

fabrics used in their manufacture.

Value of apparel produced in the United States deflated by appropriate price indexes does provide a reasonable measure of changes in real output over a period of time. Exports constitute a fraction of domestic production. Their prices are determined by the same market forces as those affecting all domestic production. A measure of the physical changes in exports of apparel can, therefore, be obtained by deflating the value of exports by similar price indexes as are used for deflating all domestic production. The two series are compatible (i.e. additive) since they measure total output and exports in comparable units. In order to develop a compatible measure of imports, it is necessary to convert their prices into prices charged for comparable goods produced in the United States. The resultant series can then be deflated by the same price indexes used to deflate domestic value of production. This would provide a series representing changes in the real volume of imports expressed in the same units as are used to measure domestic output and exports. A reasonable approximation of such measure, expressing apparel (knit and woven) imports in constant United States prices, has been developed by the ILGWU Research Department and is presented in Annex W together with data on domestic production and exports for the period between 1956 and 1967. It shows that in the eleven years, the physical volume of imports of apparel (knit and woven) rose 5.0 times (compared with a 4.6 times rise