others medium-sized, and still others small. And, among the many enterprises there will be the economic and the uneconomic.

With more than 7,104 mills and plants engaged in the manufacture of so-called textile mill products (cotton weaving mills—407, manmade weaving mills—355, wool weaving and finishing mills—361, knitting mills—2848, textile finishing mills—621, woven floor covering mills—64, and miscellaneous textile goods—1,067) and 28,457 engaged in the production of apparel and related merchandise (men's and boys' suits and coats—1,112, men's and boys' furnishings—2,981, women's and misses outerwear—9,740, miscellaneous apparel—1,582, and other fabricated textiles—7,308), there can be little question that the competition between establishments in the United States is more fierce and bitter than the competition between American textiles and imports.

Nevertheless, if increased imports contribute substantially to the inability of an American concern to compete with such imports, because the national objective of expanding trade is involved, we find it justifiable that the government provide special adjustment assistance in such instances.

And, providing such specialized assistance should obviate the necessity for seeking general import protection.

Adjustment assistance principle

The Administration's liberalized approach to adjustment assistance for firms and workers who may be the unfortunate victims of economic progress as attested by increased imports is approved in the first of the recommendations made by the Subcommittee on Foreign Economic Policy of the Joint Economic Committee, in its September 29, 1967, Report on "The Future of U.S. Foreign Trade Policy."

According to the Subcommittee Report, "*The adjustment assistance provisions of the Trade Expansion Act must be liberalized so that the assistance can be more readily available to workers and firms required to make adjustments as a result of negotiated tariff reductions. . .*

"The removal of a tariff barrier places an obligation on the Government to grant fair adjustment assistance to injured parties. The use of compensation as spelled out in the Act of 1962 is more appropriately geared to the national interest than outright protection or resort to 'escape clauses' and quotas. The national interest, in general, lies in the direction of reducing restrictions on international trade rather than applying restrictions on the ground that some particular domestic group might be injured when compensation is a possibility.

"This implies that the scale of injury is relatively narrow and is within the reach of limited Government action. Domestic prosperity has reduced the hazards of injury through change of occupation, although assuredly it has not eliminated injuries. By and large, the high mobility of people and resources in our economy in many cases provide a ready answer to the problem. But where there are no alternatives, and geographical and occupational immobility prevents the improvement of the lot of the individual or firm, some form of limited, temporary protection may be warranted. In any case our provision for easing the adjustment process should be as generous as equity demands."

ASP on textiles

The third major objective of the Administration's trade package is the elimination of the American Selling price system of customs evaluation for certain designated imports.

While the principal effort is to secure the repeal of the 46-year old nontariff import barrier on benzenoid chemical, the only textile item to which the ASP is applied is certain wool knit gloves and mittens (TSUS 704.55).

No imports of this item have been recorded since the 1930's and the Tariff Commission notes that "The value limitation (less than 15 cents per pair) precludes any imports under Item 704.55, even if the ASP provision were not in existence. The current cost of even low-grade wool yarn and the rise in labor costs since the 1930's makes imports of this item most improbable."

Even the National Association of Wool Manufacturers recommend that the ASP formula be deleted for these gloves and that the converted rate in the TSUS be applied.

Not only since this ASP item has no practical value but also since it is a grim reminder of a most protectionist past, this particular nontariff trade barrier should be repealed.