

The fourth broadens the eligibility of adjustment assistance and in effect applies the adjustment assistance provisions of the Automotive Trade Act to the overall GATT items.

Is there anything else contained in this legislation that is recommended at this time?

Those are the four items. Is that the present package, or did I leave something out?

Ambassador ROTH. You left out the extension of the adjustment assistance provision in the Automotive Products Trade Act.

Mr. BYRNES. I see. There are two aspects of the adjustment assistance?

Ambassador ROTH. That is right.

Mr. BYRNES. So you have five items then.

Now, we have a very serious balance-of-payments problem. Of course, a very important aspect of balance of payments is our balance of trade.

I have pointed out that part of this problem, probably the heart of it, is the fact that our balance of trade is no longer producing the favorable balance that it has in the past. A favorable balance is necessary in some place, if we are going to offset the unfavorable aspects in our international payments.

What does this bill do to help out our immediate balance-of-payments problem, or are we considering this as fundamentally unrelated to the current balance-of-payments problem?

Let me add this one statement. This whole matter, as I understood it, became after the first of the year, an area for exploration and an area that we had to be concerned with because of the very serious balance-of-payments situation.

Now, where does it stand today?

Ambassador ROTH. That is correct, Mr. Byrnes. We started out at the beginning of the year concerned, as we still are, about our balance-of-payments situation as it relates to trade.

We were concerned about looking at two areas of possible action. One, the area that Secretary Smith discussed this morning, on export expansion.

Mr. BYRNES. There is nothing in here that does anything on that, is there?

Ambassador ROTH. No, this is a separate program.

Mr. BYRNES. I want to find out in what context this was considered.

Ambassador ROTH. There is nothing in this bill that goes directly to this problem.

If I can, let me review the administration's thinking on the balance-of-payment problem, as it relates to trade, since we last discussed it.

Mr. BYRNES. I would like to have that, but let me first clarify the context in which you are asking this committee to consider this legislation.

Do I understand that you are suggesting that we do not consider it as an integral aspect of the current, very serious problem that we have in the balance-of-payments situation?

Ambassador ROTH. That is correct.

We also are not asking you to consider it as a total trade program, which we are currently studying. It is an interim measure.

As you said, there are five parts, but there are really three which are most important: the extension of tariff-reducing authority; the