

ports that Mohasco wanted, though it argued for such relief at three different Tariff Commission hearings, but rather other opportunities to engage in more economic and profitable operations.

With this recent example in mind, we urge that if these import quota bills are to be enacted in spite of Administration and economic warnings, the least that should be done to assure the government and the people that the textile industry in good faith will attempt to become more efficient and competitive, government inspection of books, facilities, management, and operation should be directed to insure that certain few sectors of the textile complex will not take advantage of the special sanctuary to continue in business without attempting to modernize and rationalize their enterprises and operations.

If the American people are to be deprived of the benefits of freer, nondiscriminatory textile trade, then it seems only reasonable and logical that the beneficiaries of public largess be required to demonstrate continually that they are not violating the confidence and subsidy of import quota protection.

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Of course, we do not believe that textile import quotas are warranted by any of the economic facts, especially since there are adequate provisions to help "industries", companies, and workers who need such aid in existing and proposed legislation.

For "industries", the escape clause, the countervailing duties, the anti-dumping, and similar statutes remain on the books to provide required import relief when such remedies are needed.

And, the Administration's trade bill liberalizes the adjustment assistance procedures to enable firms and workers adversely affected by increased imports to receive certain allowances to "help" in their adjustment needs.

Thus, since there is no legitimate economic justification for the imposition of textile import quotas, and since such imposition would not only reverse historic American trade policy but also invite drastic retaliation from other countries that will more than offset any temporary gains that might accrue to the United States textile industry, we urge that this Committee and the Congress act favorably on the Administration's trade measure, and reject—now and for the future—all arbitrary and comprehensive textile import quota legislation.

Mr. BURKE. Thank you very much. Are there any questions?

Mr. LANDRUM. Mr. Masaoka, it occurs to me that your statement fails to take into account—whether intentionally or unintentionally I will not say—the real problem with which this Congress is concerned. We are not unmindful of the value of our exports to Japan. We recognize that it is a valuable source of income to our trade picture.

I believe that all Americans appreciate that fact. We are not unmindful, moreover, of the cold, hard fact that in order for us to have and enjoy that trade relationship there must be some exchange, some reciprocity, but as I listened to your statement it occurs to me that you are completely overlooking the fact that what we are concerned about here is the increase in imports relative to production and consumption.

I see no place in your statement where you take that into account. It is this relative position of the output of the industry to the consumption that Congress is concerned about.

What we are concerned about is where or when do these import ratios reach an unacceptable level. I don't feel that our effort here is as you suggest or as you state, with an import quota bill to put a gun to anybody's head, and certainly it is not putting a gun to anybody's head any more than you have suggested that Japan is putting a gun to our head if we don't keep this market open to her and let her have whatever amount of it she wants.

We are perfectly agreeable to have a fair exchange of trade in textiles and other products because, as I said in my opening remark, we recognize the value to this Nation. But we don't accept the fact that we have to turn over completely any segment of our economy and throw