which accounts, incidentally, as you well know, for a very high percentage of the imports into this country.

Now, the problem is a very simple one: the entire apparel industry has the highest labor component in its product of any industry in this country. Therefore, labor costs, direct and indirect, is the key issue. I am not going to bore you with statistics but ask you to take a look at this chart for one second which documents very specifically direct labor only in the United States of $2.01 an hour average, the source being the U.S. Department of Labor, and the four major importing countries—Japan at 35 cents, Hong Kong at 20 cents, Taiwan at 13 cents, and Korea at 8 cents.

Gentlemen, when you have a variety of products that have as high a labor component in it as does our industry, the susceptibility to this kind of competition is something which is a simple arithmetic fact. The very devious kind of testimony about what is happening abroad and the cost of fringe benefits and the unproductivity of labor is pure hogwash. On the amount of the increase in labor, minimum wage, the last two increases have in themselves been more than the total direct compensation in any one of these countries, and this, of course, does not deal in fringes, but you are well aware of what is happening in this industry, what recently happened with the union settlement, the highest in history, of 57½ cents plus fringes in the clothing industry. And the example of what that is going to set for other areas of apparel is very evident and you cannot relate figures like that and you cannot relate the inflation that is taking place in the domestic economy without widening the gap even further between what the importers can bring in here and what has to be produced domestically.

I would like, if I may, to try to present this on a bit more personal basis that I think is very simple. I would like to deal with one of our divisions, our shirt division, that I think I know pretty well. I grew up in this business. My family has been in it for four generations, and they started in this country selling off a pushcart, and there is tremendous affection for the country that has provided the opportunity for our company being what it is today, and I detest the alternative which is before us today.

Let me show you why that alternative exists and is almost mandatory unless your group takes action. I would like to show you an advertisement which is not unique. It is a very typical advertisement and not a particularly cheap one, run by Alexander's, an important department store group in the New York City area, advertising four shirts for $8.97, or $2.99 apiece.

I would like to show you the shirt. The shirt is here. It has been purchased at Alexander's for $2.99, is made of 100 percent tricot. Obviously it is part of a group that has been just referred to that is completely uncontrolled by the LTA, which applies just to cottons. This shirt from Alexander's, selling price $2.99, is advertised by them as being comparable to the two major brands. That happens to be Arrow and Van Heusen, whose identical shirts sell for $6. That is a fact.

This ad is absolutely correct. The values are absolutely correct. You can't fault them one iota for this. This is a fantastic value, and there is no question about the fact that that comparable shirt is selling by domestic producers at $6.