

In the case of fabrics, U.S. mills are not geared to the production of fine worsteds because our mills require long runs. Also of significance is the fact that the labor needed to process such fabrics is no longer available in abundance here. It is most difficult to attract young people to the wool industry, as aerospace and electronic industries lure young workers away.

Furthermore, long runs required by U.S. mills limit diversification and, if imports were not supplementing U.S. supplies, the consuming public might be deprived of its present large choice in fabric designs.

There are fewer woolen mills in the United States today than 15 years ago, but this condition is not attributable to imports. Mergers and consolidations have resulted in alltime high earnings for the companies which remain. It is exaggerated and unfair to say that imports, particularly those from Italy, have hurt the domestic industry. In knit outerwear productions, for example, U.S. mills increased supplies from 316 million pounds in 1961 to 497 million in 1965, and all the way up to 535 million in 1966, the last full year reported. During the same period, imports increased from an estimated 13 million pounds to 47 million pounds in 1965 and 57 million pounds in 1966. We do not believe that an industry which has increased its production 40 percent in the last 6 years can logically claim that imports have caused them injury.

American importers and Italian exporters have long maintained reasonable discipline where there was any indication that imports from Italy could possibly injure a competitive U.S. industry. Italian products, including fabrics and finished garments, are the result of creative talent and careful craftsmanship. This is the combination that has served as a basis for successful marketing in the United States.

Restrictive quotas applied against outstanding Italian style and workmanship would serve to substantially injure successful American business firms. Seasonal styles of fashionable products could not be marketed under quota systems. If new styles were not introduced by importers, American manufacturers would be deprived of trend setters, which, as I have said before, allow them to participate in the mass market.

In closing, I would just like to remind you that it is only about a decade ago that the U.S. knit market was in very bad shape. Today, because of style leadership and the Italian know-how which developed today's knitting techniques, that U.S. industry is healthy and profitable. Without any tariff or nontariff protection, our industry has the time factor and distributional factors on its side. Leadtime required for foreign manufacture gives U.S. producers a 4- to 6-week advantage in style products. Those of us who import know that style leaders sold in high-priced, high-quality lines, create a demand for the mass production market. Restrictions on such Italian products would not make sense.

For these reasons we support relaxation of tariff and nontariff barriers under H.R. 17551 and oppose any further restriction on the importation of textile apparel and knitwear products from Italy.

Thank you.

If I may, I would like to ask you if we could include the editorial in the New York Times of June 14, "Trade Winds in Congress" to be included as part of my presentation.

Mr. ULLMAN. Without objection, it will be done.