

The apparel industry plays a unique role in the American economy as a major source of employment of women workers in widely scattered localities throughout the nation. At the same time, it is an indigenous industry that supplies essential commodities to the American public. It is the industry that has demonstrated to the world that ready-to-wear garments can be produced at low competitive prices and, at the same time, meet the highest standards of fashion. It is highly competitive, with narrow margins of profit on its sales dollar. Despite the presence of some larger garment companies, the industry continues to be a mainstay for the small entrepreneur. It is one of the very few industries in the United States in which the intensity of internal competition is sufficiently strong to eliminate the need for imports as a discipline to assure best values to the consumer.

As a result of the peculiar characteristics of the apparel industry, it is urgent, in the national interest, that it be safeguarded against the impact of cut-throat foreign competition, much of which originates in the lowest wage areas of the world, and against the destructive consequences that would follow as some irresponsible domestic firms yield to the temptation to produce garments abroad for export to the United States. A detailed discussion of the economics of the apparel industry and the many problems it faces in the domestic market, including those caused by the recent avalanche of imports, are presented in Exhibit 1: "Domestic Apparel Industry: Economic Background and the Impact of Imports", attached herewith as an integral part of our presentation. In view of the high degree of import penetration, which approximated 16 percent of domestic production in 1967 (and which continues to grow even higher) as compared with only four percent a decade earlier, prompt action by the United States is essential to prevent market disruption and insure orderly trade. Unless the executive branch of our government can negotiate satisfactory international arrangements—with or without the assistance of a congressional mandate—to regulate all trade in apparel and textile products, irrespective of the fiber from which they are made, there is no alternative to legislation by the Congress to safeguard the industry and the jobs of workers employed by it.

It is most unfortunate that the Tariff Commission, in its two volume report on apparel and textile industries prepared at the request of the President and the Chairman of the Ways and Means Committee of the House of Representatives, missed the opportunity to explore in depth the special problems and character of the apparel industry. It is the considered judgement of the ILGWU and the ACWA that the Commission's report failed to present a comprehensive unbiased picture of existing conditions and prospective developments in the apparel industry, as can be seen from Exhibit 2: "A Brief Appraisal of the Tariff Commission Report on Textiles and Apparel", attached herewith as an integral part of our presentation.

The concern of the ILGWU and ACWA and their respective membership is expressed in the resolutions introduced and adopted at their recent conventions and attached herewith as an integral part of our presentation as Exhibits 3 and 4.

The two organizations urge your committee to take account of the special nature of problems facing the apparel and textile industries in the United States and to act promptly to safeguard them from future erosion. A vast number of manufacturing jobs are at stake, jobs that are vital to the economy of the United States if it is to assure a broad spectrum of employment opportunities essential for the health of our complex industrial society. Unless there is decisive government action, the tendency of domestic firms to transfer their operations abroad will grow, adding to the already increasing stream of imports. The trend is irreversible. It can only be checked by government action to safeguard the domestic apparel and textile industries against unfair competition from substandard labor conditions in foreign countries.

MILTON FRIED,
Director of Research,
Amalgamated Clothing Workers of America, AFL-CIO.
LAZARE TEPPER,
Director of Research,
International Ladies' Garment Workers' Union, AFL-CIO.