

finished umbrellas. In 1954, therefore, the domestic frame manufacturers enjoyed virtually the entire market.

Compare this with 1967. In 1967 the domestic frame manufacturers produced approximately 600,000 dozens of umbrella frames. The domestic market in 1967 was 2,200,000 umbrellas. The domestic frame manufacturers, therefore, had 27 percent of the domestic market. Think of it. In 14 years this domestic industry had its market shrink from virtually 100 percent to 27 percent.

It is also a fact that the first quarter of 1968 shows that 462,459 dozen umbrellas and frames were imported as compared to a total of 334,297 dozen for the first quarter of 1967 indicating an increase of 128,162 dozen imports or 38 percent more imports in the first quarter of 1968 than there were in the same period of 1967.

The trend strongly indicates that the share of the domestic market that the U.S. manufacturer will have in 1968 will be substantially lower than 25 percent.

Startling fact No. 2: In 1954 there were eight companies engaged in the manufacture of umbrella frames in the United States. Today there are three companies remaining. The other five could not survive the impact of imports and the low prices they established as the U.S. market price. The number of manufacturers of umbrella frames has diminished by 62½ percent.

Startling fact No. 3: In 1954 there were approximately 100 umbrella manufacturers. Today there are less than 35, a reduction of 65 percent. The attrition in this industry is likewise attributable directly to the effects of imported frames, bases and umbrellas.

Startling fact No. 4: In the New York Times under dateline of June 10 (AP) Secretary of State Dean Rusk is quoted as saying:

It is difficult to see how we could count upon Japan as a major partner if we had not deliberately fostered—or if we were suddenly to change—a system which permits Japan's 100 million people to achieve through trade what they could not attain in the narrow confines of their crowded islands.

Mr. Rusk also said placing trade restrictions "would breed resentment and store up additional problems for today and the years ahead". Let us examine the situation that "we have deliberately fostered" and see where the "resentment" should really lie.

Japan has 450 member companies of the Umbrella Association who are engaged in the manufacture of umbrellas. There are 70 companies specializing in the manufacture of frames.

Keep in mind that there are only three frame manufacturers in the United States. In 1967 the estimated output of umbrellas in Japan was 49,920,000 units or over 4 million dozen. The American manufacturers have less than 600,000 dozen, and this amount is steadily shrinking. Japan enjoys markets all over the world while we have lost practically all of our world markets.

The Japanese have exhausted their facilities and labor supply and are using manufacturers in Hong Kong and Korea as subcontractors.

The conditions in Japan and other foreign countries would appear to reflect the successful accomplishment of "a deliberately fostered system" to achieve trade. It would also appear that the current condition in the United States is certain to breed the resentment of the domestic manufacturers.