

special incentives offered by foreign countries to their nationals as well as to those of other countries to manufacture within their boundaries solely for export purposes. Depending on the country, these incentives differ. Income and other taxes are remitted in full or in part. Custom duties may be waived on materials and machinery used for the production of goods to be exported in full or in part, or else may be payable in installments. New plant construction may be partly subsidized through lower interest loans or partly financed by governmental agencies. Working capital and material may be supplied and special credit terms arranged for the purchase of machinery and equipment. Minimum return on capital and investment may be guaranteed. Where monetary controls are in force, arrangements are made for preferential treatment in securing foreign exchange or taking profits out of the country. This is just a partial list of the various devices used in many countries. The existence of these unfair competitive practices magnifies the serious competitive disadvantage which confronts apparel firms in this country and which continually helps to spur a rising tide of apparel imports.

Another stimulus to a continued rise in garment imports is the common practice among retailers of taking much higher mark-ups on foreign-made apparel than they do on garments made in this country. This enables them to raise their profit margins by paying less for merchandise of foreign origin than for the identical domestically-produced goods and not passing the differential on to the ultimate consumers. "By buying foreign goods for less and taking the larger