the domestic industry which contains the individual firms and employs the workers will still be handicapped by the criteria under the Trade Expansion Act of 1962, which criteria has been impossible to meet up to the present time.

The President in requesting Congress to liberalize the previous impossible restrictions placed on those industries, firms and individuals seeking justifiable relief from imports, very studiously limited the proposed changes to apply only to firms and workers. He stated:

"Some firms, however, have difficulty in meeting foreign competition, and need time and help to make the adjustment.

"Since international trade strengthens the nation as a whole, it is only fair that the government assist those businessmen and workers who face serious problems as a result of increased imports.

"The Congress recongized this need—in the Trade Expansion Act of 1962—by establishing a program of trade adjustment assistance to businessmen and workers adversely affected by imports."

It is respectfully pointed out that to offer relief to firms and workers and not to the domestic industry involved is absolutely worthless . . . What can it possibly benefit a firm if it receive tax assistance or a loan or other adjustment, if the industry is forced out of the business of producing the article because of low cost foreign competition? What can it possibly benefit a worker in the long run if he gets extra unemployment benefits or training or relocation, if the industry in which he was employed transfers its manufacturing ability and know-how to low wage countries because of imports from similar low wage countries? If the proposed "Trade Expansion Act of 1968" (H.R. 17551) is passed in the present form as relates to escape clause provisions for domestic industries; and tariff adjustment provisions as relates to individual firms and workers, it is possible that a firm or worker could qualify for relief under the new provisions but the domestic industry could not qualify even though petitions could be filed by all three categories at the same time and the same evidence adduced by the Tariff Commission in its investigation.

It is strongly urged that the criteria for relief proposed by the new act (H.R. 17551) be changed so that it would be identical for domestic industries, individual firms or workers.

THE PRESIDENT SHOULD NOT BE GIVEN FURTHER AUTHORITY TO REDUCE DUTIES

Under the proposed Trade Expansion Act of 1968 (H.R. 17551) the President is seeking further authority to reduce duties. Under the Trade Expansion Act of 1962 the President was given authority to reduce the rates of duty on imported merchandise to 50 per cent of the rates which existed on July 1, 1962. The authority expired on June 30, 1967.

Under the auspices of the so-called Kennedy Round of negotiations most of the authority granted to the President to reduce rates of duty was used. It is believed that the reductions in the rate of duty applying to imports into the United States were predicated not so much on the concession we received from the negotiating parties under GATT but took into account the domestic industry involved, its relation to the country, its relation to the community, the protection needed (if any) from competitive imports, capital invested, number of employees, etc. If it is a fact that those factors were taken into account, then the reductions in duty under the Kennedy Round were probably the maximum reductions possible, even if less than the full 50 per cent permitted. Therefore, to permit the President to have authority to further reduce duties for any reason in those instances where the full 50 per cent reduction in duty was not used would be imposing an undue hardship by the mere threat of further reductions on those domestic industries.

The results of the Kennedy Round have hardly been realized and the mere authority to further reduce duties could result in a mass exodus of domestic industries to low wage countries. For example the rate of duty on all categories of imported earthenware dinnerware was not reduced the full 50 per cent authorized. Nevertheless, the categories which received a full per cent reduction in duty are dependent and inter-related with the categories which did not receive the full 50 per cent reduction; so that a definite loss of over-all business in the domestic earthenware dinnerware trade is anticipated as a result of the Kennedy Round reductions. Before an additional authority be given to the President to reduce the rate of duty on those categories of earthenware dinnerware which were not originally reduced the full 50 per cent, a waiting period of at least 3 years be set up to determine the effect of the Kennedy Round.