

STATEMENT OF ANTONIO B. WON PAT, TERRITORY OF GUAM,
REPRESENTATIVE IN WASHINGTON, D.C.

Mr. Chairman and members of the Committee, I am Antonio B. Won Pat, the elected Representative of the people of Guam in our Nation's Capital, and I am presenting this statement on behalf of equity, fairness and justice for the 100,000 American citizens of Guam with respect to the division of future increases in the importation into the mainland of watches assembled in the insular possessions of the United States. I might point out that as the incumbent of the only territory-wide elective office in Guam, I in my official capacity am the authorized spokesman in Washington for the Guamanian people, all of whom, as you know, are American citizens.

This Committee is well aware that Public Law 89-805 limits duty-free imports of watches and watch movements containing foreign components, from the insular possessions. These insular possessions consist of Guam, the Virgin Islands and American Samoa, although the status of the latter area has never been clearly defined by the Congress. Under PL 89-805, which grew out of legislation sponsored in this Committee, one-ninth of the total domestic consumption for the previous year of watches and watch movements may enter the mainland from all three insular areas. The formula set forth in the Act gives the Virgin Islands seven-eighths of this one-ninth quota, with the remaining one-eighth divided, two-thirds of it for Guam and one-third for American Samoa.

At the time of enactment of PL 85-805 the American citizens of Guam were at a loss to understand this highly inequitable, highly unfair formula. The passage of time since enactment has not made its logic any clearer nor its justice any more apparent.

The effects of this inequitable formula for 1968 are shown, painfully for Guam, by the recent determination of the United States Tariff Commission, published in the Federal Register for March 27, 1968, as Document 68-3644. Under this determination, during 1968, the Virgin Islands may enter 4,208,750 units, Guam only 400,673 units and American Samoa 200,577 units.

That is, the Virgin Islands are entitled to almost 10 times the number of units to which Guam is entitled!

Yet by every reasonable standard, we merit treatment at least equal to that accorded the Virgin Islands: Under Acts of Congress, both the Virgin Islands and Guam are unincorporated territories of the United States; and the citizens of each are American citizens. Our population is substantially greater than that of the Virgin Islands—nearly twice, as a matter of fact. The economy of the Virgin Islands was not destroyed by enemy capture, occupation and subsequent liberation as was that of Guam, which is the only area now under the American flag to suffer such devastation.

In terms of specific economic effect, prior to the imposition of this formula, 400 Guamanians were employed in eight separate watch assembly plants on Guam. During the calendar year 1966, they produced over one million watches. However, with the imposition of the highly inequitable quota, 370 of our people lost their means of livelihood, five of the plants have been forced to close entirely, and quarterly salaries and withholding taxes associated with our watch industry have fallen from \$219,150.40 and \$35,411.21 to \$85,516.02 and \$12,190.05, respectively.

However inequitable and unfair this formula is as between the Virgin Islands and Guam, we are not asking you to change it.

What we are asking is a fair division of future unit increases under the quota you have established. As the consumption on the mainland of America grows, so will the number of units coming under the one-ninth limitation increase. What the people of Guam now propose and urge is that future increases over the 1967 quota level be divided equally among the three areas—Virgin Islands, Guam and American Samoa.

A draft of proposed legislation to accomplish this purpose previously was submitted last fall to Chairman Mills; in the Senate it has been introduced as S 3124. A copy of S 3124 is attached and made a part of my presentation.

Mr. Chairman and members of the Committee, I want to thank you for allowing the American citizens of Guam to present this petition to you, through