

Since the government already has determined the labor-intensity of the various major segments of the textile industry, this may well be the clue to those sectors of the complex that, economically speaking, are least adapted to competition with imports.

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What has and is happening to some individual companies in the United States is also what has and is happening in Japan, among other nations, with other countries in the Far East and elsewhere with cheaper production costs and lower wage scales displacing certain elements of their textile industry. To meet this and other economic challenges, and to better export, Japan has instituted a mammoth "scrap and build" program which, according to the *Textile World* for March 1968, promises to eliminate the marginal mills with inadequate and uncompetitive equipment. As *Textile World* observes, "structural reform may prove painful to some firms in Japan. The goals are ambitious, but they are also costly. Still, most Japanese textile men feel that they are necessary, and most industry leaders applaud the plan."

In any event, our position is that American working men and women should not be subjected to exploitation in any uneconomic sector or uncompetitive plant because of government protectionism and subsidy that encourages such enterprises to continue in business.

The surgery recommended may seem harsh initially, but, before the economic and competitive sectors of the American textile industry become infected by the cancer of inefficiency and protectionism, this sometimes difficult operation should be carried out.

Great and many technological and market developments have affected the textile industry in recent years.

Technological and market changes

Without doubt the most widespread, aside from the tremendous encroachment of such textile substitutes as paper, plastic, glass, metal, wood, etc., has been those associated with manmade fibers.

In a previous section, we charted the growth of manmade fiber textiles in comparison with the consumption of cotton and wool fibers. The *Textile World* now estimates that manmade fibers comprise about 50% of all American production of textiles.

Due to the aggressive development and promotion of manmade fibers, especially in relation with other segments of the textile industry, this sector is now the most competitive and economic within the giant textile complex both as to domestic uses and as to exports.

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As of January 1968, we understand that establishments producing manmade fibers employed about four percent of the textile work force, yet accounted for about seven percent of the value of sales within the complex and almost ten percent of the "value added by manufacture". Expenditures for new plant and equipment amounted to about 30% of that expended by the entire textile industry, while the amount spent for research and development was about 76% of the total spent by the whole textile enterprise. The wages paid to its workers were higher on the average than that paid the average textile employee and even higher than that for the average nondurable goods industries, except ordnance and accessories, metals, nonelectrical machinery, and transportation equipment.

February 1968's *Monthly Labor Review* concluded that, "Manmade fiber (cellulosic and noncellulosic) is, perhaps, the most important and far-reaching technological factor to have affected the textile industry. The particularly rapid growth of noncellulosics (nylon, polyester, acrylic, spandex, olefin, and other fibers) reflects the chemical industry's outlays for R and D, and for promotion, and the advantages to some processors of lower unit labor requirements, relatively stable prices, and less waste . . . Despite considerable research in and promotion of natural fibers, manmade fibers may nevertheless account for as much as 65 percent of all fibers consumed by 1975, with major growth in noncellulosics."

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The mid-January 1968 Tariff Commission report reached the same general conclusion.

"Within the U.S. textile industries, changes of great magnitude were taking place. From 1961 to 1966, the annual U.S. mill consumption of all textile fibers