markups, retailers improve their operating margins at the expense of both the industry and the ultimate consumers of the products", Richard J. Schwartz, President of Jonathan Logan, Inc., one of the largest domestic manufacturers of knit and woven garments, told the House Committee on Education and Labor in 1966. The effect of this practice, as described by Mr. Schwartz, is to foster imports: "Already the open-to-buy position of many store buyers for our merchandise --- even though it meets with an excellent consumer response and is competitively priced --- is affected when buyers reduce their commitments to our merchandise and increase their commitments to imported merchandise". 21/

The most significant factor in the rapid and large increase in the shipment of apparel to the United States from abroad is the great difference between labor standards in American garment factories and their counterparts abroad. For the most part, there is little difference in output per manhour here and abroad. Technology and management know-how in this industry, as previously noted, is relatively simple. Today they are internationalized. The same machine producers and management consultants frequently operate throughout the world and provide firms everywhere with similar equipment and advice. The relatively low cost of new capital equipment makes it relatively easy for firms everywhere to furnish their shops with

21/House of Representatives, Committee on Education and Labor, Hearings on Impact of Imports on American Industry and Employment (89th Cong., 2nd sess., 1966), p. 547.