the negotiators, in order to get concessions which would be helpful to certain U.S. producers, had to have something more to give away. The President, accordingly, authorized the granting of concessions on a number of items, which concessions he had been warned by the Tariff Commission would result in serious injury to domestic producers.

The President attempted to justify this action by determining himself that the concessions could be made without "serious competitive risks for American industry". He explained his action in usurping the function of the Tariff Commission as the "finder of the facts", by stating that the Commission's findings were merely "hasty predictions" which "were necessarily superficial". While it is recognized that the Commission is not infallible and that it had to make predictions as to a large number of items in a relatively short period of time, it is submitted that the Commission was in a better position to make predictions than was the President. The President did not set forth any facts on which he based his prediction that no serious competitive risks were involved, and it did not appear that he made any investigation or conducted any public hearings in an effort to ascertain the facts. The Commission did investigate each of the industries producing the products on which the negotiators granted concessions, and based its determinations on the facts adduced during the investigation and at the public hearings held by the Commission.

In net effect, the President "justified" his action in ignoring the peril points by pointing to the concessions obtained from foreign countries as a consequence. While no question is raised as to whether the President's action was for the over-all good of the national economy, or whether he had a legal right to take such action, there is a serious question as to whether the action was consistent with the frequently annocunced intent of Congress to provide protection to all domestic industries. There is also a question as to what justification there is for purposely endangering the continued operation of producers of specific products, and the employment opportunities afforded by such producers, without first providing some means for compensating the producers and of assisting the workers who might well lose their jobs in the event the Commission's predictions prove accurate. These producers, and their employees, may well have been sacrificed for the benefit of the producers of other items. This may be good for the over-all economy, but it is completely contrary to the basic principles to which Congress has always adhered.

ESCAPE CLAUSE PROCEDURE

The so-called "escape clause" was enacted in recognition that concessions might be granted, despite the peril-point procedure, which would result in serious injury to domestic industry. In essence it permitted applications to the Tariff Commission for determination as to the effect of increased imports resulting from concessions on particular industries, and recommendations by the Commission to the President for the relief of any injury found to exist.

While this Committee has available to it the full record of all cases which were brought under the escape clause, the Committee might not be aware of the fact that it was virtually impossible for any industry, no matter how severely injured, to obtain any effective relief. One of the most compelling examples is the experience of the clothespin industry.

The U.S. Tariff Commission found in October, 1957 that the spring clothespin industry was being seriously injured by increased imports resulting from a reduction in the duty from 20¢ to 10¢ per gross. It advised the President that the maximum increase then permitted—which was to 20¢ per gross—would be inadequate to remedy the injury, and recommended imposition of an import quota. The President agreed with the determination of injury, but disagreed with the recommendation. In December, 1957 he issued a proclamation withdrawing the concession and restoring the 20¢ rate of duty.

As predicted by the Commission, the increase in the duty proved to be inadequate. As will be fully developed later in this statement, imports have continued to increase, production and sales have continued to decline, and the domestic industry today is in a much worse financial condition than it was at the time the increase was promulgated.

This situation has not resulted solely because a 20¢ rate of duty as predicted by the Commission, has proved inadequate. The truth of the matter is that the effect of a 20¢ rate of duty is difficult to determine, since, notwithstanding the President's 1957 proclamation, *for all practical purposes the 20¢ rate of duty did not go into effect until 1962.*