STATEMENT OF MICHAEL P. DANIELS, COUNSEL, JAPAN CHEMICAL FIBRES ASSOCIATION

This statement is filed on behalf of the Japan Chemical Fibres Association of Tokyo, Japan. This Association is composed of manufacturers who account for practically all of the production in Japan of manmade fibers for export. The members of the Association are also concerned with products manufactured of manmade fibers by their customers in Japan for export to the United States.

The Association is opposed to the imposition of quotas on imports of manmade fibers and manmade fiber products into the United States from Japan. The Association is also opposed to an international agreement or any other arrangement which would have the effect of restricting international trade in such fibers and products. This opposition rests upon the fundamental conviction that there is no economic justification for such restrictions. Exports from Japan have not injured or threatened injury to the United States industry producing competitive products nor have such exports occasioned market disruption.

These contentions are fully substantiated by the Report of the United States Tariff Commission on Textiles and Apparel. The inescapable conclusion of this Report is that there has been no injury or threat of injury to the textile and apparel industries taken as a whole and certainly not in the manmade fiber sector. The Japan Chemical Fibres Association submitted a brief in this proceeding and believes that the results represent an objective appraisal of the facts. This Report ordered by the President of the United States and the Chairman of the Ways and Means Committee should be taken as conclusive on the question of import impaction.

United States production of manmade fibers and products of manmade fiber has grown at spectacular rates over the last five years. Imports of manmade fiber products have also increased, but at a rate commensurate with the growth in United States production, In the face of the strong performance of the domestic industry, there is not a scintilla of evidence to indicate anything approaching injury let alone "serious injury," which is the internationally-accepted standard for judgment in gauging the impact of imports. Furthermore, imports as a percentage of domestic production or consumption remain at modest levels.

Imports based on the first four months show a downward trend in both 1967 and 1968 from the peak of 1966 when imports were stimulated by conditions of very high demand in the United States.

In the face of the economic facts, substantiated by the Tariff Commission, it is almost incomprehensible that the domestic manmade fiber industry would press demands for extraordinary import controls such as quotas, and even more incomprehensible that credence could be given to such claims and demands in responsible quarters.

A number of distortions have been made of the economic facts:

1. The growth of manmade fiber product imports has been presented in isolation without placing this growth in the perspective of the growth in total demand in the United States for such products and the very high rate of growth of domestic production of such products.

2. The growth in imports of manmade fibers has been presented in isolation from the decline or stagnation in the growth in imports of products of the natural fibers with which manmade fiber products compete.

3. The high level of imports in 1966 occasioned by high levels of demand in the United States in that year has not been qualified by the decline in such imports in 1967 and 1968.

These general points will be expanded upon below.

GROWTH OF THE UNITED STATES INDUSTRY

The growth of the manmade fiber and manmade textile and apparel industries has been of enormous dimensions over the last decade with an accerelated growth over the last several years. The basic reasons for this growth have been:

(*a*) an increasing availability of manmade fibers at prices increasingly competitive with natural fibers