

tion Congress in 1951 established the peril point and escape clause procedures, designed to protect domestic industry from serious injury resulting from increased imports encouraged by trade agreement concessions.

In 1962 the administration asked Congress to reverse this policy and to authorize the President to sacrifice such domestic industries as he might determine should be sacrificed in the interests of the overall national economy. Administration spokesmen—the Secretaries of Commerce and Labor—then acknowledged that the proposal would deprive 90,000 workers of their jobs and would cause 800 firms to go out of business during the ensuing 5 years.

The sacrifice was “justified” by the administration on the ground that it would provide jobs for an even larger number of other workers. Congress was assured that these 800 firms and 90,000 workers would be assisted under the terms of the proposal.

The Congress, in obvious recognition of its obligation not to sacrifice any domestic industry for the benefit of any other industry or for the benefit of the national economy as a whole, without providing adequate and reasonable compensation to the industry sacrificed, insisted upon adjustment assistance provisions which it felt would provide adequate and reasonable assistance to workers, firms, and industries injured or sacrificed by the exercise of the tariff-cutting powers included in the proposal.

The proposal was enacted as the Trade Expansion Act of 1962, and these powers have been exercised by cutting the rates of duty on most industrial items by 50 percent.

The basic purpose of the statement which I have filed with the committee is to demonstrate that the peril point and escape clause procedures which were in effect prior to 1962 were ineffective; that the adjustment assistance procedure which has been in effect since 1962 is virtually worthless; third, that action by Congress is essential if we are to avoid imposing unnecessary and unfair hardships on countless workers, businesses, and small towns; and, fourth, that the proposed changes in the adjustment assistance procedure incorporated in the President's message to the Congress dated May 28, 1968, are completely inadequate.

I will leave my objections to the peril point and escape clause provisions for the written statement and will concentrate for a few moments, if I may, on the adjustment assistance provisions.

This committee is fully informed as to the extent of the assistance which has been rendered to workers, firms, and industries under this procedure during the nearly 6 years it has been in effect. I understand the current score is 19 applications and 19 denials of assistance. My written statement contains a detailed discussion of the reasons for its inadequacy, which may be of assistance to this committee in evaluating the changes recommended in the President's message of May 28, 1968, wherein he acknowledged that the assistance program has not been effective.

In brief, the statement points out the disastrous effects of the closing of plants located in small towns and uses the town of West Paris, Maine, in which the Penley Bros. clothespin plant is located to illustrate the inadequacy of the adjustment assistance program as it is proposed to be amended.