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## TEXTILE IMPORTS

Mr. HOLLINGS. Mr. President, the distinguished Senator from North Carolina [Mr. ERVIN] is so famed as the constitutional authority of this body that it obscures his other talents.

Senator ERVIN is not just concerned with the adherence to our founding charter. He is even more concerned with people. He realizes through years of experience that the desire to work and the ability to work lies at the bottom of most of our ills.

When Government hampers, in any way, a man's ability to work, this is tyrannical. The Government's policy toward the textile industry turned, under President Kennedy, from callous disregard to concern. President Kennedy was unable to complete this program and the majority of us here in the Congress are looking to the Johnson administration for its completion.

Earlier I introduced S. 1796 to provide a tool to President Johnson in securing further agreements to protect the jobs of our American textile workers. It has been an inspiration to watch Senator ERVIN in his zeal that right be done for the workers of North Carolina and the several States. No one is better informed on this subject than Senator ERVIN and no one has worked harder and more patiently. I had no sooner drawn my measure than Senator ERVIN joined me. You will notice he is our first cosponsor. He was our lead witness at the Senate Finance Committee hearings 2 weeks ago and some of his thoughts are very cogently expressed in a recent article in *We the People* entitled "Textiles: The Import Crisis." The membership should read and study these thoughts. I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TEXTILES: THE IMPORT CRISIS  
(By Senator SAM J. ERVIN, JR.)

As a result of the reduction on textile tariffs made by the Kennedy round of tariff agreements, and the textile imports which are flooding our nation, the problems which confront our country's second largest industry have become the subject of increasing concern in Congress. Hearings were recently concluded by the Senate Finance Committee on legislative measures designed to protect this important industry,

and one bill, S. 1796, which imposes textile import quotas, has been co-sponsored by 67 Senators.

North Carolinians should be particularly concerned because there are 323,000 workers in our State presently engaged in the textile, apparel, and man-made fiber industry. This means that 52 percent of the total number of manufacturing employees in the State of North Carolina are affected by the present Congressional studies on import quota legislation. In addition to these industrial employees, the thousands of families engaged in the growing and handling of cotton in North Carolina are also affected.

The economic influence of the textile industry is certainly not confined to North Carolina for there are four million jobs throughout the United States representing the fiber-textile-apparel industries. The textile industrial complex is our nation's second largest industry and its economic well being is definitely important to each of us.

For many years, I have been totally incapable of understanding our government's attitude towards the textile industry. For example, one of the greatest problems this nation is having to face is the deficit in our balance of payments. This deficit has persisted over the years and last year amounted to 1.4 billion dollars. Because of our government's policy towards textile imports, total textile products brought into this country last year exceeded exports by approximately 890 million dollars. This means the balance of payments deficit attributable to textile imports is approximately two-thirds of our total deficit, and yet, we continue to allow these imports to flood our nation, killing more and more of our jobs each year.

From July 1966 to July 1967, there were 46,000 jobs lost in the textile industry in this country. Why do we let this continue to happen if by protecting our textile industry and the jobs it represents, we could help solve the deficit in our balance of payments and the growing storm that deficit represents to our nation's fiscal health?

Also, in connection with the agricultural problems which confront this nation, we are engaged in many farm programs trying to bring the earning capacity of the farmers up to a parity with other workers in the cities. However, there has been a tendency on the part of those in charge of our trade policy to ignore the self-evident fact that the best customer which the cotton grower in the United States has is the domestic textile industry. On one side of the fence, we maintain rigid import quotas on cotton, while on the other side, we allow cotton in the form of manufactured articles to enter this country at a rate of over one million bales annually.

Another inconsistency can be found in our government's dealings with the Appalachian

Region. On one hand, this nation has been engaged in trying to give Appalachia equal basis with the rest of the country in its efforts to better itself. However, this government's policy towards the textile industry places in jeopardy 26 per cent of all the manufacturing jobs in that area.

In North Carolina most of our counties in the Appalachian Region have over 50 per cent of their total manufacturing employment working in textile manufacturing. In two North Carolina counties, Polk and Rutherford, 89 per cent of all manufacturing jobs are in the textile industry.

Here, as in the case of the deficit in our balance of payments, and in the case of the relationship between our cotton growers and our textile industry, we have a contradiction in terms. While the government is attempting to lift the level of the economic state of the people in Appalachia, it is following a trade policy which has exactly the opposite effect, and which has a tendency to deprive the means of livelihood from those who work in the textile industry in Appalachia and immediately adjacent to Appalachia.

It seems to me the only sensible course for this government to pursue is to take steps that will preserve the entire textile industry—cotton, synthetic and wool. I feel that the obligation we owe to our own country has to be greater than we owe to the four or five nations that are currently supplying most of our textile imports. The fact is that these imports are not entering our country because the textile industry is more efficient elsewhere. They are entering this country for one reason: the labor costs are cheaper. And they are cheaper because of working conditions we would not allow in the United States.

For example, an American textile worker is paid five times as much as the Japanese performing exactly the same function. Hourly wage rates in other countries that are large exporters of textiles are: Singapore 17 cents; Hong Kong 29 cents; and Portugal 19 cents. Our textile industry has tried to modernize to meet these challenges, but no efficient management could overcome these wage differentials.

I am certainly not a trade isolationist; however, we must encourage reasonable and workable international trade policies. We cannot allow the tragic consequences of a trade policy which could destroy a major American industry and millions of jobs only because a foreign country offers nothing more than low wages.

I agree with former Secretary of State, Cordell Hull, who was one of our greatest experts on foreign trade, when he stated that the only satisfactory trade between nations in the long run is based on the principle of reciprocity; and that any trade based on this principle has to be, in essence, an exchange of surpluses. The United States should make trade agreements with

other nations under which we export goods which we produce in surplus quantities and import goods which we cannot produce or cannot produce effectively.

As Secretary of State Hull pointed out, any trade policy which encourages the importation into the United States of goods which we already produce in surplus quantities has three inevitable results. The first is that American investors are denied a fair return upon their investments. Second is that an American industry is denied its domestic markets, and the third is that American working men are deprived of their jobs.

Even though those who advocate imports at the expense of American domestic economy are usually pictured as altruistic individuals actuated by righteous motives, the truth of it is that those who import from abroad and those who manufacture at home are actuated by the same motive: Profit incentives. The importer who seeks to import at the expense of the loss of American jobs and the domestic markets of American manufacturers wants to sell cheaper imports at profit in the United States; and, of course, the American manufacturer and the American worker desires to make something as a result of their efforts. The difference is that the importer is willing to make his profits even though it entails a loss to American manufacturers and the destruction of the jobs of the American worker to the benefit of workers in foreign lands. So, the motives are the same and they are lofty ones despite the tendency today to decry the profit motive. I think the man who manufactures at home and wants to see that he is allowed to retain his domestic markets and who furnishes jobs to Americans, certainly is performing, as far as our country is concerned, the greatest service to our country.

I happen to believe that St. Paul spoke the truth when he said in the 8th verse of the fifth chapter of the first epistle to Timothy: "But if any provide not for his own and especially for those of his own house, he hath denied the faith and is worse than an infidel."

Accordingly, when it comes to trying to promote the prosperity of the textile industry and retain the jobs for 323,000 North Carolinians who earn their livelihood in that industry, I am going to stand on St. Paul and I think it is not only carrying out good sound economy as far as the United States is concerned, but involves a high standard of righteous conduct.

The American textile industry deserves a chance to compete with its foreign rivals on equal terms and I believe we should act now to make it fair by setting up a system of import quotas on textile products. After the reduction on textile tariffs made by the Kennedy round of tariff agreements, we are left with little choice but to impose these import quotas.

In this regard, I was glad to join Senator Hollings when he introduced S. 1796, a bill to impose quotas on the importation of textiles. Briefly, this bill would limit the importation of textiles in any year to a base period level plus an adjustment to reflect increases or decreases in the consumption of textiles in the United States market. This would establish a reasonable volume for textile imports and would establish the machinery necessary for orderly growth in the future.

Additional Executive studies are fine, but I strongly hope we will enact S. 1796 as soon as possible. By not doing anything, until the ultimate injury has taken place and our tex-

tile industry has been liquidated and the loss of jobs has become permanent, this government will be guilty of making the sick patient die in order to prove that he is suffering and needs help. I hope we will help the patient now.

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