

I illustrate what has happened to the duties that protected the U.S. industry as follows: You will recall, Mr. Chairman, and members of the committee, that under the Tariff Acts of 1922 and 1930 before the trade agreements authority there was the flexible tariff provision by which the Tariff Commission investigated the actual costs of production here and abroad. Four times the cost of producing flat glass in the United States and abroad was investigated by the Government and the rates of duty established in the Tariff Act of 1930 were the rates found by the Tariff Commission in this factual investigation to be required.

In the period 1931 to 1935, just preceding the first trade agreement on the products of this industry, the average rate of duty on the three basic categories of flat glass were as follows: On rolled glass, 32 percent; on plate glass, 88 percent; and on sheet glass, 54 percent.

By the time that immediately preceded the Kennedy round, by tariff reductions and trade agreements the rolled glass rate had been reduced from 32 percent to 9 percent, the plate glass rate from 88 percent to 16 percent, and the sheet glass rate from 54 percent to 19 percent.

You will remember, Mr. Chairman, that when the peril point procedure was in effect under the provisions of the Trade Agreement Extension Act of 1951 and subsequent acts the Tariff Commission was charged with investigating what the probable effect of reductions of duty would be on the products of an industry to determine whether in certain instances an increase in duty was required.

In connection with the Dillon round in 1960 the Tariff Commission found that two categories of flat glass; namely, rolled glass and sheet glass, not only would be injured by a reduction in duty, but required an increase, and on its own motion it initiated two escape clause investigations.

In 1961 the results of its investigations were reported. On sheet glass there was a report of a sufficient number of Commissioners to go to the President and President Kennedy raised the sheet glass rates.

On rolled glass three of the six Commissioners found injury but they divided on the form of relief and this prevented the President from acting.

Now, in the current period President Johnson in 1967 reduced the escape clause rates on one category of sheet glass and eliminated them entirely on two other categories.

In addition, in the Kennedy round our Government agreed to reduce the duties by 50 percent on all of the categories of flat glass that were legally available for tariff reduction, which included rolled glass, which will be reduced to 4.6 percent, plate glass, which will be reduced to 8 percent, and two categories of sheet glass.

Now, if you would turn very briefly to page 4 of my prepared statement you will find a table. I will detain but a moment in regard to the table. At the far right you see percent change. If you look at the center column, 1962 to 1965, this was the period in which the escape clause rates put into effect by President Kennedy produced their greatest effect and if you run your eye down that column you will see that all the percents are plus.

Shipments were up, employment was up, and the domestic market was up.