

The import quotas established under the bill would be subject to adjustment annually in proportion to the growth of the domestic market. Quotas would be allocated by commodity and by country in accordance with the composition of our imports during a representative period. Departures could be made from this allocation to take into account recent developments in the import trade.

Of fundamental importance in view of U. S. commitments under GATT, H. R. 17674 would grant authority to the President under firm guidelines to enter into trade agreements with countries whose trade with the United States would be affected by the statutory quotas so as to modify such quotas by agreement. This aspect of the bill is patterned after the precedent established within GATT by the negotiation of the Short-Term and Long-Term Cotton Textile Arrangements. The agreement of the affected nations to those arrangements eliminated any standing which they might have to demand compensation or to retaliate under GATT.

H. R. 17674 does not directly deal with textiles in view of the bills sponsored by the Chairman and other members of this Committee pertaining to textile import quotas. H. R. 17674 appears to our industry to be preferable to other pending import quota bills because it provides for participation by the President through the trade agreement technique in making adjustments in the statutory quotas in recognition of the realities of our Nation's trade agreement commitments.

No other nation in the world ignores the legitimate needs of its domestic manufacturing industries to the extent as has become the case in the United States under the present and past administration of our foreign trade policy. A change is long overdue.