the economy generally in 1967 reversed the trend and for the first time in 6 years indicators for the economy as a whole and for the textile and apparel industries, either showed stagnation or a downward movement. Commencing with the middle part of 1967, however, the industries involved reversed this movement and today have recovered, and in most instances, measured by most indicators, have surpassed previous peaks in 1966. These industries are now producing at peak and record levels.

During this period, as we have said, imports also grew. However, by and large this growth was commensurate with the growth in the domestic industries and reflected the increased demand for textile and apparel products. Imports reached a height in 1966, in order to supply the high demand of that year, but fell off sharply in 1967 with declines greater than those for shipments of the domestic industries.

Along with the recovery in the domestic industries in the last part of 1967 and first months of 1968 imports have also resumed their growth but this has been a growth comparable to that of the domestic industries and on an overall basis at a rate lower than that for the domestic industries.

I have attached to my statement a number of tables and graphs. I don't think that any point would be served by reading the tables or discussing them at any length. They do indicate, Mr. Landrum, a fantastic pattern of growth in this industry, a temporary setback as the economy itself was set back in 1967, and a resumption of that growth at record levels.

I said in the beginning of my statement that I felt that it was important that one talk not only about the growth of imports but the growth in domestic production to put these two movements in perspective and relate them to each other, and I invite your attention to the very last page where we have a graph setting forth the growth of domestic production as measured by mill consumption and imports.

I think any examination of that table will indicate that the representations made to this committee this morning concerning the imports will not stand the light of day.

We in the balance of our statement talk about some of the problems that have been raised before this committee, some of the arguments concerning employment, some of the arguments concerning the balance of payments, some of the arguments regarding overseas investments, nontariff barriers on the part of other countries.

We haven't tried to dodge any issue. We have not tried to dodge the hard issues and I suggest in view of the lateness of the hour that I skip this portion of my testimony and invite any questions which you might have.

(Mr. Daniels' prepared statement follows:)

STATEMENT OF MICHAEL P. DANIELS, COUNSEL, TEXTILE AND APPAREL GROUP, AMERICAN IMPORTERS ASSOCIATION

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.