

E. The United States Potters Association Was One of the Many Domestic Industries Denied Relief After an Escape Clause Hearing by the Tariff Commission Under the Present Criteria

An excellent example of relief denied under the present escape clause criteria is the petition filed by myself on behalf of the United States Potters Association. It was the first case which came before the Tariff Commission for relief under the Trade Expansion Act of 1962. As a matter of fact the petition was filed under Section 7 of the Trade Agreement Extension Act of 1951 as amended, and the hearings were also held under the provisions of the act. However, before the Tariff Commission could render its findings the Trade Expansion Act of 1962 was passed and, therefore, this petition had to be adjudicated under the new act with its changed criteria for "injury".

The Commission found that there was an upward trend of imports of earthenware tableware and kitchen articles and that such earthenware "is being imported * * * in * * * increased quantities" within the meaning of the Trade Expansion Act (Page 4—Report to the President on Investigation No. 7-114—TEA-1-2). They also found (in one category) that the significant increase in imports occurred years after the duty reductions were made, hence the duty reductions could not be the major cause of the increased imports.

The Tariff Commission stated that 15 domestic producers of earthenware had ceased production, 8 of which terminated production in the period 1957-1961. Production declined from 30 million dozen pieces in 1954 to 26.8 million dozen pieces in 1957 and to 22.1 million pieces in 1958; production then increased to 24.4 million dozen pieces in 1959 and declined to 21.6 million dozen pieces in 1961. In all of the years 1957 through 1961, dinnerware accounted for more than 98 per cent of the total quantity of earthenware produced. Sales of household earthen dinnerware by domestic producers declined from 26.4 million dozen pieces valued at \$57.1 million in 1957, to 23.0 million dozen pieces valued at \$48.4 million in 1961. During 1958-60 the average annual imports were 17 per cent greater than 1955-57, and in the 2 year period 1961-2, they were 11 per cent greater than in 1958-60. Imports of earthenware amounted to 6.5 million dozen pieces in 1957, increased to 9.2 million dozen pieces in 1960. Estimated imports of earthenware dinnerware rose from 2.5 million dozen pieces in 1957 to 4.3 million dozen pieces in 1960, then to 3.4 million dozen pieces in 1961. These imports were equivalent to 9 per cent of the apparent consumption of such dinnerware in 1957 and to 13 per cent in 1961. (See report to the President on Investigation No. 7-114 (TEA 1-2) under Section 301 (b) of the Trade Expansion Act of 1962). The statistical information secured from the Labor Department, Bureau of the Census, Customs Bureau, etc. can be found in the report submitted to the President; the testimony adduced at the hearings and the exhibits submitted can be seen at the Tariff Commission.

F. The Proposed Liberalization Of The Tariff Adjustment Provisions Of The Trade Expansion Act of 1962 By The Trade Expansion Act of 1968 (H.R. 17751) For The Benefit Of Firms And Workers Will Help Those Classes Little If At All Unless There Is A Change In The Criteria For Injury Applying To Domestic Industries

As above stated, when Congress changed the criteria for relief to domestic industries injured as a result of increased imports due to a trade concession from the escape clause provisions contained in the Section 7 of the Trade Extension Act of 1951 to the provisions contained in the present act (Trade Expansion Act of 1962) and included also therein for the first time tariff assistance to injured firms and workers, *not one petition on behalf of domestic industries, firms or workers qualified*. The criteria for securing relief in the present law (Trade Expansion Act of 1962) is the same for domestic industries, individual firms or workers.

The Administration recognizing that whereas the escape clause provisions of the Trade Extension Act of 1951 were successfully applied by several domestic industries which qualified thereunder, the changes made for securing relief by injured industries, individual firms or workers under the Trade Expansion Act of 1962, proved to be a complete nullity, is now suggesting amendments to the latter Act through the proposed "Trade Expansion Act of 1968" (H.R. 17551). However, the proposed changes in H.R. 17551 apply merely to individual firms and workers *and does not apply to domestic industries*. In other words the proposed new Act will make it easier for individual firms and workers to secure relief from loss of jobs or loss of income due to increased ruinous imports, but