AMERICAN TEXTILE MANUFACTURERS INSTITUTE, INC.,
*Washington, D.C., July 9, 1968.*

Hon. THOMAS CURTIS,
*Committee on Ways and Means,*
*U.S. House of Representatives,*
*Washington, D.C.*

DEAR CONGRESSMAN CURTIS: When I appeared before the Committee on June 19, you asked that I furnish for the record a statement of position on the proposed Trade Expansion Act of 1968 (H.R. 17551). In addition, you invited further comments with respect to administration of the Long Term Cotton Textile Arrangement (LTA), the Kennedy Round results, and the possible effects on U.S. textile imports of increased access to other developed country markets for the textile exports of the less developed countries. This letter is being written in response to your questions, and I hope that it can be inserted in the printed hearings at an appropriate place.

I appeared before the Committee on behalf of six textile organizations. Because the precise language of the Administration's bill became available only shortly before the hearings opened, not all of the organizations for which I spoke have been able to complete their policy determining processes with respect to all aspects of the measure. Hence, I am writing this letter solely in my capacity as president of the American Textile Manufacturers Institute.

## TRADE EXPANSION ACT OF 1968 (H.R. 17551)

### TITLE I—SHORT TITLE AND PURPOSES

We have no change to suggest in Title I.

### TITLE II—TRADE AGREEMENTS

#### *Sec. 201.—Basic authority for trade agreements*

Our position was spelled out in our prepared statement as follows:

"Textile tariffs are already too low, as the size and rapidly rising trend of imports indicates—and further cuts are already scheduled for each of the next four Januarys. However, we recognize that the government may need 'housekeeping' negotiating authority. The Administration is proposing that the unused portion of the 50% tariff-cutting authority of the Trade Expansion Act, which expired a year ago, be restored until July 1, 1970. Textiles were recognized in the Kennedy Round as particularly sensitive to import competition, and hence most textile tariff reductions were substantially less than 50%. *We do not think textile tariff-cutting authority of more than 6% should be granted in the pending legislation.*

"The Special Trade Representative told the Committee on June 4 that 'it is not our intention to engage in any major negotiations . . .' The 5% authority should herefore, be more than ample. There is no reason to expose sensitive products like textiles to the possibility of larger tariff reductions."

#### *Sec. 202.—General Agreement on Tariffs and Trade*

As the Congress has never yet formally approved U.S. membership in GATT, it would appear that the Bill's request for a continuing authorization of annual appropriations to finance the U.S. share of GATT expenses is premature.

### TITLE III—ADJUSTMENT ASSISTANCE TO FIRMS AND WORKERS

This Title improves the present criteria for adjustment assistance—which have been inoperable since enactment in 1962. However, our industry's long experience with the Escape Clause and other Tariff Commission relief procedures convinces us beyond doubt that this is not an avenue for dealing practically or meaningfully with an industry-wide import problem—certainly not for a large and diversified industry such as textiles. In fact, an examination of the complete record of the Escape Clause mechanism from the time it was first enacted in 1951 until now certainly must leave any objective examiner with the firm conclusion that such procedures for the most part have been used as devices to delay, frustrate, and eventually to deny broad-scale relief for any industry. A major exception, of course, has been relief for agricultural products under Section 22 where such relief was requested and/or supported fully by the Executive Branch.