man of the Italy-America Chamber of Commerce Textile and Apparel Committee and appear for that group as well as my colleagues in the knitwear committee of the chamber.

We support the stated goals of the Trade Expansion Act of 1968. Conversely, we wish to register vigorous opposition to proposals designed to restrict imports of textile products by the invocation of an unnecessary quota system.

Those of us intimately connected with the American textile and apparel industry know that Italy is the style leader in wearing apparel and in woven fabrics for men's and women's suits, especially wool knitwear. Italy is the trend setter, providing characteristic Italian concepts, which in turn give stimulus to U.S. manufacturers. In point of fact, the stimulus of high-styled Italian products has revived the U.S. knitting industry.

Evidence that American manufacturers need and rely upon Italian fashion ideas and concepts is found in the fact that U.S. producers almost invariably reproduce Italian styles for mass production. Quality goods produced in an imaginative manner create demand which in major part is eventually fulfilled by U.S. production.

At this point I would like to insert an item from Business Week dated June 15 under the subject heading "Plant Capacity Is Adequate," and I quote:

"Few industries are pressing against capacity. Of the 14 major manufacturing industry groups, only three—rubber, petroleum, and textiles—are running at more than 90-percent capacity."

(The article referred to follows:)

[From Business Week, June 15, 1968]

PLANT CAPACITY IS ADEQUATE

No new capital goods boom is developing, however. Plenty of available capacity, tight money, high interest rates, and some trimming of sales expectations are serving as restraints upon expansion.

Most of the indicated stepup in spending is attributable to nonmanufacturing industries. There is a 7% rise projected in this area over the next two quarters. There was practically no gain here in the first half.

In manufacturing, capital spending apparently will rise more than 6% during the first half—but is expected to rise very little in the subsequent two quarters.

This is what you would expect; utilization of plant is not particularly high right now.

Few industries are pressing against capacity. Of the 14 major manufacturing industry groups, only three (rubber, petroleum, and textiles) are running at more than 90% of capacity.

For all manufacturing, the rate of operations averages out to 84.5%, according to McGraw-Hill's index of industrial operating rates.

This is a level well below that preferred by most companies, though not low enough to give a downward tilt to investment in new plant.

Moreover, if the forward pace of business slows later this year, the gap between capacity and the operating rate may widen further.

Mr. BONOMO. Italian knitwear and textile products are not inexpensive. There is no cheap labor in these industries in Italy. Recently published Tariff Commission statistics indicate that unit values for knitwear products manaufactured in Italy are among the highest in the world. The average unit value for knit manmade fiber outerwear imported during 1966 was $7.54 per pound at wholesale. In the case of knit wool outerwear, average value per pound was $6.81, third highest of all such imports into the United States.