sued by the United States and we believe that such realization is present in the Congress at this time.

We therefore assume, or hope we may assume, that the public policy of the United States, is, or shall be, to draw a line short of extinction of domestic industries which face difficult import competition.

I address my remarks now to the question of how this may be accomplished. Fundamentally there are two approaches from the point of view of the pin industries. There are the existing remedies on the statute books and administered by the executive agencies, and there is the second approach of new legislation.

Now, in our opinion, and we have examined carefully over a period of several years all of the existing remedies, none of the existing remedies as presently administered is effective to afford any protection to the pin industries from import competition.

We believe that new legislation is indispensible. Specifically we believe, first, as to mandatory import quotas, there are before the Congress a large number of specific import quota bills addressed to named commodities. No such bills apply to pins.

There are also before the Congress two omnibus import quota bills, H.R. 16936 and H.R. 17674. The pin industries support both of these bills but recommend three changes in Mr. Herlong's bill, H.R. 16936, and one change in H.R. 17674, Mr. Collier's bill.

First, as to Mr. Herlong's bill, the basic year for eligibility for a ceiling is the calendar year 1960. We would recommend that, principally because safety pins fortuitously are left out completely from the coverage of this bill, that the base year be changed to 1960 or the annual average of the period 1958–62, whichever should be the lower.

Secondly, safety pins would still not be covered by the language of the bill adequately and we would recommend that section 5(b) of Mr. Herlong's bill be changed to omit the words "but not more than 15 per centum."

And, third, with respect both to H.R. 16936 and H.R. 17674, we recommend an antiretaliation provision. There is a great deal of talk, there has been and there always is, of retaliation by the U.S. trading partners in the event of imposition of mandatory import controls.

We believe retaliation is greatly exaggerated because for most of the U.S. major trading partners their exports to the United States are considerably more important to them than are imports to the United States from those countries or vice versa exports from the United States.

Nonetheless, an antiretaliation provision would be desirable. By that I mean a provision in effect stating that the ceilings would be lowered if the retaliation by any particular supplying country should exceed in value the amount of trade reduced by operation of any quota under this legislation.

Next, a few words about the escape clause. Now, again, it is well known to the committee that the criteria for tariff adjustment under the escape clause as contained in section 3401 of the Trade Expansion Act has not operated, despite some 21 trys by domestic industries, to afford relief to anyone over the past 7 years of its existence.

The reason for this is obviously that the "major part" and "major factor" criteria are unworkable. The administration has recognized