A 3-year, short-term agreement, which was concluded during the Kennedy round talks and which extended the preceding 5-year, long-term agreement, provides only a moderate protection for domestic cotton. The areas that are particularly suffering from foreign competition, however, are those which are protected by nothing more than limited tariffs. These include the woolen industry and the manmade fiber and apparel industry.

Until the present, tariffs have been sufficient to shield these industries and to stimulate trade simultaneously. But, through export subsidies, border taxes, cartels in restraint of trade, dumping, import quotas, and a number of administrative procedures designed to thwart imported products, foreign textile producers have taken advantage of our liberal trade barriers. To cite a specific instance, manmade fiber and woolen imports have increased 256 percent in the last 6 years, and there is no indication that this volume will slacken in the future. Complementing this situation is the fact that textile exports are not increasing.

Two implications of the present balance of trade in the textile are (1) that tariffs are no longer operable because means have been found to neutralize or to circumvent them, and (2) that the present trend in textile imports can be identified as being based upon a competitive advantage possessed by foreign industries. The advantage may be considered an unfair one, since it is a result of the substitution of nontariff restrictions for the cuts in tariffs that have been attained in reciprocal trade agreements.

The most equitable solution to the problem would be to provide the basis for an orderly international trade. Legislation should ideally provide protection for the domestic industry, while it should not stifle trade. H.R. 11626 provides a certain flexibility that is directed toward the establishment of these two conditions. It authorizes the President to negotiate "with other governments for the purpose of consummating agreements to provide orderly trade in textile articles into the United States * * * based on the share of the U.S. consumption of such category supplied by imported textile articles during a representative period of not less than 1 calendar year prior to the year 1967, as determined by the President."

The President would also have the power to consider other factors that would affect trade such as historical patterns and the interests of developing countries. Those countries that do not choose to negotiate would have their import trade restricted for any calendar year to the average annual quantity of textile articles which entered this country for consumption during the years 1961–66. Such agreements of a bilateral and a collective nature already exist for cotton and several other textiles.

The danger that faces the textile industry is very real and should not be considered as a hoax which is being used to benefit that industry. Textile imports have increased two and one-half times since 1961. Foreign trade regulations and low-cost production are supporting this trend. It has been estimated that the effect of the imports has been to deprive approximately 200,000 textile workers of employment. Senator Ernest F. Hollings, of South Carolina, has stated that the present handling of the situation will determine whether our textile industries move abroad in the future or remain in the United States. Further-