Textile clothing recorded an export increase of 52.1%, which was fairly brisk; but imports climbed 212.1%.

Surely these statistics which strongly corroborate those cited earlier can leave no reasonable doubt about the weak competitive position of this country. This is attributable almost exclusively to the higher labor costs. However, this is not said in derogation of our wage levels. We need high wages to absorb our unmatched volume of output of consumer goods. We cannot reduce labor costs without displacing workers; and total costs cannot be reduced in any meaningful sense without reducing labor costs, for the reasons already given.

Further Corroboration of Competitive Weakness of United States

If we examine our exports and imports of finished products from 1957–65, we will be impressed with the further corroboration of the foregoing statistical findings. Exports of this class of goods increased only 29.6% while imports rose 151%. (U.S. Statistical Abstract, 1962, Table 1215, p. 880; Ibid., 1966, Table 1259, p. 874.) In other words, imports of the labor-saturated goods increased five times as rapidly as exports. This is what would be expected from the preceding analysis.

The Yearbook of the United Nations provides another source of information. It carries a table on trade in *manufactured goods*. U.S. exports of these products rose 21.8% from 1957–64 (latest available date). By contrast West German exports of the same class of goods rose 75%; the French, 92%; Italian, 209%; the Dutch, 113%; the Belgian, 87%; the Japanese, 169%. (U.N. Yearbook, 1965, Table 151–B, p. 418.) Total U.S. exports from 1957–64 rose distinctly less than half as rapidly as exports of the remainder of the world. This record, of course, reveals a substantial shrinkage in our share of world exports. The decline was most pronounced in manufactured goods. The record would be distinctly more sobering yet if exports of machinery and subsidized agricultural products were left out. Machinery exports have responded in lively fashion to our rising foreign investments and the preference of our foreign subsidiaries for U.S. machinery, with which they are familiar.

The foregoing record of our trade has not shredded the free-trade theory as such. What it has shattered beyond repair is the make-believe posture that we can with impunity walk toward free-trade principles in a world (1) in which vital free market forces have been prevented from asserting themselves and will continue to be so prevented; and (2) in which economic movement away from the laissez-faire norm in one country has taken the form of heavy cost burdens imposed on industry not matched by remotely equal burdens in competing countries. This is the situation in which United States industry finds itself.

Conclusion

Our tariff has been taken down under circumstances that make adaptation of American industry to the new low duty levels impossible without extreme pressure to follow the example of the coal industry, which is to say, to decimate the number of workers as a means of withstanding growing import competition. Yet we have become dependent on our high wages as the source of adequate consumer purchasing power to absorb our industrial, mineral and agricultural output. In many cases the technological capability that saved the coal industry will not be available. Then, alternately, or even concurrently, these industries must seek to escape dependence on their domestic business for recoupment of their competitive status by producing abroad at lower costs. Billions of dollars have already taken that flight.

Neither of the alternatives offers an acceptable solution to the pressures precipitated by the contradictory economics represented by our trade policy. In a world of economic controls, interferences and planning, one major element cannot be isolated and treated as if it were still in a laissez-faire world while nearly all else is controlled.

Inexorably if our industries are not to be inhumanly constrained to exile great portions of their work-force to the ash heaps of obsolete and unneeded humanity, a substitute for the tariff must be found and utilized.