the facts that this is happening, and beseech you for what I am afraid is really the last time to please ask your associates on this committee to address themselves to this problem on behalf of not only the apparel industry but everybody affected by it, which, of course, includes the textile industry, and I thank you very much and I and my associate will be happy to try to answer any questions you might have.

(Mr. Phillips' prepared statement and pamphlet referred to follow:)

STATEMENT OF LAWRENCE S. PHILLIPS, AMERICAN APPAREL MANUFACTURERS ASSOCIATION, INC.

Mr. Chairman and Members of the Committee, my name is Lawrence S. Phillips and I am President of Phillips-Van Heusen Corporation. I am appearing before you today on behalf of the American Apparel Manufacturers Association, headquartered in Washington, D.C. AAMA represents more annual dollar volume in the apparel industry than any other trade organization in the world. Its members employ approximately 500,000 people in 43 States and produce more than $6 billion worth of apparel (at manufacturers' prices). These products cover the entire spectrum of apparel—men's, women's and children's, knit and woven, from fashion to staple garments.

At the onset, Mr. Chairman, may I congratulate you on the leadership you have shown in initiating these hearings. Your interest in and concern with the impact of imports on American industry and employment could not be more timely as far as the American apparel industry is concerned.

The American Apparel Manufacturers Association support your bill, H.R. 11578, because we believe its enactment would result in bringing order into the present chaotic situation in international trade of apparel and textile products. We endorse this bill and believe its large-scale endorsement by many of your colleagues in the House of Representatives to be a significant indication of the interest in our growing problem on the part of the Congress.

Underlying my comments on the apparel import problem is a philosophy concerning international trade in today's world. We think that in these days of a complex international economy which is influenced by much more than economic conditions alone, it is no longer intelligent to think of completely free trade as outlined by 19th century economists. Today, the interdependence of economic and social structures, both nationally and internationally, makes it necessary to consider more than the short run price and profit results of international trade.

We must consider the social and economic health of the people affected by the policies we will discuss here today. While it is true that "freer" world trade generally brings economic good times, it is also true that economic dislocations of some magnitude introduced into one country can have remafications throughout the world and offset the benefits of increased world trade. We must balance the consequences of our actions on these two points: the benefits of greater world trade and the economic hardships wrought by this uncontrolled increase in world trade.

One of the major problems facing the domestic apparel industry today is rapidly rising imports. Ever-increasing amounts of foreign-made apparel have been reaching our shores since the mid-1950's when the war ravaged countries of Western Europe and Japan and the developing countries of Asia and Latin America began shipping apparel to us. The quantities were small at first. But as these countries developed the capacities of their apparel industries to a size far beyond their own needs, they started to ship to the largest and most affluent market in the world. We accepted these goods, but soon found that markets were being disrupted. Cotton, wool, and man-made fiber apparel imports have grown 84% between 1962 and 1967 in physical volume, and 86% in dollar volume. (See Chart 1 and Table 1.)

At first, cotton apparel and textile products were almost the only kind of imports. Because of this, our government's initial attempts to provide more orderly international apparel and textile markets were aimed at trade of cotton products. The Long Term Cotton Textile Arrangement (LTA) was initiated in 1962 and has now been signed by 30 nations. Its most unique feature is that it allows for 5% annual growth in exports so that the importing nations are, in effect, sharing their markets with the exporting nations—but on an orderly, clearly understood basis.