

and no new trade legislation be enacted prior to completion of the thorough and detailed review of the effects of the present trade policy as proposed by the President and announced in the notice of this hearing.

Title II have been represented as necessary by the administration for "housekeeping" requirements in case the President should raise duties under section 351, or if a tariff rate should be increased because of a customer's reclassification. The record shows that 12 industries have applied for relief and all have been rejected at the Tariff Commission level. H.R. 17551, while relaxing the criteria for firms and workers, continues the same rigid requirements for industries.

However, the vast majority of judicial decisions or administration reclassifications have resulted in U.S. tariff reductions for which the benevolent Uncle Sam has not asked for nor received compensation. Even a cursory review of the Customs Bulletin or its predecessor, Treasury Decisions, will show the United States has overcompensated without any further negotiated reductions.

You are asked to believe that H.R. 17551 could create no new significant tariff-cutting authorities. The fact is that title II opens up a whole new vista of negotiating authority for import-sensitive items such as stainless steel flatware and others specifically reserved by Congress by section 225 of the Trade Expansion Act.

In view of these conditions, further delegation of tariff-cutting authority by the Congress, in our opinion, would be very unwise at this time.

Title III: Adjustment Assistance to Firms and Workers. We urge this committee to compare, thoughtfully and carefully, the great difference in basic philosophy behind the escape clause under section 7, Trade Agreements Act, as amended, as a method of relief for U.S. industries injured by imports, and the philosophy behind the adjustment assistance program. The escape clause, inserted at the insistence of Congress, recognized the right of any import-sensitive U.S. industry to continue to exist.

The adjustment assistance program which Congress was persuaded to include in the Trade Expansion Act of 1962, to replace the escape clause under section 7, accepts as a fact that U.S. industries are expendable. Nothing, in our opinion, more clearly demonstrates the extent to which our present trade policy has become an ideology to those who propose and administer it.

Any U.S. industry which cannot compete with imports in the U.S. market has no right to exist. The fact that the inability to compete results from Government policies beyond industry control has no bearing in their minds. They blithely say "manufacture and sell something else."

Just who is the all-knowing individual who will suggest that something else to be made and plan the retraining of the workers involved? How many millions of dollars will it cost? How much dislocation of people will be involved? What impact will it have on the areas affected? What assurance can be given that the whole process will not have to be repeated when imports absorb the U.S. market for the new product? We doubt anyone has the answers to those questions.

But, even more important, is the Federal Government to decide the products U.S. industry shall make? Is it to plan the lives of American