assortment of merchandise at the lowest possible cost. I believe that the welfare of all of our people should always take precedent over the limited interests of the few. We must preserve the freedom of the marketplace.

Our manufacturers must be provided with an equal opportunity to compete—neither protecting them from foreign ingenuity nor penalizing them for observing American standards of wages, hours, and working conditions.

And last, we must cherish, by word and deed, that tradition of welcome for foreign peoples and foreign ideas that has so enriched us all.

Let's solve our problem—but not by closing doors, locking gates, or by setting up new maginot lines that are supposed to protect, but never do more than stultify.

Now I would like to introduce my colleague, Mr. Vincent Savona, the import manager of the New York office of Montgomery Ward & Co.

STATEMENT OF VINCENT SAVONA

Mr. Savona. My name is Vincent Savona. I am import manager of the New York office of Montgomery Ward & Co. I am here today on behalf of the American Retail Federation.

RETAILING EXPERIENCE WITH QUOTA SYSTEMS

In the experience of the retailer, import quotas are the most onerous form of trade control. The retailer as purchasing agent for America's mass consumer market, must provide complete coverage of the U.S. market as well as world markets—to provide the consumer the greatest choice in styles, price, and product characteristics.

Import quotas, which set absolute limits on imports in any one year, present numerous problems with regard to advance planning, seasonal orders, advance promotions, and compliance with the technicalities of quota systems which control exports from various nations to the United States.

QUOTA SYSTEMS WORK

The quota system problems are especially acute for those product areas which are in greatest demand by the American consumer. The long-term cotton textile quota arrangement was negotiated in 1962 to expire in 1967, when it was renegotiated for 3 more years. In the absence of a "voluntary" export restraint, an importing country may refuse to accept imports from an exporting country. Bilateral agreements have been negotiated by the United States with many additional countries, to set import levels on cotton products in terms of the previous base period. The quota system on cotton textiles and apparel sets up particular quantitative limits for 64 distinct categories of cotton textiles and apparel products. Because there are particular controls on each of these categories, not only is the total volume of cotton product imports controlled, but there are also specific controls on those categories of products which are most popular. In addition to the 64 regular categories, I might add, there are frequently additional controls on subcategories within the 64 groups.

Such governments as Japan and Hong Kong have discretion in administering their quota controls on exports of cotton products to the