

report to the President is in the affirmative, the President may take action to provide tariff adjustment, provide that firms may request the Secretary of Commerce for certification of eligibility to apply for adjustment assistance, provide that the workers of such industry may request the Secretary of Labor for certification of eligibility to apply for adjustment assistance, or the President may take any combination of such actions.

This is what is provided in the law, but in actual practice since the enactment of the law October 11, 1962, not one case has been certified for adjustment assistance, and this very important provision has been rendered useless by a rigid interpretation by the Tariff Commission of Title III, Sec. 301, subsections (b) and (c) and the damaging phrase repeatedly used (quote): "Whether, as a result in major part of concessions granted under trade agreements, an article is being imported into the United States in such increased quantities as to cause, or threaten to cause, serious injury to the domestic industry producing an article which is like or directly competitive with the imported article." (end of quote)

The words "in major part" were not in the bill as passed by the House, it there read "whether, as a result of concessions granted under trade agreements." This is the wording under H.R. 11970 when it was being considered by the Senate Finance Committee and as Senator Harry Byrd placed it in the record at the outset of the Hearing, Monday, July 23, 1962.

The addition of the words "in major part," added by the Senate Finance Committee, stripped the law of any meaning, and resulted in a rigid interpretation by the Tariff Commission, and prevented any intent to provide assistance to workers and firms adversely affected by imports due to U.S. trade policy. A workable and effective adjustment assistance program was vitally important to Labor, in fact as AFL-CIO President Mr. George Meany testified, "It is indispensable to our support of the trade program as a whole."

Secretary of Commerce Hodges testified that he estimated that this part of the program would cost \$122 million for firms and \$45 million for workers over the five-year period of the law, a total of \$167 million.

To date not one case has had an affirmative finding for workers or firms.

In direct contrast the Automotive Products Trade Act of 1965, legislated after the trade agreement reached with Canada by the United States on automotive products, provides a more realistic approach to adjustment assistance. The Act provides for petitions by workers and firms; it provides for investigation by the Tariff Commission but contrary to the procedure under the Trade Expansion Act, the Automotive Adjustment Assistance Board makes the final determination and not the Tariff Commission.

This Board, consisting of the Secretaries of Commerce, Labor and Treasury, has been delegated authority by the President to carry out the provisions of Adjustment Assistance and in 12 of the first 16 cases filed, assistance has been provided and \$3 million in benefits have been paid to workers in approximately a two-year period. Of course there is no substitute for a job and a productive place in our society.

Effect on Labor of U.S. Trade Policy

All working Americans are affected by United States trade policy; our Nation requires maximum employment and healthy industries to maintain a healthy economy, and without a healthy economy our position as a world power and leader of the free world will quickly deteriorate, and just as quickly be replaced by another country less generous than the United States.

The tremendous rise in American investment and technology abroad, added to rising capacity of foreign firms—with the resulting decrease in exports and increase in imports—eliminates existing jobs and job potential, and reduces domestic industry's capacity to operate at a healthy level and properly share in our country's growth.

With 40 percent of direct private foreign investment or \$22 billion at the end of 1966, invested in manufacturing abroad, what effect will this have on U.S. imports and displacement of U.S. labor?

Manufactured products incorporate more steps of labor than do raw products. A manufactured product may go through a number of processes and fabrications in each of which additional labor is applied. A raw product goes through a minimum of steps, possibly only one or two exclusive of transportation. Semi-manufactures fall into a halfway slot between raw products and finished manufactures.