That is a growth of almost 200,000 workers in the apparel sector.

In the textile mill products industry it grew from 893,000 in 1961 to 971,000 in April of 1968. This is a growth of some 80,000 or so workers.

Even in those particular product areas where domestic production has declined the Commission concluded:

> For the most part, the failure of output for such products to expand appears attributable chiefly to changes either in fashion or style, to technology, or both. In relatively few instances do imports appear to have been a major factor.

We commend the entire Commission report to the committee. For the convenience of the committee, we have reprinted the principal conclusions of the Commission, pages 4–14 of the report, and we ask that this be inserted into the record at the conclusion of our testimony.

Mr. BURKE. Without objection it is so ordered. (See p. 2433.)

Mr. DANIELS. I think this is important to get some historical perspective and put some of these allegations to the test of analysis.

The textile industry emerged from World War II with vastly expanded capacity. This was further exaggerated by the destruction of overseas textile and apparel industries and by the explosion of pent-up consumer demand in the immediate postwar period. Requirements for the Korean war perpetuated the abnormal expansion of the industry. Following the Korean war, however, there ensued a period of basic adjustment in the industry. This was aggravated by the sluggish performance of the domestic economy throughout the middle and late 1950's.

This period saw the first phase of the domestic textile revolution, a phase which might be termed the structural revolution. It was characterized by the liquidation of smaller, inefficient, and obsolete units of production, a period of extensive merger and acquisition and the flight from New England to the south to escape the labor unions and higher land, power, and other costs. It witnessed the shift of the textile industry from small family managed enterprises engaged in single product lines and marketing through a cumbersome chain of converters, wholesalers and other intermediaries to large, vertically integrated units, professionally managed, well-financed, with diversified product lines and an emphasis on marketing.

During the 1960's and up to the present time the industry has experienced the second phase of the revolution involving significant changes in marketing and management techniques, greater investment of capital, research and development of new products, more efficient production methods, and greater promotional and marketing activities. These qualitative changes, following the structural changes which commenced in the 1950's, have resulted in a strong, dynamic, and progressive industry with excellent prospects for the future and well able to compete with import competition.

A marked and accelerated pattern of growth was demonstrated by both the textile and apparel industries commencing in 1961 and continuing uninterrupted through 1966. The industry in 1966, although rapidly adding capacity, was operating at 98 percent of capacity (well over the industry's preferred rate of 96 percent) in order to meet very high levels of consumer demand as well as the added requirements for the Vietnam war. The credit squeeze and the resulting downturn in

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