CONCLUSION

Domestic producers of clothespins, flat veneer products and slide fasteners have already lost a substantial part of their domestic markets as a result of duty reductions under the trade agreement program. With the further reductions provided for under the GATT agreement, it is anticipated that increased imports will force a drastic curtailment of domesitc production, the layoff of American workers and closing of plants. There is presently a wide price differential favoring imports, which gap will be widened by the projected duty reductions, encouraging more and more users to switch to imports.

The domestic industries believe that Congress did not intend that the trade agreement program would result in the sacrifice of American industry and workers in order to make a gift of the American market to foreign producers. They believe that the program was intended as a means of making all markets available to all producers on an equal basis, without artificial restraints which give one group of producers a competitive advantage over others. Tariff restrictions should be designed to enable both foreign and domestic producers to compete *on an equal basis* for the domestic market as well as for foreign markets.

Domestic producers fully recognize the importance to the national economy of entering into trade agreements under which foreign markets are made "available" to the products of American labor, and the necessity of making compensatory concessions to foreign countries under which the American market will be made "available" to products of foreign labor. However, they submit that making a market "available" merely means to enable both foreign and domestic producers to compete for it on an equal basis, without artificial restraints which give one group a competitive advantage over the other.

There is no indication that any foreign country has ever made a "gift" to the U.S. of a market for any product produced in that country, and thereby deprived its own citizens of the opportunity of competing with the U.S. for such market. The U.S. has not asked for, nor obtained a competitive *advantage* for its products in any foreign market. It has asked for elimination of restraints which raised costs of U.S. products in foreign markets to a point where U.S. producers were at a competitive *disadvantage.*

Similarly, concessions made to foreign countries should be designed to enable foreign producers to compete on an equal basis with American producers for the American market. They should not enable foreign producers to take over the entire market because of lower labor costs, thereby depriving American producers of a market they have developed, and taking jobs away from American workers.

It is inevitable that the negotiation of trade agreements will result in inequities which will seriously injure specific domestic industries. This does not mean that the trade agreements should not be negotiated. It does mean that effective means of correcting such inequities must be provided. If a single American industry or even a single business or worker, is to be sacrificed to obtain concessions for the benefit of other businesses or workers, an effective means of compensating such sacrificed industry, business or worker should be devised. The taking of a business or of a worker's job to benefit other businesses or workers in the aid of the over-all national economy, cannot be distinguished from the taking of real property for an interstate highway. In the latter case, the Constitution requires that the owner be paid "just compensation". A man's business or job may be equally as valuable to him as his real property and when his business or job is taken for the benefit of others or in order to aid the national economy, he should be compensated.

The writer doubts that Congress is prepared to take such a radical step in order to provide foreign markets for specific businesses. However, if it does permit the President to do so by sacrificing other individual businesses, it has a moral, if not a legal obligation, to compensate the sacrificed businesses and the workers displaced as result. For the reasons heretofore set forth, the changes in the adjustment assistance provisions of the law proposed by the President will not be effective. Until the Congress is prepared to enact laws providing for such compensation, it is submitted that effective measures for preventing any such sacrifices must be enacted.

RECOMMENDATIONS

The Trade Expansion Act of 1962 should be amended so as to reestablish the peril point and escape clause procedures contained in the former law, ***but with mandatory provisions*** under which the President would be precluded from