

that such concession is causing injury. *The concession on spring clothespins was allowed to remain in effect for four years and seven months after a determination of injury was made by the President himself.*

The President had the power to make an immediate withdrawal of a concession under the provisions of the Trade Agreements Act, and a quick withdrawal under the provision of GATT, Article 28. Had he desired to do so, he could have effectively withdrawn the concession within days after he learned in December, 1960 that his former action was invalid. His delay in doing so resulted in irreparable harm to the domestic industry.

The problems of domestic industry in securing relief under the escape clause were not confined to the difficulty of getting action by the President. There were many difficulties in getting a favorable recommendation from the Tariff Commission, largely due to differences of opinion as to what Congress meant by the words "industry" and "like or directly competitive products", as used in the escape clause. For example, several of the domestic producers of spring clothespins also produce standard or slotted pins. Throughout the course of several hearings and investigations as to the effect of increased imports of spring clothespins, the domestic producers argued that the Commission should take into consideration the impact of such imports on domestic sales of standard clothespins.

It was pointed out that standard pins are used for the same purpose as spring pins, and are directly competitive. As a matter of fact, the industry established that standard pins had enjoyed a competitive advantage over spring pins for many years due to lower prices; that imports of spring pins were priced at about the same level as domestic standard pins; and that the most serious effect of imports of spring pins was on domestic sales of standard pins. At the same price most housewives will buy spring pins in lieu of standard pins, and with imported pins available at the same price, domestic sales of standard pins declined sharply.

Nonetheless, the Commission found, in 1957, that standard and spring pins were "not like or directly competitive within the meaning of the pertinent legislation."

Thereafter standard pin shipments continued to decline, dropping from 4.8 million gross in 1956 to 3.5 million gross in 1961. At the same time imports of standard pins began to sky-rocket, increasing from 44,000 gross in 1956 to 361,000 gross in 1961. Since the Commission apparently considered that spring and standard clothespins were produced by separate "industries", and were not competitive items, the standard pin "industry" applied for an escape clause investigation to determine whether imports of standard pins were causing injury. The result was a determination by the Commission made in February, 1962, to the effect that the troubles of the standard pin industry were not caused by imports of standard pins, but were due to the competition from spring pins. How the Commission could conclude in 1957 that spring and standard pins were not competitive, and then in 1962 could conclude that the obvious injury to the standard pin manufacturers was being caused by competition from spring pins, is difficult to understand. However, those are the facts.

Another example of the problems which domestic industries faced in obtaining Tariff Commission action in escape clause cases arose out of the granting of concessions on all items in a so-called "basket" classification. Such a concession was granted on manufactures of wood, not otherwise classified. This concession affected a large number of wood products, including ice cream sticks, cocktail forks, and other flat veneer items.

Domestic producers of these items were being severely injured by large volumes of imports, particularly of ice cream sticks and cocktail forks, which imports were being sold on the domestic market at prices lower than the cost of production in the United States. The domestic producers, however, could not even apply for escape clause relief since there was no way to establish the actual quantities being imported. Import statistics were not available, and could not be obtained, at least by the domestic producers, as to the individual items in the basket classification. The only figures available were total imports of all items in the classification.

As a result, the domestic industry was unable to sustain the burden of proving to the Tariff Commission that imports of specific items had increased as a result of the trade agreement concession.

The only conclusion that can be reached is that the escape clause and peril point procedures were grossly inadequate to provide any reasonable degree of protection to domestic industry against injury from trade agreement concessions.