

involved is that if you had the most effective countervailing duty in the world all that would be countervailed is the degree of penetration that is attributable to the subsidy itself and the basic problem of the disparity in wage costs would still remain.

Mr. CURTIS. No, don't misunderstand me. I don't believe any tool by itself is going to be adequate in the complex field such as we are dealing with. I do raise the question though of whether this isn't a good tool.

In fact, I could see that it could be extended beyond the subsidy approach to include other unfair trade practices.

I certainly don't think it could ever work in getting into the area of wage differentials, but it could in getting at other unfair trade practices.

I have long thought that maybe the countervailing duty could be strengthened. I raise the question of whether it is wise to require proof of damage if what the countervailing duty is relating to is what all have agreed is an unfair trade practice.

We find that in these economic areas it is difficult to prove damages. In our own laws in antitrust enforcement and fair trade laws we have applied the treble damage and other concepts understanding that it is difficult to ever prove damage.

Well now, the escape clause is a third area in a list of tools that might be strengthened. OEP is another one that has come into the picture. Your industry too alleges, and I think with some justification, that you are important to the national security.

Again, how about this tool. Is it adequate? Could it be improved? What has been your industry's experiences because OEP machinery does provide the quantitative approach but it is related to something specific—national security. Does your industry have a view on this?

Mr. DARMAN. Yes, sir, I think very definitely. We will ask Mr. Jackson if he would recite the OEP case.

Mr. CURTIS. Go ahead, Mr. Jackson.

Mr. JACKSON. Robert Jackson. American Textile Manufacturers Institute.

Mr. Curtis, in 1961, I think it was, the textile industry, the total complex, filed what was perhaps the most elaborate case that has ever been filed under that procedure of law, documented in great depth and great detail with an awful lot of manpower hours and expense involved in the undertaking.

That was 7 years ago and there has not been a finding in the case up to now. It is still pending.

So far as I know, incidentally there is only one case that has ever succeeded under that provision of law; as I recall, the oil import quota procedure.

Generally speaking, the attitude of our industry on it would be that it is another mechanic of government that automatically involves a number of different agencies of Government.

It brings into the picture the same combination of Government agencies with all of the cross-purposes and cross philosophies that are involved on any matter of administrative procedure.

It is like the administration of the long-term arrangement on cotton. One of the reasons that we have experienced such difficulties under