

The success of the tariff quota on imports of stainless steel flatware can well be used as an example of the benefits that accrue to the overall U.S. economy when a reasonable import quota is applied to certain specified products. In the eight years of its operation, it provided job security for thousands of American workmen, safety for many American investors and contributed strongly to the welfare of those cities and towns whose principal industry is flatware manufacturing.

Unfortunately, he who gives can also take away and how much longer the U.S. flatware industry can continue in the position the quota enabled it to reach is a very serious question. Acting on the recommendation of his trade advisors and contrary to the majority finding of the Tariff Commission, the President rescinded the quota effective October 11, 1967. As we had predicted, a deluge of imports started almost immediately. Imports from Japan in the 1st quarter 1968 were more than triple those of the same period in 1967. Imports from other Asian countries are increasing in almost the same measure. Large volume orders from institutional and premium users, running in the aggregate to millions of dollars are now being given to foreign countries, forecasting still further inroads into areas which were the principal sources of domestic sales. It is like a snowball rolling down hill. Right now the long range outlook for the U.S. flatware industry is indeed bleak.

This is occurring just at the time when some of industry are endeavoring to train and provide jobs for the hard core unemployed under the program assigned Mr. Ford's Committee by the President. It could well be we are building false hopes in those we seek to help, for it now appears likely there will no jobs available when the training is completed.

We are convinced continuance of the quota was denied us solely because those in authority thought we had had it "long enough." Apparently, the lack of justice to an established U.S. industry in rescinding it had no bearing on their decision, a decision which will undoubtedly force some of the smaller producers out of business in a relatively short time and which can eventually lead to the loss of thousands of jobs and substantial investments as the larger producers are affected.

We submit that a trade policy which reduces an industry that was the world's largest manufacturer of table flatware to the second largest is bad enough, even though it may be rationalized as that industry's contribution to the furtherance of international trade. However, a trade policy which bids fair to force that industry completely out of business it not only uneconomic, it is un-American. No amount of vague conversation and grandiose generalities about how many export opportunities are being benefited by it can justify such a policy.

In conclusion, it is our belief that if a sound and equitable trade policy is to emerge in the United States it will come only when the Congress once again assumes its full responsibilities under the Constitution. HR 17551 is certainly not the answer, for it continues to delegate much of that responsibility. Obviously, if any of the orderly marketing bills now before this Committee are to be enacted we believe HR 12988, which would restore the tariff quota on imports of stainless steel flatware should also be enacted. However, we believe the far wiser course, after the aforementioned study is completed, would be for the Congress to enact new trade legislation sufficiently broad as to insure an equitable sharing of the U.S. market between all domestic and foreign made products.

We commend to the Committee's further attention the statement of the Trade Relations Council on June 13, 1968, suggesting a fundamental change in basic U.S. law pertaining to the criteria for future tariff negotiations and tariff adjustments.

Mr. BURKE. Thank you, Mr. Hemingway, for your statement. Are there any questions?

Our next witness will be on plastics and buttons. I notice that there are two witnesses, William F. Christopher and Gilbert C. Richman. Without objection, your statements will appear in their entirety in the record. You may summarize and this will appear in full.

Please identify yourself for the record.