

applied. But even there the right is given if bilateral negotiations should fail, to resort to unilateral action within the framework of the agreement.

So far as negotiation is concerned, let me make it clear that this committee is being called upon to act with respect to H.R. 11578 only after our Government has made repeated efforts at negotiating agreements of this nature with Japan and other countries.

I was personally a member of the mission that was sent by our Government to Tokyo in 1965 to try to work out a reasonable bilateral agreement with the Japanese with respect to our imports of wool textiles, and I regret to say that negotiations were never actually begun because our Japanese friends who are ordinarily notable and conspicuous for their great courtesy rejected any possible negotiation in so summary and brusque a fashion that that conference ended before its appointed time.

So let me make it clear and let the record leave no doubt on the point that every effort was made to negotiate and to achieve a reasonable degree of mutuality. When Mr. Masaoka—I will not repeat his ugly metaphor—talks about the undesirability of coercion, it must be abundantly clear that we have reached a point where, in the face of such coercive refusals, some additional incentives are needed for negotiation. Otherwise we will continue to have none.

What, then, of our future? We submitted to the Tariff Commission a projection of knitted outerwear imports over the next few years. The Tariff Commission, which had been specifically requested by the President to develop estimates on future import trends, chose totally to ignore this aspect of the subject as well as others. The data we submitted showed that the average increase in imports of knitted outerwear from year to year over the past decade has been 29 percent per year. That is the average margin by which the total for each year rose over the total of the preceding year.

On the basis of an annual increase no greater than this, we project that total imports, which today approximate 64 million pounds per year, will by 1971, merely 4 years hence, be three times the present volume, and that imports which today represent 18 percent of consumption will then represent 30 to 40 percent of our market.

Now, it is not necessary to pretend such precision in clairvoyancy as to fix the exact proportion which our domestic production will represent to total consumption in 3 to 4 years.

We do not anticipate that an industry like ours employing nearly 100,000 men and women in knitted outerwear and knitted fabrics alone will be wholly reduced to extinction in that time.

But the residual group which can survive such a battering of low-priced competitive merchandise would bear little resemblance to what the industry has been or still is today.

The one basic reason for this unbroken upward trend of imports is the radical difference in labor costs and the determining effect of labor costs in international competition.

We in the United States have a highly protectionist policy in our labor market. For an industry as labor-intensive as textiles and apparel, it is impossible to impose protectionism in the labor market without providing some means for limiting exposure of the products of such protected labor to the onslaught of competition from low-wage