

ommendations embodied in H.R. 17551, the Trade Expansion Act of 1968. Specifically, I should like to present the views of the council regarding the extension of the negotiating authority of the President, adjustment assistance, and the American selling price system.

EXTENSION OF NEGOTIATING AUTHORITY

The National Foreign Trade Council endorses the provisions of title II, section 201, of H.R. 17551 which extend until July 1, 1970, the authority of the President to exercise whatever portion of his authority which remained unused at the close of the Kennedy round of trade negotiations that may be required to reduce rates by as much as 50 percent.

Since July 1, 1967, the expiration date for negotiating authority under the Trade Expansion Act of 1962 (TEA), the President has in fact had no authority to negotiate even minor adjustments in tariffs. Should need arise for adjustment by the United States of any rates of duty which are bound in the General Agreement on Tariffs and Trade (GATT), particularly with "escape clause" action, it is important that the United States be in position to negotiate a compensatory tariff concession under GATT procedures. The council endorses the proposed extension of negotiating authority under section 201(a)(1) and Section 201(b)(1) of the TEA.

ADJUSTMENT ASSISTANCE

Although the National Foreign Trade Council favors amendment of the provisions of the Trade Expansion Act of 1962 to provide more readily available recourse to adjustment assistance for individual firms and workers than has proved possible under the tests for eligibility set forth in that act, it does not favor in all respects the amendments proposed in H.R. 17551.

To be eligible for assistance under TEA (1962), it had to be demonstrated that tariff concessions have been in major part the cause of increased competitive imports and that such increased imports have been the major factor in causing serious injury to the firm or unemployment of a significant number of workers. Under these criteria, none of the petitions for adjustment assistance filed under the TEA has been approved.

Section 301 of H.R. 17551 proposes to liberalize the criteria of eligibility of individual firms and workers for adjustment assistance. A significant change is that section 301 would relate injury to increased imports whether or not a trade agreement concession was a factor causing such increase in imports. Moreover, when increased imports are determined to be "a substantial cause of serious injury," rather than the "major cause" as under the 1962 TEA, individual firms or groups of workers would become eligible for adjustment assistance under the proposed legislation.

The council's basic support of more liberalized criteria for adjustment assistance rests upon the recognition that individual U.S. industries and firms may have to adjust their operations as reductions in tariff duties as contemplated in the Kennedy round go into effect. If adjustment assistance is to be justified, the council holds that, in addi-