

amendment of the criteria for adjustment assistance, which is really a correction of what the Congress did in 1962; and the ASP package, which was negotiated in the Kennedy round.

Mr. BYRNES. It would be interesting to review the debates in 1962, when the Trade Expansion Act was presented to us. It was going to cure every problem we had, and certainly was going to cure the balance-of-payments problems which we had back in 1962.

There has been a shortfall someplace. Now this legislation is not presented as a cure for the balance-of-payments problem?

Ambassador ROTH. No. I think I can also predict in the future that no trade bill will ever be presented to you by any administration that could reasonably do that.

Mr. BYRNES. That was my understanding at that time. If you read the debates in the House, the gentleman from Louisiana and I at that time had quite a discussion on the floor. He was carrying the ball for those who said the legislation was going to take care of everything.

I suggested that I thought the administration was overselling it, as they have oversold too many measures, as to what it would accomplish.

Now, when this committee met earlier this year the administration presented a program to deal directly with the continuing serious problem of our balance of payments.

We were advised that there would be a trade package later on. Do I understand now that any recommendation in that area has been abandoned, other than the items that we had before us at that time?

Ambassador ROTH. At least as of this moment, there is no present plan to submit a separate piece of trade legislation specifically diverted to our balance-of-payments problem.

Mr. BYRNES. Now, there was something you said you wanted to add before.

Ambassador ROTH. We had, as you remember, a discussion of this before this committee earlier this year. We said that we were then discussing several possibilities with our trading partners to see if we wanted to recommend to you unilateral action on our part through the regular GATT procedures.

Actually, there were three possibilities we were considering. As of now, we are not intending to present any of these to you.

Mr. BYRNES. The point is that we still have not received a particular recommendation in this area as it relates to the current problem of the balance of payments.

Ambassador ROTH. I think as the discussions continued, and as we looked at our particular problems and the figures in greater depth, it seemed to us in the final analysis that the kind of measures we were speaking of—and the only kind that would have been accepted by our trading partners were very temporary, moderate ones—that these would not have the net trade effect that would sufficiently offset what we would lose in the long run by using, say, an import surcharge.

Mr. BYRNES. What about the surcharge?

Ambassador ROTH. We felt that any moderate, temporary, import surcharge would not have enough of a net trade effect to offset the damage it could do on a longer range basis.

Mr. BYRNES. Because of retaliation, you mean?

Ambassador ROTH. No, not because of retaliation. We felt that a number of countries who were in a deficit position, as we are, or close