With the leveling in the domestic economy in the first half of 1967, the total value of imports declined.[6] An upturn in the economy in 1968 would doubtless have the effect of stimulating a further expansion in imports, particularly of mill and apparel products, including those made from manmade fibers and blends thereof, for which the demand is expanding most rapidly. Data respecting the supply elasticities of existing or potential foreign suppliers of textiles are, however, limited.

With respect to longer-term prospects, the President's National Advisory Commission on Food and Fiber estimated recently that the total domestic consumption of all fibers will reach about 10.0 billion pounds in 1970, compared with 8.7 in 1967. The forecast for manmade fibers is 4.5 billion pounds, compared with 3.9 billion in 1967.[7 8 9]

---

[6] In January–September 1967, the annual rate of the total foreign value of textile imports, including fibers, was 9 percent lower than in 1966. The value of imports of textile mill products was 10 percent lower; the annual rate for clothing was 8 percent higher.

[7] *Cotton and Other Fiber Problems and Policies in the United States*, National Advisory Commission on Food and Fiber, Washington, D.C., July 1967.

[8] Commissioner Culliton wishes to make the following statement:

"I disassociate myself from the foregoing material on pages 4–13. I do this not because I object strongly to specific observations but because I disagree with certain explicit and implied relationships and the relative emphasis on various factors.

"In my opinion the Commission's collection, selection, and organization of available data, as presented in Volume II and the analysis in Volume I, treat with facts and significant relationships. I prefer to have the Commission's investigation, which was done under extreme time pressures, rest on such factual and analytical work alone without the addition of this particular statement."

[9] Statement by Commissioner Clubb follows:

"During the course of the Commission's investigation a number of important factors were developed which I believe should be stated clearly at the beginning of the Report. All of these are mentioned someplace in the 400 odd pages of the Report's two volumes, but I fear that unless they are all mentioned in one place some will be lost or diluted in the mass of other material.

"The first and most important factor is that the 'textile and apparel industries,' which are the subject of this Report, contain many diverse elements, having widely varying experiences with profits, employment, investment and imports. When all of these are lumped together into 'textile and apparel industries,' the aggregate figures undoubtedly conceal many individual cases of both hardship and success. Profits, employment and investment may be going up for the entire industry, but certain segments of the industry may be in a state of considerable distress; imports may not be accounting for a significant part of the total market, but they may be almost completely displacing domestic production in isolated areas.

"The Commission investigation was addressed only to the industry-wide questions, and therefore the principal limitation of the report is that it provides information which is primarily useful in determining whether or not industry-wide problems exist. No attempt has been made to identify individual areas of difficulty which might justify separate treatment.

"With this qualification in mind, the following statements appear to be true of the 'textile and apparel industries:'

"1. *Producers:* Profits, which are lower than the average for manufacturing industries, have been rising in recent years at a faster rate than for the average manufacturing industry; sales and investment are also rising, and the short-term prognosis is quite favorable.

"2. *Employees:* Employment has been relatively stable in the face of continuing automation; take home pay, hourly pay, and overtime have all increased in recent years. Indeed there is some evidence that in certain worker categories labor shortages exist.

"3. *Industry Structure:* There appear to be two developments taking place which are changing the structure of the textile industry. First, the marked and continuing shift to the use of manmade fibers has caused the portions of the industries associated with such fibers, notably chemical concerns, to assume a greater role within the industry. Second, there appears to be a trend toward greater concentration in the textile industry, with some of the larger firms becoming still larger, and some of the smaller firms going out of business.

"4. *Imports:* Imports are rising at a faster rate than the sales of domestic producers. Nonetheless, overall imports of textile and apparel merchandise remain below 6% of total U.S. consumption of these articles. It should be noted, however, that in some categories, imports account for a substantially higher proportion of U.S. consumption.

"5. *U.S. Consumers:* It appears that a substantial portion of the total apparel imports are in the form of low price merchandise. There is some indication that such items are purchased largely by low income groups, although this cannot be said with complete certainty. (See note on page 10.) To the extent that such imports are purchased by low income consumers, however, it is perhaps relevant to note that any import restrictions on them raise the price of such purchases, and would in effect operate as a tax on these low income consumers.

"Finally, it may be relevant to note that the fiber producers, textile manufacturers, and apparel producers are related in such a way that Government programs designed to assist one group may have adverse effects upon others. For example, programs of assistance to cotton and wool producers may raise the raw material costs of the textile mills and make the mills less able to compete with foreign mills which have lower raw material costs."