

STATEMENT OF MICHAEL P. DANIELS

Mr. DANIELS. Yes, that was the first order of business, Mr. Burke. If I may ask that my statement together with the tables attached to it be made a part of the record, then I will proceed by way of summary so as to conserve the time and I might say the interest of the committee.

Mr. BURKE. It will all appear in the record.

Mr. DANIELS. Mr. Chairman, members of the committee, my name is Michael P. Daniels. I am counsel to the Textile and Apparel Group, American Importers Association, and a partner in the firm of Daniels & Houlihan of this city. My statement will review some of the economic data and our reasons for concluding that import quotas would be unjustified and undesirable.

I. IMPORT RESTRICTION IS NOT JUSTIFIED BY THE ECONOMIC FACTS

The Tariff Commission Report documents the remarkable progress made by the textile and apparel industries and the revolutionary changes which have taken place in these industries, especially over the last 5 years.

The principal conclusion of the Tariff Commission was that—

... the domestic producers, have, by most broad measures, enjoyed a period of unparalleled growth since the early 1960's".

The Commission continued:

Along with increased output, there was also a marked expansion in sales, employment and new investment in plant and equipment during this period. Similarly, overall corporate profits (whether measured as a ratio of profits to sales, or on the basis of the rate of return on stockholders' equity) increased.

From 1961 to 1966, for example, the value of shipments rose from \$29.1 billion to \$39.6 billion, or 36 percent. For the producers of textile mill products, profits as a percentage of net sales rose by 48 percent. The corresponding increase for the producers of apparel and related products was 52 percent. The corresponding gain for all manufacturing corporations over the same period was 21 percent.

In other words, Mr. Burke, these industries over this time period have consistently outperformed the economy as a whole. I might say, departing from my statement, that it was simply amazing for us to sit here this morning and hear this horrible tale of woe and grief painted by the witnesses who preceded us at this table.

Any objective analysis of this industry and its performance would certainly make one wonder what industry they were talking about. We noticed their charts over here and we were shocked to find that there was not one single chart or one single table which demonstrated the progress that this industry has made. Every chart had to do with imports.

We have admitted, and I don't think it is any matter of means a fatal admission, that imports have increased. The key question though for this committee is, has the increase in imports been met by an increase in domestic production; what has been the impact of those imports on the domestic industry?

Now, every single bit of economic evidence which is available indicates that not only has the domestic industry met the competition from imports but it has prospered fantastically.