STATEMENT OF B. C. DEUSCHLE, PRESIDENT, SHEARS, SCISSORS AND MANICURE IMPLEMENT MANUFACTURERS ASSOCIATION

I would like to begin my statement with a word of appreciation to this Committee and particularly to the members that supported Section 225(b) of the Trade Expansion Act of 1962. This key section provided for the reservation of certain articles including one category of scissors and shears from the Kennedy Round of Negotiations.

The members of our Association were astounded to find that the President in his May 28 message to Congress did not recommend or include in the proposed Trade Expansion Act of 1968 that the reservation provided for in Section 225(b) be extended with the new negotiating authority requested. Should this Committee approve legislation extending the President's basic authority for entering into trade agreements, we urge that the reservation provided for in Section 225(b) be extended for the same period.

The scissors and shears industry has not seen the full effect of the 50% reduction in the duty on scissors and shears valued $1.75 per dozen and less since the first step of the reduction only became effective on January 1, 1968. However, even with no change in the duty, imports of these scissors and shears have increased 68% during the past five years. The present economic condition of our domestic industry indicates a real need for restraint and not encouragement of imports. We urge this Committee to report legislation similar to the Orderly Scissors and Shears Marketing Act (copy attached), which has been introduced in the Senate by Senator Ribicoff (S. 2618). Enactment of the Trade Expansion Act of 1968 in its present form could spell instant doom to our industry and employes.

During the past 20 years representatives of our Association have appeared before this Committee and other Congressional committees, the Tariff Commission and committees of the executive to present our view on the impact of imported scissors and shears on our domestic industry. In fact, I appeared before this Committee six years ago when the Trade Expansion Act of 1962 was being considered. At that time, on behalf of the Association, I urged that the escape clause be strengthened and not abandoned for the trade adjustment assistance concept. This recommendation was not accepted and the President has now acknowledged that the trade adjustment assistance program enacted in 1962 has been ineffective. The Chairman of the Tariff Commission made a similar evaluation during March. We believe that it is clear that a warmed over adjustment assistance program now recommended by the President is not the answer to the problem faced by industries such as ours. I repeat what I said six years ago, "The workers in the domestic scissors and shears industry do not want to become wards of the state; they want to use their skills, which have taken years to develop. These workers are not interested in re-training, over many years they have developed a skill they are proud of and want to continue the work they are happy doing."

Our nation needs a policy that, in word and fact, will assure domestic industries, firms and workers practicable and reasonable protection against injury from low-cost imports. We cannot agree that the answer lies in federal compensation to workers whose jobs are sacrificed for the exports of another industry. The jobs American industry is providing for American workers must remain in the United States. This can be done with enactment of the Orderely Scissors and Shears Marketing Act.

Gentlemen, during the past 20 years that we have been pleading for our industry we have not been crying "wolf". Look at what has happened to our industry during that period. In 1949 there were approximately 50 firms in the United States manufacturing scissors and shears, today there are less than 10. During just the past five years, with no new duty reductions, "reported" imports of scissors and shears have increased over 50%. During each of the past nine years imports of scissors and shears (valued over $1.75 per dozen, which account for 95% of imports) have exceeded domestic production of comparable items. It is this category of scissors and shears that would be subject to duty cuts if the Trade Expansion Act of 1968 is enacted in its proposed form.

One member of the scissors and shears industry gave "Yankee stubbornness" as his reason for staying in business under present conditions. He also added that he had the belief that "eventually our administration in Washington would come around to agree, in majority, that before we can help others