in South Carolina with an annual payroll of well over $700 million. A quarter of the nation's production of cotton, silk and synthetic fabrics comes from South Carolina. Our state produces just under one-half of all the cotton cloth in the nation on an annual basis.

In short, Mr. Chairman, this is an industry that is imbedded in the heart of America. It is important to the economic health of this nation, and it is vital to our national security.

All of us know that textiles are second only to steel in essentiality to the military. Today we are calling upon textile manufacturers to supply our troops all over the world. I compliment the leaders of the textile industry for the manner in which they have met military requirements. This is something for the textile industry to be proud of, because it demonstrates the fine working relationship that the industry has with military procurement.

But I am concerned about the effect of textile imports on the industry's capacity to meet military, medical and substantial civilian requirements in an *all-out* emergency. For example, since wool textile imports now account for about one-fourth of our domestic consumption and are even higher in certain product lines, would the industry have the capacity to meet demands for woolen and worsted products if a war on the magnitude of Vietnam were fought in a colder climate, such as Korea?

You have heard it said that restraints on textile imports are not necessary. The industry's profit position is frequently discussed. The fact is, Mr. Chairman, the wide gap between textile earnings and average earnings for all manufacturing industries was narrowed somewhat by 1965. Textiles earned 3.8 cents per sales dollar versus the industrial average of 5.6 cents. Rising costs and a sluggish market widened the gap in 1967 when textiles dropped to 2.9 cents versus a 5.0 cent industrial average. The South Carolina industry recorded a 33 percent decline in profits from 1966 to 1967.

Textiles are in trouble. We are flooded with imports of all types. The United States is the largest producer, importer, and consumer of textiles in the world. Except for liberal import controls on cotton textiles, the United States maintains no impediment to textile imports other than low tariff rates which were reduced again last January 1 as a result of the GATT's Kennedy Round of tariff negotiations of 1963–67.

U.S. imports of cotton textiles—including yarn, fabrics, madeup goods, and apparel—doubled over the last six years despite the existence of import quota controls. Wool textile imports went up by 50 percent and man-made fiber textile imports increased from 164 to 934 million square yards, over the same period.

In the first quarter of 1968, textile imports of cotton, man-made fiber, wool and blends thereof reached an all-time high annual rate of 3.1 billion square yards. The most rapid rate of increase continues to be in the man-made fiber division of the industry. Man-made fiber textile imports jumped 22 percent from the first quarter of 1967 to the first quarter of 1968.

Over the past five years exports of cotton piece goods have declined from 370 million square yards in 1963 to 288 million in 1967. Exports of man-made fiber piece goods over this period show a mixed trend changing from 156 million square yards in 1963 to 154 million in 1967.

The dollar value of textile manufactures and clothing imports of all fibers was $1,461 million in 1967. Exports were $695 million, and the textile trade deficit was $766 million. Five years earlier this deficit was $450 million.

Gentlemen, this is serious business for our fighting men all over the world. It is serious business for our nation. In May we recorded a deficit in our balance of trade of more than $32 million. We must not permit an industry as basic to the economic strength of this nation as is the textile industry to have its future growth and vitality undermined solely because of low-wage textile imports.

Imports must be controlled.

I, for one, am going to support in every way possible the efforts of the textile industry to control imports.

The industry's approach to the problem of textile imports as embodied in the legislation introduced by the distinguished Chairman of this Committee, Mr. Mills, is both reasonable and workable. This legislation seeks not to cut off all imports, but rather to simply restrain their future growth in order that the domestic industry may remain strong.