

situation which has developed into a permanent long-term textile arrangement.

Already half of the imports into the United States or approximately that, from Japan are under the Long-Term Arrangement or the bilateral. This leaves wool and man-mades. We have already indicated that the man-made sector in this country of all sectors isn't entitled to this kind of protective sanctuary, if you will, from import competition and as far as the present bills which are before this committee are concerned we think that they will invite retaliation because, well, let me put it this way, and I want to be very frank with you gentlemen because I think this kind of decision on the part of this important committee is most vital to the future of the United States.

In this legislation is written a proviso that the President can negotiate bilateral arrangements but it must be done within a certain period. Is this true negotiation? This is like putting a pistol to the head of the man and saying, "If you do not capitulate to our terms there are even more serious consequences."

And what are some of these more serious consequences?

These figures may not be exact, Mr. Chairman. We did a rough estimate of what would happen to manmade fiber imports in the United States, for example, if we use that 6-year average period from 1961 to 1966 that is a part of the major textile import quota bills pending before this committee and again because manmade fiber textiles are somewhat relatively new in the market and since they weren't such a factor in 1961 to 1966 period let's see what happens and then I wonder if you, representing another country, for example, will say that these reductions are not so large that you would have to consider some kind of compensation or retaliation.

In manmade fiber imports there would be about a 26 percent reduction, with Japan losing about 6 million pounds. In manmade fiber yarns there would be about a 63 percent loss in imports with Japan losing more than 2 million pounds. In manmade fiber fabrics there would be a 33 percent decrease in imports from all sources with Japan losing about 51 million pounds and on manmade fiber textiles of made-up goods there would be a reduction of about 48 percent on all imports from all countries.

On manmade fiber knitted goods there would be a cut of some 48 percent and on manmade fiber wearing apparels the reduction would amount to about 68 percent and on manmade floor coverings the drop would be in the range of about 66 percent.

We have taken some individual products from Japan. For example, in manmade dress shirts, nonknit, the imports would be reduced by about 87 percent and Japan's reduction would be 83 percent. I have given you a tabulation of these which I won't go into further but I do think, again admitting that there may be some error in this calculation, that the committee should give careful thought to just how these particular averages work out because unless we are very, very careful we may find in the long run that we have created a difficult situation which was never anticipated.

For example, why should textiles that are not manufactured in the United States be placed under quota? Like a Japanese kimono, or yukata cloth. Why should certain items that are brought in, like permanent press, to fill a demand that couldn't be satisfied by the American mills be placed under a quota?