free Seattle, freight and duty paid by seller, at 78¢ p. lb, current price for U.S. nylon is 82¢.

3. Japanese *netting* is therefore sold in USA below our price and to the extent of 65% in 1967 over 1966, after having absorbed freight and import duty with 32½% ad val. plus 25¢ p. lb on synthetic netting.

4. Our manufacturing equipment and process of manufacturing is most advanced and certainly in no way second to Japanese. We compete with any foreign industry, provided the competitor has comparable labor cost, is not subsidized and operates on a comparable tax base.

5. Manufacturing of netting is very labor intense. Knotted netting more so than the knotless variety. This however is irrelevant, since we have to supply what the fishing industry demands and that is about 80 to 90% knotted netting. Even if this would change, it would make no difference in our situation as our Japanese competitors would just follow suit as well.