

The French Government's action of June 26, aimed at coping with that nation's economic problems, in increasing governmental assistance to exporters and setting import quotas, is the sort of action which in former times might have loosed a spate of counter-measures by other nations, which in turn might have triggered more counter-measures, in a widening tide of trade-crippling moves. Many workers and enterprises in many lands are in line to be hurt by such spirals of restrictionism. Nations including the U.S. doubtless will take some countervailing measures under international agreements, but these probably will be limited, because of the existence of a history and pattern of international negotiations and because of the stabilizing effects of these agreements.

On July 1, tariffs dropped "in at least 18 nations," according to the *New York Times*, "improving prospects for further expansion of world trade and a pickup in American exports," as most West European nations put into effect their first tariff cuts agreed upon in the Kennedy Round.

As a result, "American goods will be moving more cheaply into Europe while European goods will pay the same duties to enter the United States," the *Times* article adds, because while the U.S. made one-fifth of its total tariff cuts January 1, the European nations which didn't cut then, now have made cuts of two-fifths. Even France, with its problems, is making the tariff cuts, and the French say that their quota and subsidy moves are temporary.

The U.S. will make another cut of one-fifth of its agreed cuts next January 1. On January 1, 1970, both the U.S. and the European nations will make the third cut of one-fifth. So mutually beneficial increases of trade may be expected. The revised Adjustment Assistant program, under Title III of the bill before you, should help meet the needs of the few who may need help because of imports.

The road of negotiated reduction of restrictions on trade, as exemplified by the July 1 tariff cutting, rather than the road of unilateral quotas and other protectionist devices, is the more promising road for the U.S. and for the world.

But coupled with the elimination of both tariffs and non-tariff restrictions on world trade must come the development of internationally negotiated and effective means of assuring that the benefits of trade and investment are broadly shared. I associate myself with the testimony given to your committee on June 13, 1968, by Andrew J. Biemiller, Director of the Department of Legislation of the AFL-CIO, accompanied by Nathaniel Goldfinger, Director of the AFL-CIO Department of Research. I especially would like to quote from that testimony, and adopt as my own, the following remarks from that testimony.

"The time for determining a series of workable mechanisms for developing fair labor standards—or adequate development standards—is long overdue. The early adoption of such mechanisms is an essential part of a rational U.S. trade policy. Modern technology now makes it possible for international corporations to exploit labor for the company's advantage, without concern for the effects on other nations or our own. Many international forums should be used to deal with this problem and these forums should include negotiating forums, such as the GATT.

"An effective system of assuring that the benefits of international trade flow to workers in various countries is a necessity. If trade is to be viewed only as an exchange of goods between nations, efforts will grow to restrain trade. There must be assurance of rising standards for labor."

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The above advertisement, taken from a recent West Coast edition of the *Wall Street Journal*, is one of the lures to which American businessmen are responding increasingly in a new wave of plant piracy that bids fair to make the U.S. southern states runaways look like peanuts by comparison.

What's been happening in Mexican cities and towns just over the U.S. border is a fairly recent development, but it's growing fast. And it has a lot going for it, including (up to now) cooperation from the governments of both countries, promotion by trade groups on both sides of the border, and such appeals to profit-