

of the effects of the present trade policy as proposed by the President and announced in the notice of this hearing.

It is significant that the administration was reluctant to offer a new trade bill this session until it sensed that the deluge of quota bills might receive active consideration by Congress. The fact it has now done so indicates in our opinion the extent to which our trade policy has become to some a symbol, an ideology to be supported at all cost and defended against all protest. I remind you that administrations come and go but those who have influenced each administration toward a free trade policy do not change. Still among them are some of the original proponents of today's policy. Others are proteges thoroughly steeped in the same beliefs. They fail to realize or refuse to admit that expanding industrial efficiency in foreign lands is making it possible for more and more products to absorb the U.S. market as duties, reduced almost to the vanishing point, expose more of those markets to imports. Their slogan seems to be "Do not change our Trade Policies. Instead, change U.S. industry to fit them." HR 17551 is proof of that.

While the Tariff Commission was established as an independent agency accountable to Congress it has in fact come increasingly under the influence of the Executive and State Departments. HR 17551 would extend this control and further reduce the role of the Tariff Commission to the mere preparation of memos such as is the regular work of the staffs of the various Agencies and Departments of Government.

Title II has been represented as necessary by the Administration for "house-keeping" requirements in case the President should raise duties under Section 351, or if a tariff rate should be increased because of a customs reclassification. The record shows that twelve industries have applied for relief and all have been rejected at the Tariff Commission level. HR 17551 while relaxing the criteria for firms and workers continues the same rigid requirements for industries. Indeed, Ambassador Roth clearly announced in his address to the U.S. Chamber of Commerce on May 21, 1968, that the Administration has no intention of according any industry tariff relief. It is true that in some few rare cases an upward duty adjustment has resulted from a customs reclassification and also that U.S. negotiators have bent over backwards to compensate complaining foreign countries. 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 of its predecessor Treasury Decisions will show the U.S. has over-compensated without any further negotiated reductions.

You are asked to believe that HR 17551 would 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 T.E.A.

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 Sec. 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 fact that it did not always succeed to the extent Congress planned was, in our judgment, mainly because of the abuse of Executive discretion it permitted.

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 somethings else."

Just who is the all-knowing individual who will suggest that something else to be made and plan the re-training 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