

Japan, much depending on the status of United States production and demand at the moment.

On the other hand, after years of costly trial and error, he has developed a specialty in importing certain types of wearing apparel and household wares for price lines formerly serviced by American industry. Domestic companies deliberately dropped these lines in favor of more profitable items, even though certain consumer demand continued for this price merchandise. So this importer brings in the less expensive clothing and household goods that are so essential to the poor and the poverty stricken, and which are largely ignored by domestic producers. He explained that for people who need transportation and cannot afford Cadillacs, Fords are part of the answer. He explained further that many people cannot afford "to eat cake, so I provide them with bread".

The harsh economics of international trade restricts substantial Japanese textile exports largely to two major categories of textile goods—labor-intense items and occasionally exported products to fill unexpected shortages in supply, such as those created by new innovations, as was the situation involving permanent press fabrics in 1966.

These same competitive factors practically foreclose the American market to significant Japanese textile exports in mass production merchandise in which United States efficiency and techniques are unsurpassed, in certain specialized constructions that cannot be either duplicated in Japan or only at rather prohibitive costs, and most items in which fashion is the dictating factor.

Unique contributions of Japanese imports

Rather than reciting statistics on individual imports, which are more readily available to members of this Committee than they are to us, may we make some general observations regarding Japanese textiles that may help to summarize our belief that an American policy of freer, nondiscriminatory trade in textiles will be in the national interest of the United States.

The Japanese textile industry has a longer record of cooperative relationship with the United States than any other Japanese, or probably Asian, industry, for Japan began to purchase American raw cotton in the post-Civil War period a hundred years ago.

The Japanese textile industry has never attempted to "destroy" or cripple the market for American textiles. As a matter of record, more than ten years ago when the United States textile complex was suffering in a depression, it was the Japanese who "voluntarily" surrendered part of her import share by imposing export controls in the hope that the American combine might be able to become more competitive and economic through modernization and innovation.

More than 50% of Japan's annual total textile exports to this country are severely and completely limited by the Bilateral Cotton Agreement. Most of the remaining half is subject to the direct and indirect controls of the competitive economic marketplace.

Japan cannot compete in the area of industrial textiles, for American mass production makes these textiles immediately available for industrial usage at prices Japan cannot match.

Certain Japanese imports do not have direct American counterparts. Some of these are purely Japanese goods, such as yukata cloth, kimono, etc. Others simply are not produced in the United States for one reason or another, such as shell sweaters, lightweight habutate silk, and certain rayon filament fabric.

Certain Japanese goods cater to different trades or markets than their United States duplicates, such as table damask. The Japanese import is for gift purposes and the American for institutional uses. Lightweight Japanese hand-printed, multi-colored fabrics are not copies in the United States, though some imported dyed fabrics are used for linings, while the American counterpart is used for dresses.

Certain Japanese apparel and household wares are brought in to replace price and merchandise lines that were voluntarily dropped by United States producers in their bid to upgrade new lines for bigger profits.

Certain Japanese goods have developed their own new markets in the United States, into which American producers have subsequently moved, such as lightweight wool gloves, tubular rugs, tabi slippers, judogi sports jackets, kendo pajama sets, etc.

Certain Japanese items are imported by American companies, often through unidentified third parties, to fill shortages in supply, such as certain gingham and more recently polyester-cotton, for the durable press sensation fad only a