

States to help firms and workers, it failed completely to serve its purpose. Tests for assistance under this Act have proven to be too rigorous and too complicated. Under the Trade Act of 1962, not one petition for help has been approved to date.

One notable example of this involved the IUE-Philco Ford plant in Sandusky, Ohio. This plant, which had employees of many years of service, was shut down and production was transferred to Philadelphia. Prior to this shutdown, we showed that there had been a large increase in the importation of radios by Philco because they could be made more cheaply abroad. Despite these facts, the Tariff Commission refused to certify this case for Adjustment Assistance. One of the grounds for this refusal was that the increased imports were not the *major* cause of injury. We find it difficult to believe that in the entire six year period that there has not been one single case which met the standards for adjustment assistance.

On the other hand, cases handled under the Automotive Products Trade Act of 1965 (an implementation of the U.S.-Canada auto agreement) prove that adjustment assistance can work. Since 1965, certifications for eligibility to receive assistance have been issued in 14 of the 21 cases where petitions for adjustment assistance have been presented. This shows, we think, that adjustment assistance can work. In light of problems confronting many industries as well as segments and individual plants of others, adjustment assistance is vital.

It appears that the Trade Expansion Act of 1968 recognizes this need. It certainly offers a more realistic approach to adjustment assistance and how it should be handled.

The bill would eliminate the requirement that tariff concessions be shown to be the major cause of increased imports which cause or threaten injury; substituted instead is language making relief available whenever increased imports have been a *substantial* cause of injury.

This substituting means that it would not be necessary that the effect of the increased imports be greater than that of all other causes, or greater than any other single cause—but rather that they be an actual and considerable cause.

This section of the 1968 Act also gives authority to the President, rather than the Tariff Commission to determine the eligibility of firms and workers to apply for assistance. Determinations of eligibility will be made jointly by the Secretaries of Labor, Commerce, and Treasury.

The IUE supports these provisions and believes they represent steps in the right direction to help ease the fears of workers that increased imports will mean not only loss of jobs, but considerable economic suffering to them and their families. According to Secretary Wirtz, about 10,000 workers per year would become eligible to apply for adjustment assistance; 10,000 less collecting unemployment insurance.

#### *International Fair Labor Standards*

Another problem area which has been of major concern to the IUE in the development of U.S. trade policy has been the need to establish International Fair Labor Standards.

This is not a new idea, having been hashed and rehashed time and time again resulting in many distortions of actual facts. Industry, including many companies represented by IUE, repeatedly points out to American unions the great discrepancy in pay between U.S. wages and wages of other countries. And because of this great difference, industry cannot compete. Certain production lines are halted and employers are displaced. The overall impression created is that American labor is overpriced in world competition.

The truth of the matter is that wages alone are meaningless. Of greater concern is the cost of a unit of labor to the domestic employer which may even be less than it is in other countries where total wages are far less than in the United States. This factor may place such an employer in a better trading position.

As we see International Fair Labor Standards, it is a part of the concept of a code of fair competition. This would bring a halt to production being moved to lower wage countries to seek the advantage of lower wages. By adoption of International Fair Labor Standards, we would make certain that when goods enter this country they will have some sort of seal that they have been produced on the basis of fair labor standards.

We have no information as to the results of any discussion that took place in the Kennedy round on this matter. We hope this question can be pursued