Proposed rate schedule

Preceding year's imports compared to U.S. usage in that period:	Import tax for current year (Percent)
Imports less than 6 percent of U.S. usage	None
More than 6 but less than 6.2 percent	5
More than 6.2 but less than 6.4 percent	6
More than 6.4 but less than 6.6 percent	7
More than 6.6 but less than 6.8 percent	8
More than 6.8 but less than 7.0 percent	9
More than 7.0 but less than 7.2 percent	10
Continuing up in similar increments with—	
9.0 but less than 9.2 percent having	20
13.0 but less than 13.2 percent having	40
17.0 but less than 17.2 percent having	60
21.0 but less than 21.2 percent having	80
Until anything more than 25 percent having	100

COMPARISON TO TRADE EXPANSION ACT OF 1968

(1) The President admits inability to handle the problem universally. *Assistance to Firms and Workers* must be reviewed by a panel and then eligible recipients *paid.* Under my proposal *no* assistance need be paid. Further there need be no panel to determine if assistance is needed. On the contrary, U.S. plants idled by foreign competition would in most cases become profitable industries again and presently depressed areas would revive.

(2) *Elimination of the American selling price system* could and should be a part of my proposal as well. If the tax were based on the importer's price the rate would be slightly different from that based on the American selling price. The actual dollar tax, however, would be the same since free enterprise would dictate the percentage of imports to the point where imported products, including the tax, would cost the same as U.S.-made products, assuming quality, delivery, and service are equal.

(3) *Our needs at home* would be served in the best possible manner. It is an obvious fact that imports can supply but very little of our total consumption. There is little concern over our imports as a whole. The real problem lies in the distribution of these imports. It is neither good for us nor our foreign suppliers for them to build facilities to supply all, or even a large share of our needs of a given product. It would be far better for them to have a more diversified economy. From any angle, and particularly our defense posture, we should not depend on a foreign supplier to any great extent.

The argument is raised that tariffs or taxes will raise prices of goods from abroad. Why shouldn't they be raised? Why should American businessmen be expected to compete with foreign employers who pay one third or one fourth the wages, and, in many cases, also receive subsidies from their government? Why should a patriotic American businessman be penalized because he believes he should buy American materials when his competitor has no such concern? Why shouldn't there be an incentive to develop substitutes for materials which we are now wholly dependent upon others? Why shouldn't an American businessman feel free to invest in new developments without worrying about his market being lost to imports from countries not operating with the same ground rules? Why shouldn't Americans compete against Americans and product against its alternatives without begging governments for exceptions and concessions, or, as in many cases, just giving up?

(4) *Trade initiatives* would expand if we, or better every country, adopted my proposal. Everyone would know exactly where he stood, and where he would stand after certain actions. Entrepreneurs would diligently search out new markets for an extremely wide variety of products under the no-tax rule for imports amounting to less than 6% of a country's usage. Everyone's base would be broader and he would be less vulnerable to cyclic variations and obsolescence. Furthermore, sound planning could result in improved production facilities.

(5) *International relations* would improve because everyone would be on the same footing and we could bring to an end the bickering and dickering for concessions. *Devaluation* of other's currencies would have virtually no impact upon