

Based upon the information available to date, there is no question but that imports of buttons on garments in 1968 are anticipated to increase substantially from all prior years.¹ This will have a severe adverse effect not only on the button industry but on related industries such as the button blank and raw material suppliers.

Because of the substantial disparity between production costs in the United States as compared with Hong Kong, Japan, and the less developed countries, the American button industry is not competitive in world markets, and is not, therefore, a substantial exporter. Our industry is almost exclusively reliant on the domestic apparel industry and our fate is inextricably woven into theirs. Thus, should imports continue to erode the American apparel industry, we, too, would be equally harmed. For these reasons, the Button Division urges that this Committee give consideration to taking whatever steps are deemed appropriate to afford relief to our apparel industry from the increasing flow of such imports.

In our judgment, one constructive approach would be the enactment of legislation aimed at imposing quotas on imports of wearing apparel under reasonable conditions designed to meet the needs of the domestic industry, while at the same time, recognizing the legitimate interests of the foreign producers and importers.

On behalf of the SPI Button Division, we want to express our thanks to the Committee for having been given the opportunity to participate in these proceedings. Needless to say, should you have any questions concerning the topics we have covered or should additional data be desired, please do not hesitate to call upon us.

Mr. BURKE. Have you any questions?

Mr. BUSH. I have one question.

What are the raw materials that go into plastics, generally? Isn't it gas?

Mr. CHRISTOPHER. Yes; petroleum raw materials are the most basic raw materials going into plastics.

Mr. BUSH. With our volume of natural gas and supply of petroleum products, where does the cost differential come in here? What does the competition use for sources of supply, for example?

Mr. CHRISTOPHER. In foreign countries?

Mr. BUSH. Yes.

Mr. CHRISTOPHER. In foreign countries the petroleum raw materials are less expensive, lower in cost.

Mr. BUSH. Natural gas, I am speaking of.

Mr. CHRISTOPHER. In consideration of these raw materials we must remember we are negotiating in the Kennedy round for the competitive situation in the 1970's and with the development of the oil and gas fields in north Africa and in the North Sea we anticipate a competitive natural resources base to ours.

Mr. BUSH. Let me start again. This is probably very fundamental. Where does most of your competition come from?

Mr. CHRISTOPHER. Foreign competition?

Mr. BUSH. Yes.

Mr. CHRISTOPHER. From the EEC countries.

Mr. BUSH. Where do they get their gas supply?

Mr. CHRISTOPHER. Today?

Mr. BUSH. Yes, sir.

Mr. CHRISTOPHER. Natural gas or oil?

Mr. BUSH. Natural gas. Isn't natural gas a fundamental ingredient for the low-cost production of plastics generally?

Mr. CHRISTOPHER. It is one of the low cost; yes.

¹ In this connection, we note with increasing concern the rapid movement of certain segments of the apparel industry to less developed countries where labor costs are far lower than even in Hong Kong or Japan.