

The outlook for our industry, unless the pending legislation is enacted, is, therefore, not encouraging. Imports have risen steadily and now supply over 22 percent of the U.S. market for wool manufactures. The emergence of Japan, and other oriental countries with even lower wage rates, as principal suppliers of wool textiles to the U.S. market assures continuation of this trend. And duty reductions made in the Kennedy round may be expected to enhance the growth of certain categories of imports.

As businessmen we must realistically assess the facts. I have outlined to you the situation as we see it. Members of our industry are worried. They foresee the prospect of having to make decisions which they sincerely wish to avoid. Capital is mobile, labor is not. Management has a responsibility to shareholders, as well as to employees. Will the Congress permit development of a situation which forces capital and technical expertise to go abroad to manufacture textiles for the U.S. market? Would such a development be in the national interest? We think not.

We wish merely to have order brought into the present chaotic situation characterized by the relentless trend toward an ever larger share for imports in the domestic market and an ever-decreasing share for U.S. producers.

We therefore see enactment of H.R. 11578 and its companion bills now pending in your committee as a reasonable solution. Reasonable, in that it would permit foreign suppliers to share in an equitable and orderly manner in any growth in the U.S. market. Reasonable, in that it would not give rise to any justifiable claims for compensation by exporting nations. And reasonable, we feel, because it would permit our industry not only to survive but to grow as the Nation grows; with confidence restored, to provide increased employment opportunities not only for skilled American workers but for those Americans presently lacking in skill yet seeking their first opportunity for industrial employment; and to continue to provide the consumer with the finest wool textiles at reasonable prices.

Before closing, Mr. Chairman, I wish to express our association's strong endorsement of H.R. 9931, introduced by Mr. Burke of Massachusetts. This bill, and a companion bill sponsored in the Senate by Senators Talmadge, Bennett, and Muskie (S. 1866) would close the latest in a series of tariff loopholes through which what are essentially wool fabrics have been imported into the United States at rates of duty far below those regularly applicable. These inexpensive fabrics, mainly from Italy and containing a small quantity of non-wool fiber alleged to be the fiber of chief value, have severely disrupted the market for similar fabrics produced in the United States.

The Burke bill adopts one of the recommendations for closing these loopholes contained in a Tariff Commission study of the problem made at the direction of this committee. Although enactment of the Burke bill would in no sense meet the overall wool textile import problem, it would correct a serious inequity facing the several U.S. mills which produce fabrics competitive with those entering through these tariff loopholes.

Thank you, Mr. Chairman and members of the committee, for this opportunity of presenting our views to you.

(The chart referred to follows:)