

They have discriminated against us by refusing us the same consideration.

It is significant that remedial measures taken by other Western nations to curb imports of textiles and of knitted outerwear in particular have incurred no retaliatory action whatever. These measures have been in some cases unilateral and in other cases bilateral.

Numerous of our trading partners have instituted special restraints on imports of textiles and apparel in various categories. Some have been long standing. Some have recently initiated restrictions on imports of knitted outerwear in particular. The United Kingdom has had quotas for several years; so too Italy, France and others.

Within the past year Sweden found it necessary to inaugurate special restrictions on imports of knitted outerwear. Canada has done the same. West Germany, we understand, has negotiated a bilateral agreement with Hong Kong, restraining imports of knitwear, though the actual terms of that agreement are classified and are not available. So, too, have other nations protected their domestic industries from the swelling tide of knitwear shipments from the Orient; and only within the last few months Australia has granted relief by similar measures to its knitted outerwear industry on the basis, mark you, not that the domestic industry had yet been injured, but that it ought not to be placed in jeopardy and exposed to future injury that will follow from a continuation of present trends. How much more serious is our case.

Yet these nations that have imposed these restraints are no less committed to GATT, no less dependent upon foreign trade, and no less devoted to trade liberalization than we are. But the effect of the multitude of restraints used by other countries to curb imports of textiles and apparel from the Orient and other low wage areas, the effect has been to aggravate our import problem by funneling and sluicing into our markets the excessive quantities that are barred elsewhere.

We have a justifiable grievance under GATT. We have never properly acted upon it. We do not complain that others have taken reasonable steps to shield their own industries from disruption but that we have been denied the same reasonable consideration.

As for knitwear, exporting countries that have been enjoying free access to our market have each been victimized in turn by still lower wages and lower priced knitwear of lower wage areas.

Great Britain, Italy, Japan and then Hong Kong succeeded one another in first place among exporters of wool knitted outerwear to the United States and today Hong Kong's position is being challenged by still lower wages of South Korea and Taiwan.

Each in turn has been led down the primrose path of a promise of a market here only to invest capital and training of help and to be undermined in turn, as we were originally, by lower wage imports from other countries.

International competition in the United States knitwear market is a price war with rewards to the lowest wage country. If there should be any doubt on this point, it will be dispelled by the statement I would like to bring to your committee's attention.

It was issued by a mill in South Korea producing competitive knitted outerwear for the U.S. market and it was designed to attract business from American retailers.