Little prospect of any future alleviation of this deteriorating position, both in the domestic and world textile markets, appears to exist without some measure of positive governmental assistance.

In order properly to outline the nature of the governmental assistance necessary to rectify this problem, I take a moment to discuss briefly the impact of cotton textile import restraints on our foreign trade in manmade fiber textiles for the purpose of illustrating the necessity for an all-fiber system of import regulation.

As we all know, the United States presently participates in an international program under the auspices of GATT for the regulation of the rate of growth of imports of cotton textile products in such a manner as to avoid market disruption both here and in other developed countries. Experience during the past 6 years under this program has now taught us that the regulation of imports of textiles of one fiber cannot, and will not, preserve the economic health of the domestic textile industry. Import regulation on an all-fiber basis is required.

The implementation of the international cotton textile arrangements has been accompanied by a strong shift from cotton textile imports to manmade fiber textile imports. Textile imports, when measured from 1962 as a base—the first full year under the international cotton textile arrangements—show an increase in imports of cotton textiles of 42 percent; whereas during the same period, manmade fiber textiles increased by 183 percent. Undoubtedly, once the LTA took hold in 1963 and 1964, the rising thrust of imports shifted to manmade fiber textiles primarily in the secondary products area, which increased almost 350 percent during the past five years (appendix table 11).

The world, both developed and developing nations, has a rapidly rising capability to produce manmade fiber textiles. This capability is now being used increasingly to produce goods for export to the United States. The operation of the LTA has stimulated a shift from cotton to manmade fiber textiles in exports to the United States. This shift emphasizes the necessity for dealing with the interdependent multifiber textile import problem on an all-fiber, rather than merely on a single-fiber, basis.

The use by other developed nations of quotas, border taxes, or other measures to control imports of manmade fiber textile articles effectively precludes U.S. participation in the growth of the world textile market. With the combination of manmade fiber producers in Japan and Europe into production, marketing, and export cartels, there is an ever-increasing threat of economic injury to the U.S. manmade fiber producing sector of the textile industry. The research and development and capital investment programs of the manmade fiber industry are a major factor in the expansion of consumer demand for textiles and the strengthening of economic activity in the United States textile industry (appendix table 21). It is this vital force which is being imperiled by the market disruptive effects of the excessive volume and rate of increase of imports of manmade fiber textile articles.

RECOMMENDATIONS

We therefore recommend:

1. That in light of the following principles, this committee consider and adopt a means for the regulation of textile imports on all-fiber basis in a manner similar to that embodied in pending legislation (such