

The Federation, founded twenty-five years ago, now represents more than 250,000 independents in all fields of enterprise. This means that, within the small business community of this country, as presently constituted, almost one out of every nineteen existing small businesses is a member of the Federation. Our membership is representative of all facets of the business spectrum. A check of membership percentages in each business category will show that the composition of the National Federation of Independent Business falls within a very few percentage points of the overall makeup of the entire small business community. Therefore, we feel that we can reasonably say that the views expressed by our members do represent a valid cross section of the views of the whole small business community.

The legislative policies of the Federation are determined by the direct vote of its membership, using the Mandate ballot.

GENERAL

Regarding experience, Federation Economic Surveys show that while the vast majority of small businesses are unaffected by or indifferent to import competition and export opportunities, a substantial minority is involved.

For instance, in our 1962 survey we asked pointedly whether respondents were "affected" by import competition. Sixteen percent replied "yes," 73% "no," and 11% were not responsive. In our 1967 survey we asked, "Do you manufacture or sell goods for export?" Four percent of all respondents (ranging from 1% among retailers to 20% among manufacturers) replied "yes."

Rather interestingly, in a 1963 survey 89% of those who indicated their businesses harmed by import competition ascribed the harm to "price competition." The balance, 11%, ascribed the harm to the style or type of foreign products. Additionally, in the same survey we asked, "As an importer or exporter, have you used SBA, Commerce, State Department aids?" The pitifully small "yes" response (4% of those styling themselves as "importers or exporters") suggest that a large number of small businesses involved in foreign trade either are unaware of these governmental helps, or do not understand them fully, or knowing and understanding them, do not feel they meet the needs of small business. As we have stated many times, this would indicate a need to publicize these programs more than has been done to date. We of the Federation are trying to do our part in the news section of The Mandate. Additionally, our News Department has at various times, through both print and broadcast, called attention to the work of the Department of Commerce in seeking to assist the smaller businessmen in exporting.

SPECIFIC WAGE DIFFERENTIALS

Over the years, the Federation has presented to its members at least ten legislative proposals aimed at tying tariff rates to wage differentials between the United States and the country of origin. In each and every case, the Federation members have voted, by a substantial majority, to support such a proposal.

Accordingly, the Federation recommends that wherever possible this wage differential be considered and resulting tariffs be sufficiently high so as to remove the competitive advantages enjoyed by low cost labor areas over prices charged by domestic producers who find that their selling prices are being steadily driven upward due to continued increases in labor costs.

TIMELY COMPLETION OF INVESTIGATIONS

On several occasions the Federation has polled its members on bills which would require the Treasury Department to complete its investigations within 120 days of complaints that foreign producers are selling their goods at lower prices in the United States than in other Nations. Every time such a proposal has been presented for a vote, our members have overwhelmingly supported it.

Therefore, in order that those businesses who lodge such complaints with the Treasury Department may be granted relief before irreparable damages are done, we recommend that the Treasury Department complete its investigations as expeditiously as possible after receipt of the complaint.

EXAMPLES

So that Committee may see examples of how the above mentioned proposals were presented to our members, we are reproducing below the information given and the resulting vote totals: