competitive influences, and partly as a result of the growing volume of imports.

The wholesale volume of domestic production of apparel (knit and woven) has grown at a faster pace. The dollar volume advanced from $10.1 billion in 1956 to $13.9 billion in 1967 in actual prices, and from $10.1 billion to $13.0 billion in constant prices (see Annex R). Despite deflation of the dollar volume of shipments by the wholesale price index, the dollar volume figures in constant prices tend to overstate the growth in production because of the tendency of the American public, fostered by the rise in personal incomes, to switch to apparel of higher quality, and hence higher price, than they bought previously. This tendency on the part of the consumers to upgrade their purchases is widely recognized. Yet data are lacking to enable us to eliminate fully the effect of such uptrading[14/] from the statistical

14/An indication of uptrading by consumers is indicated by the data collected by the U.S. Bureau of the Census on production by price lines for a limited number of garments for women, misses and juniors. In 1956, for example, dresses wholesaling by the unit for less than $6 a piece, constituted 46.8 percent of production as compared with 39.9 percent in 1965. The corresponding figures for untrimmed coats showed a decline from 45.3 percent to 41.8 percent for untrimmed coats wholesaling under $16 per unit; a drop from 61.1 percent to 59.0 percent in the case of suits wholesaling under $16 per unit; a decline from 49.4 percent to 47.1 percent in skirts wholesaling under $39 per dozen; and a drop from 57.3 percent to 50.8 percent in the case of blouses wholesaling under $23 per dozen (U.S. Bureau of the Census, Apparel Survey, 1957 and 1965). Parenthetically it should be noted that the Federal Reserve Board index of industrial production of apparel and its several subdivisions suffers from the same weakness as the data referred to above.