

The CHAIRMAN. We thank you, Mr. Stewart, for your very fine presentation of your point of view and that of your clients. Any questions? Mr. Curtis.

Mr. CURTIS. I want to again commend Mr. Stewart for the fine research he has done in presenting his material. It certainly does move forward the dialog.

Let me ask you, because you have testified in others areas too—here I begin to see possibly a glimmering of guidelines for quotas—if you would argue that you apply quotas in those areas which prove to be labor intensive, am I correct?

Is that where you might distinguish between those industries to which Congress would apply quotas and those that we wouldn't?

Mr. STEWART. Mr. Curtis, it is certainly true that in the industries that are highly labor intensive you find problems of this comparable magnitude though I must say that it is very extreme in the electronic case, more advanced than any I have seen.

Mr. CURTIS. What I am seeking is some guidance. You very properly are representing the proponents of American industry, and agriculture, and services, but in your zeal to represent the proponents I know you recognize the need to put that in the context of the whole.

Let me ask it this way. Would you advocate our going over completely to the quota license system for regulating international trade in all areas?

Mr. STEWART. This group that I represent does not advocate a total embracing of quotas for the regulation of all imports. We say this industry certainly requires that assistance and we support a bill introduced by Mr. Collier—

Mr. CURTIS. Yes, I understand all that.

Mr. STEWART (continuing). That includes other industries that are labor-intensive that appear to us to be similarly affected

Mr. CURTIS. That is why I asked the question. Is one of your guidelines that you are suggesting the Congress consider in determining whether to apply the quota approach this labor-intensive factor?

Mr. STEWART. Yes, I would concede that that should be a guideline.

Mr. CURTIS. Are there any other guidelines, and there need not be necessarily—that is a pretty important one. I am just wondering if there are any other guidelines that you would suggest.

Mr. STEWART. The guidelines such as those set forth in the Collier bill contemplate a relatively high level of market penetration by imports. In the case of the electronic industries you would abstract the guideline of a very much higher rate of imports than of exports and an absolute deficit in the affected products in our balance of trade.

If you combine labor-intensiveness, high rate of increase of imports in relation to exports, and absolute trade deficit you are describing a situation in which there are significant losses of jobs in the American economy and an industry whose further growth is stunted by market disruption.

In those instance identified by those criteria there should be import relief.

Mr. CURTIS. And is the quota in the Collier bill a flexible one, as we have in the meat bill and others? Is it triggered at a certain level of imports?