

stance, where the negotiators culled out a new category, which appears in the tariff schedules of the United States as though no reduction had been given to this particular cull-out of the odd sections of the tariff schedules, so that at the present time they would be susceptible to a full 50 percent cut.

And for that category, we believe it is the category containing the largest amount of imports, and where the industry is hurt to the greatest extent.

Now, the untenable position of the administration is this: The Administration says that—

We want that authority because—

And let me quote from page 2 of this committee's proposed Trade Expansion Act of 1968:

For example, the United States may find it necessary to increase the duty on a particular article as the result of an escape clause action or a statutory change in tariff classification.

On the next page they say:

The escape clause action hasn't worked. We are going to change it.

Now, if it hasn't worked, why does the President need authority to increase rates of duty because of the compensatory rates that we may have to give another country under the escape clause actions?

They can't be on both sides. They cannot say the same thing.

Then he says "a statutory change in tariff classification."

If there is a statutory change in tariff classification, that means Congress passes a statute.

If Congress sees fit in a particular statute to increase the rate of duty on a particular item, in the same statute, they can decrease the rate of duty on a particular item, why does the President at this time need further authority to continue the unused portions of the Kennedy round authority that was given to him in 1962?

Again, I repeat this industry is very, very vulnerable to anything along those lines.

Furthermore, I am naive enough, and I believe that the reductions made under the Kennedy round were based on the economics of this country.

When Ambassador Roth's office and other negotiators to GATT sat down and polled all the information, they came to the conclusion that the maximum cut we can give on that article, this article, so on down the line, were those reductions which the industry could stand.

I believe that. If that is the case, then why does the President want at this time, or need at this time, authority to further reduce the rate of duty?

I say that there should be anywhere from 3 to 5 years waiting period to see the effect of the Kennedy round reductions before we go into anything else.

Another area I would like to explore is the omnibus bill, or across-the-board quotas.

Now, this committee is very well aware, much more than I am, of the number of quota bills that are thrown into the hopper. Some come out, and some do not.

If there was an omnibus bill in which Congress had set out a stated policy and criteria, any industry which met that criteria and is in-