(The Commission report referred to follows:)

UNITED STATES TARIFF COMMISSION

Textiles and Apparel

(Report to the President on Investigation No. 332–55 Under Section 332 of the Tariff Act of 1930)

TEXTILES AND TEXTILE PRODUCTS—AN OVERALL VIEW

Particularly since the early 1950's, the various producing industries discussed herein have been subject to rapid and profound changes—of both foreign and domestic origin. In the industrialized countries of the world, the production of textiles, while expanding, has shifted in emphasis from natural fibers to a complex of fibers involving cellulosic and noncellulosic manmade materials as well as cotton and wool. Indeed, for such countries, there was a singular similarity of trend, with production and consumption of manmade fibers accelerating (both in absolute and relative amounts), the consumption of cotton remaining fairly stable, and that of wool tending to decline, if not in absolute amounts, at least relatively.

Concurrently, increasing numbers of countries have achieved independence and, in endeavoring to attain a measure of economic growth, many of these have turned to the production and exportation of textiles. To a significant extent, the textile industries in these newly developing countries were based upon cotton, and in some areas were supported by U.S. aid programs.[1] In more recent years some of these have also turned increasingly to the production of textiles from manmade fibers and blends thereof.

This increase in the world output of textiles and change in fiber composition affected U.S. exports. With the emergence of manmade fibers in the industrialized countries, and of many new producers of raw cotton and of cotton textiles in lesser developed countries, U.S. exports of raw cotton declined. Noteworthy, for example, was the decrease in shipments of raw cotton to the European Economic Community, where expanded output of manmade fibers, coupled with the increased production of cotton in associated countries, reduced the requirements of the Community for imports. Of no less significance was the increased competition in world textile markets, as a result of which United States exports showed little growth whereas imports increased rapidly.

Within the U.S. textile industries, changes of great magnitude were also taking place. From 1961 to 1966, the annual U.S. mill consumption of all textile fibers expanded rapidly, rising from about 6.6 billion pounds to about 9.0 billion.[2] This annual growth rate, amounting to about 6.5 percent, was several times higher than in the previous decade. Virtually all of this increase was attributable to manmade fibers, the aggregate consumption of which increased by 1.9 billion pounds from 1961 to 1966. Whereas manmade fibers accounted for about 31 percent of the total U.S. mill consumption in 1961, this proportion rose to about 45 percent by 1966. The share for cotton declined from 62 percent to 51 percent in the same period, and that for wool from 6 percent to about 4 percent.

This dramatic shift in the fiber composition of consumption also had a pronounced effect upon the technology and the traditional structure and organization of the producing industries. With the emergence of large chemical concerns as important producers of textile fibers, sizable and increasing amounts of capital were invested in the development of new products, new processing technology, and market promotion, while the use of manmade fibers often resulted in the simplification, or even elimination, of some processing operations. Modern manage-

[1] U.S. aid programs identifiable with textile mills totaled $16.7 million in the fiscal years 1955–59, $13.4 million in 1960–63, and $7.5 million in 1964–67, or an aggregate of about $38 million from 1955 to 1967. Of the total amount, Near East and South Asian countries (chiefly India and Iran) received $13 million; East Asia (Indonesia and Korea) $13 million, and Africa (virtually all in Sudan) $10 million. During the fiscal years 1960–67, program assistance for textile machinery totaled $44 million, compared with commercial exports of such machinery valued at $941 million in the same period.

[2] It should be noted that a comparison of 1961 with 1966 results in some upward bias in growth rates because of the low level of economic activity in the early 1960's and the impetus that has been given the economy by the hostilities in Viet-Nam. Nonetheless, the recent growth in the production of textiles kept pace with that of nondurable goods manufacturing in general, and the expansion during the intervening years 1962 to 1965 was of high magnitude relative to that of the 1950's.