

EXHIBIT 2

INTERNATIONAL LADIES' GARMENT WORKERS' UNION AND AMALGAMATED CLOTHING WORKERS OF AMERICA, AFL-CIO, NEW YORK, N.Y.

A BRIEF APPRAISAL OF THE TARIFF COMMISSION REPORT ON TEXTILES AND APPAREL

Following a request by President Johnson to the United States Tariff Commission to "make a comprehensive investigation of the economic conditions of the United States textile and apparel industries, including the present and future impact of imports upon such industries", the Tariff Commission submitted a two volume report to the President on January 15, 1968. Unfortunately, instead of presenting a comprehensive, unbiased picture of existing conditions and prospective developments, the Commission presented a partisan report, normally not expected from an impartial government agency charged with providing factual information for the President to use in developing policy.

The Tariff Commission's Report is neither balanced nor complete. It distorts past and current developments, both domestic and international, by selective emphasis and the deliberate choice of data. It sidesteps the question of the future impact of imports on the domestic textile and apparel industries and seeks to minimize the impact of imports to date. Moreover, the Report often shows a lack of familiarity with the industries under investigation, and resorts to facile generalization in the total absence of supporting fact. As a result, it contains numerous factual and interpretative errors.

Some of the more serious defects of the Report, each of which can be readily documented, are briefly summarized below.

1. The Commission's Report continually changes the dates used in historical comparisons shifting from dates going back to 1954, to 1958, to 1961, to 1962 and to 1963 as the beginning of time periods, and also varying the terminal dates. At times it completes the period with either 1965, or 1966, even though data for 1967 was available, as is clear from other sections of the Report. Data for 1967 were occasionally used when they suited the Commission's purpose. This shifting of dates permits the Commission to develop arguments of convenience. The statistical results presented in the report are often determined by the choice of the time period rather than by an effort to place events in their proper historical perspective.

2. The Commission chose to include raw fibers used in the manufacture of textiles within the scope of its investigation even though the President requested only an investigation of the textile and apparel industries. This change in the scope of the investigation was then utilized to distort the degree of import penetration for textile and apparel products considered as a totality, to minimize the balance of trade deficit in textiles and apparel, and to confuse the very issues the Commission was asked to investigate.

3. The Commission generally ignores imports as a casual factor in the decline of domestic production. This is done even where imports of a particular item are rising in the face of a decrease in the domestic production of that item.

4. In an effort to deemphasize the impact of imports on domestic markets, the Commission repeatedly stresses that the imports are either not produced in this country in significant quantities, or that they are in some undefined way different from the domestic product, or that they serve needs of the lower income groups of this country that presumably are not met by domestic producers. This is done in generalized form and without documentation. This is the approach of the advocate who generalizes from the hypothetical or highly unusual situation instead of dealing with the available facts. The Commission's contentions are not sustained by the facts.

5. The Commission fails to take proper account of the import developments which led to the adoption of the Short Term and the Long Term International Cotton Textile Arrangements. It thus ignores the parallel between the earlier developments in cotton textile and apparel imports and subsequent developments in textile and apparel imports of other fibers.

6. The Commission fails to assess the Long Term Cotton Textile Arrangement as a practical international instrument which, despite weaknesses, has introduced a degree of orderliness into international trade and, at the same time, permitted a continued expansion of imports.

7. The Commission fails to deal with limitations or contradictions in the statistical data which it utilizes.