Injurious to Textile Industry

If the textile operation would carefully review its current situation and long-range aspirations with the vision and statesmanship that the nation and the industry deserve, its leaders would find that import quotas would be injurious to the industry itself.

Because import quotas arbitrarily establish guaranteed annual markets for the many products of the textile complex, there will be a tendency for many elements to become complacent and comfortable about their privileged status. Without doubt, such attitude will only encourage the more rapid encroachment of such textile substitutes as plastics, paper, glass, metal, wood, and other materials.

The marginal and inefficient individual producers and sectors of the vast operation will be encouraged to remain in business, rather than being forced to shift into more competitive activities. As the total industry will be as strong as its most inefficient part, the fabric of the complex will be weakened and subject to continued stress and strain.

Already behind most other industries in its competitive productivity, and spending less on research and development than most of the major textile manufacturing countries and 16 of 17 United States industries, the textile combine will tend to fall further and further behind because the challenge of imports will not be ever-present.

According to the Department of Labor, for example, there is a 46% gap between the average and the model plant for a print-cloth mill in 1966. And, the Organization for Economic (OECD) discovered that the United States textile industry as a whole spends far less (0.2%) for Research and Development (R and D) expenditures than the United Kingdom (0.8%), Canada (1.6%), Sweden (2.4%), and Japan (4.1%). Also, it was found that only the lumber and furniture industry spends less than textiles in this country for R and D. What makes this sum even more incredible is that man-made fiber producers are responsible for about 75% of all R and D funds expended by the total American textile industry.

If this industry is so lacking in efficiency and in engaging in R and D without the built-in sanctuary of import quotas, except for cotton textiles, imagine what this mammoth complex would do without the competition of such imports as there are.

Then again, in times of acute and huge shortages caused by new developments, such as permanent press; unexpected demand, such as that caused by the Vietnam War; and novel fashion trends, such as the Nehru jacket; quota ceilings will not permit full exploitation of these special situations by calling on foreign sources.

Already ill equipped to compete for export markets because of its satisfied domination of the domestic scene and lack of competitive urge to seek out and develop foreign outlets, behind the protective walls of import quotas, there will be even less incentive to sell overseas.

And, as Congress provides more and more in the way of such special privileges as import quotas, the government—as the public defender—will have to insist upon more and more supervision and control of all the operations of this nation-wide enterprise. Then again, as import quotas proliferate, the government will have to dictate more and more the policies and practices of every individual company within the industry.

As regimentation sets in, the competitiveness of the massive complex becomes less and less. So the government will have to provide more and more in the way of subsidies and special assistance.

TEXTILE IMPORT QUOTAS UNJUSTIFIABLE

Textile industry arguments

Even though the massive and privileged American textile complex today enjoys a most favored government status that few other industries—if any—enjoy, its leaders argue its pleas for the most extraordinary protective sanctuary of all—an all-inclusive, all fiber, all stages of manufacture, all categories, all countries import quota—generally for the following reasons:

1. Imports are increasing rapidly.
2. Exports are decreasing.
3. While profits, production, etc., have shown an upward trend, textiles still lag behind other manufacturing industries in its prosperity, growth rate, etc.
4. Because textiles are a relatively labor-intense enterprise in an advanced industrial country, it requires continued and expanded government favoritism.