

believe we would have had today the current much more difficult situation which we now should meet squarely.

Regretfully, Congress did not accept our recommendations or those of the numerous other witnesses who made comparable recommendations, and here we are today, even without the results of the Kennedy round really beginning to be felt; and we have a serious balance-of-payments problem, an international financial crisis, and many U.S. industries confronted with a serious unfair import competition problem. The same governmental leaders, or their successors in office, who were before you in 1962 urging the Trade Expansion Act, are back before you again seeking more power and authority. We are hopeful that this time you will listen to us instead of to them. They painted glorious pictures in 1962. We think the committee at this time should hold them accountable.

We believe that U.S. negotiators have not done a good job for the United States at the various international negotiations—notwithstanding the extensive publicity by the administration to the contrary—and that the situation we are into today is the proof of the accuracy of this contention. In brief, we think the United States has given much more than it has received and that frequently we have accepted from other countries concessions covering items which present little or no competition with their own industries, while the United States has granted concessions on products highly competitive with our own U.S. industries.

A basic problem, we believe lies within the framework of GATT itself. It is well known that the United States has been supergenerous in the concessions it has granted, and a few other countries also have granted substantial concessions, although probably not as extensive as has the United States, but many member countries of GATT have granted only limited concessions.

An even greater evil we believe occurs as a result of the most-favored-nation rule which, as you know, provides that if a country grants a concession to one country, it extends the concession, with the exception of Communist countries to every other country of the world, even to the countries which themselves are not members of GATT and, such countries, therefore, do not give anything in return but merely accept the tariff benefits negotiated by GATT members. A classic example is Mexico which does not belong to GATT, grants no concessions on its own part, but accepts the benefits of all of the concessions granted by the United States and other GATT members. While the statistics show that Mexico buys more from the United States than the United States buys from Mexico, much of that which we buy is competitive with our own industry, while Mexico places actual embargoes and prohibitive duties on practically every item competitive with its own industry including confectionery.

CURRENT RECOMMENDATIONS OF THE PRESIDENT (H.R. 17551)

In the report to the Ways and Means Committee from the President requesting enactment of the provisions of H.R. 17551, the President's letter on page 3 of the committee print states that, "When trade barriers fall, the American people and the American economy benefit." He states that open trade lines: