competitive with yarn or fabric manufactured by domestic mills for sale to others. To the extent that such imports displace the domestic output of yarn or fabric, they obviously affect the domestic production of raw textile fibers.

The relationship between domestic output and imports is in fact considerably more complex than is indicated by this illustration. Some of the products of the types imported are not produced in great quantity in the United States for a variety of reasons. Many of the imported products are directly competitive, but the impact of imports varies according to whether the domestic output is mainly captive of a large, prosperous, integrated, multiproduct mill or is produced chiefly by a small independent mill which derives its income principally from the sale of fabric to others.

The competitive impact also varies over time. In periods of relatively full employment of domestic textile resources, the imports of such materials frequently are complementary rather than supplementary to domestic production. In periods of slack demand, the imports may have a more pronounced economic effect than when business activity is at a high level, even though the imports be of a lower relative magnitude.

With regard to apparel, the increasing level of imports in recent years reflects in great part the active efforts of both retail and wholesale institutions in the United States to broaden the variety of their product lines and the price ranges at which they are sold. A large but unknown portion of this merchandise is comparable to the domestic product both in terms of price and quality. A substantial proportion of the total volume and value of the imported merchandise appears to be made up of products which are of low price and are marketed principally in retail outlets which promote and sell these products mainly on the basis of price; such products appear to be sold principally to lower income groups or to others for whom cost is a major consideration.[4] On the other hand, still other products are characteristically of high price and style, for which demand and the domestic output may be limited. Thus, the effects of the imports of apparel, like imports of fabrics, vary greatly. Imported cotton shirts selling for low prices may have a considerable impact upon a small concern whose output is limited to shirts of the same price range, but have little or no effect upon that of a large, multiproduct producer whose shirts sell at substantially higher prices. The quantitative data respecting either the trend of imports or the relationship between imports and consumption overall fail to indicate the actual effects such imports have either on profits or on employment for particular producers.

As noted above, there has been a general increase in the level of imports. The percentage of U.S. consumption represented by such imports varies. Based on quantitative data, the report shows that in the aggregate, the annual imports of yarns of the three major fibers (cotton, wool, and manmade fibers) rose from about 25 million pounds in 1961 to about 121 million pounds in 1966. They were consistently less than 1 percent of apparent consumption in each of the years 1961–65, and were 1.4 percent of consumption in 1966. U.S. imports of broadwoven fabrics rose from 356 million square yards in 1961 to 1.0 billion in 1966. In that period, the annual ratio of imports to consumption rose from about 2.7 percent to about 6.5 percent.[5] In terms of their raw fiber equivalents or content, the annual imports of wearing apparel increased from 79 million pounds to 186 million over the 1961–65 period, and increased further to 194 million pounds in 1966. The annual ratio of imports to consumption increased from 2.7 percent to 5.1 percent from 1961 to 1965. The comparable ratio for 1966 is not available.

By quantity, about two-thirds of the actual increase in imports from 1961 to 1966 was composed of products (such as yarns and fabrics) for which further processing was required in the United States. Most of the remainder consisted of apparel products. Although the volume of imports in each of these broad categories was substantially larger in 1966 than in 1961, the actual increase in the volume of domestic production was of substantially greater magnitude over the same period.

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[4] Commissioner Clubb observes that the Commission has not assembled evidence which supports the proposition that low price goods are sold to low income groups, but general experience would indicate that this is probably true. To the extent that it is true, of course, any import restriction which increased the price of such goods would operate as a tax on these low income consumers.

[5] As indicated in table 20, the import-consumption ratio for cotton fabric rose from 2.9 percent in 1961 to 7.4 percent in 1966, and that for fabrics made from manmade fibers from 1.3 percent to 4.5 percent. The comparable ratio for wool fabrics rose from 8.8 percent in 1961 to 17.1 percent in 1965 and was 14.4 percent in 1966. A large part of the increased imports of wool fabric over the 1961–66 period consisted of so-called Prato cloth from Italy. Imports of this fabric may be expected to decline if certain tariff classification changes under consideration by the Congress are enacted.

95-159 O—68—pt. 6——9