

Mr. STEWART. It is not on the basis of a trigger point but it is flexible in that a recent period is selected as a base period for the statutory quotas and their annual adjustment in the level of the quotas as the market grows.

The President, however, Mr. Curtis, and this is most important in the Collier bill, is given plenary power to enter into negotiations with the affected countries under guidelines to work out amicable solutions, and this is the crux of the matter.

If it can be done in cotton textiles amicably, as it was, it can be done in other major sectors of American industry that are labor intensive and are similarly affected such as electronic components.

Mr. CURTIS. But, Mr. Stewart, the cotton textile people have been in here saying that this approach hasn't worked and that they are still in trouble. The rest of the textile industry, especially the man-made fiber area, with I think considerable justification, is pointing out that while this has been done in cotton textiles it doesn't apply to them. So the question arises, if the cotton textile approach, the quota approach, was good why hasn't it worked?

.. I don't want you to have the wrong remedy.

Mr. STEWART. As I learned from listening to the testimony of the domestic textile industry witnesses, one of the problems with the cotton textile arrangement was that it did not include a proper scope of articles, so that it could be avoided by transferring from one area to another.

Secondly, it did not seem to them that it was being administered as much in the spirit of what was intended, though they are not willing to give it up and this means that the quality of administration is better than what the situation would be otherwise.

Now, in the case of electronic components if you were to draw the bill so as to include some of these affected components and not others or to leave out the summation of the components as assemblies, the consumer products, then you would have problems similar to the cotton textile arrangement in which quotas could be evaded, but if you include, as the Collier bill does, both the consumer electronic products and components used therein you would not have those problems.

Mr. CURTIS. Except for one thing. Thank goodness for the great innovation in our society, but in textiles, as well as certainly in electronic components what is the pattern today is not the pattern tomorrow. This is one of the reasons I worry about this kind of approach where you are dealing with past markets. What we are really seeking to solve is problems of anticipation and what future markets are going to be.

Maybe this can be done within the context of quotas, but I suggest that the difficulties that the cotton textile people have experienced are almost intrinsically the result of the quota system and I think whatever you do you are going to run into this same trouble in other industries. You always have problems of circumvention of the quota and you always have the question of how you administer the laws.

The only way I know to operate is to abide by the laws we have, rather than subvert them by administrative action. Change laws when they become outmoded but once you go to this business, which I think we have today, of the administration picking and choosing what laws it wants to enforce and not paying any attention to the laws it doesn't