would be to invite retaliation. While the genesis of these arguments is understood, they leave the impression that such actions would be unique to the United States, and that the only result would be for the foreign governments to immediately retaliate and that chaos would result in our exports and in our foreign trade.

The facts are that many foreign nations presently have various types of restraints on imports. Sometimes arrangements have been worked out bi-laterally with specific nations and sometimes they have been established through other devices. The best evidence on this point is a memorandum prepared on December 27, 1967 by the Office of the President's Special Representative for Trade Negotiations. This memorandum dealt with the quantitative import restrictions on wool and man-made textiles. It did not discuss all of the textile items nor did it discuss the many import restrictions established by foreign countries on other products. Without endeavoring to quote out of context from this memorandum a few quotations make it clear that on the items covered in that memorandum and as this Committee well knows on many other items import restrictions have already been established by many foreign countries. We are not aware of any resulting retaliation caused by such measures which has adversely affected the trade between such countries nor has chaos resulted. The paper started out by saying:

"This paper identifies quantitative import restrictions that *have been applied in the calendar year 1967* against wool and man-made textiles by 12 foreign countries—Austria, Belgium, Netherlands-Luxembourge (Benelux), Canada, Denmark, France, Italy, Japan, Norway, Sweden, Switzerland, United Kingdom and West Germany."

The paper also by its definition shows that there are devices other than quotas and it refers to "licenses, 'voluntary' export controls and minimum import prices." The countries mentioned are significant importers into the United States. They are obviously accustomed to import restrictions on materials coming into their countries and presumably adjust their exports to meet the restrictions established by other nations. Therefore, we cannot see how it can be argued that action by the United States to protect its essential industries would adversely affect its foreign trade. To the contrary, we believe it can reasonably be argued that if percentage quotas of the United States market are made available to various nations they will permit a more orderly development of their production. They thereby would avoid the dangers of overproduction and reliance on a market which might no longer be available to them due to imports into the United States from other competing nations.

We recognize the pressures that will be on this Committee and the Congress as a whole on the important question of trade policy. We believe that the Committee members recognize that any trade policy will be meaningless if our industries generally decline and that we cannot properly compete in world markets. We do not believe that either the Congress or the Administration wishes our national security to become dependent on sources that might not be available to us in the event of war. The intransigence of the political structure in some competing nations and their vulnerability to attack constitute an unacceptable risk to our national security and this is not limited to Textiles, including Cordage. We do believe that the record in the Cordage field supports the concern of others in the Textile Industry as to the need for recognition of these essential facts.

In conclusion, we note that the study by this Committee will cover all facets of the foreign trade problem. We recognize that our suggestions are not a panacea for all products and that the decisions that must be taken will be complex and difficult. We believe that the Textile Industry clearly must be given relief if it is to reverse its decline and this relief must be its ability to supply a major segment of our domestic markets. We believe that such action will result in an improved balance-of-payments situation and we know that our mobilization base will be stronger. We trust that the Committee will enact legislation dealing with the Textile problem during this session of the Congress.

The CHAIRMAN. Mr. Darman, you are recognized.