

ized escape clause or other import relief to insure that the special privileges accorded will not be abused to the public detriment.

(3) Limit any special import relief to not more than five years, with the understanding that if, prior to that five year period, conditions in that industry or company so improve the import benefits will be withdrawn or cancelled.

We urge these amendments out of our experience with textile imports and out of our belief that, in order to meaningfully promote freer, nondiscriminatory trade, unjustified and unwarranted appeals for import relief should be discouraged.

We believe, for instance, that all textile imports do not have an adverse impact on the totality of the vast American textile combine, with its 33,000 mills and plants in 45 States.

Take cotton typewriter ribbon cloth as a case in point. Imports from Japan are under bilateral restraint, and domestic production of this specialized fabric is substantially by one company. Or, to ask a question: How can Japanese tubular rug imports affect the American production of miniskirts?

On the other hand, under certain conditions, in certain times, it is possible that certain textile imports might have a selective influence on certain United States competition. If this is so, the investigation should be on an individual product basis, and, if an import remedy is called for, granted on an individual product basis. Such a procedure seems more reasonable and equitable than providing protectionism to many who may not produce the similar article or a directly competitive one.

Then, if an industry or a company is provided with protective relief, since such a benefit is at the expense of the national purpose, that favored entity is obligated at least to the government and the consumers to try to update and modernize his operations and to bring about more efficient and economic production. Import protection, we hold, should not be abused to shelter or subsidize the obsolete, the uncompetitive, the badly managed.

Constant surveillance by federal authorities—of the books, of the planning, of the operations—should help insure that the public trust implicit in such import protection is not violated.

Finally, if an industry or company cannot adjust within a five year period to compete with imports, it would seem that such an industry or company is not the type that is economically advantageous to the United States economy. Such an enterprise might well be given additional adjustment assistance, if necessary, to change its operations to prevent the further wasting of America's comparative advantages in international trade and from slowing and cheating the growth of the national economy.

If, however, through modernization and innovation, or merger and consolidation, or other activities, that industry or company recovers its competitive edge, even before the five year adjustment period is over, it seems clear that the public good would call for the immediate termination of the favored treatment.

Here again, since the national interest is involved, government inspection will be helpful in making the proper determination.

In national interest

Perhaps the quickest way to document that the proposed legislation is in the national and international self-interest of the United States is to summarize the President's message of May 28, 1968, transmitting the draft bill to the Congress, and the impressive testimony of his Cabinet Secretaries who have special responsibilities in this area of federal activity, his Special Trade Representative, and his Special Assistant on Consumer Affairs.

The President emphasized that by continuing America's historic 34-year program to open trade channels and to encourage international commerce, all segments of the Nation would profit greatly. He explained that "When trade barriers fall, the American people and the American economy benefit. Open trade lines: (a) Reduce prices from goods from abroad. (b) Increase opportunities for American businesses and farms to export their products. This means expanded production and more job opportunities. (c) Help improve the efficiency and competitive strength of our industries. This means a higher rate of economic growth for our nation and higher incomes for our people."

Then, noting that there are many proposals before the Congress to impose import quotas or other restrictions involving about half (\$7 billion) of all our imports subject to duty, the Chief Executive warned that "In a world of expanding trade, such restrictions would be self-defeating. Under international