

Also certain new categories of earthenware dinnerware were established for customs treatment and duty application under the Kennedy Round. It appears as though the duty on these new categories was not reduced under the Kennedy Round. However, the duty was reduced under previous customs classifications and under prior trade agreements and, therefore, to permit these categories to be reduced at the present time a full 50 per cent of the rate of duty existing on July 1, 1962 would be imposing an undue hardship on an already over burdened industry.

No one is disadvantaged if the President is denied at the present the authority to reduce duties to the full 50 per cent authorized under the Trade Expansion Act of 1962. If in a specific instance for a specific purpose it is necessary, Congress can authorize such authority. Blanket authority to the President at this time can *only* be detrimental to domestic industries.

AN OMNIBUS QUOTA BILL SHOULD BE PASSED SO THAT ANY DOMESTIC INDUSTRY WHICH IS INJURED AND QUALIFIES UNDER AN ANNOUNCED CRITERIA WOULD BE ABLE TO GET RELIEF FROM RUINOUS IMPORTS

Congress is well aware of the many quota bills presently pending and covering many imported articles. There is no doubt that at least some are meritorious and are deserving of Congressional action. Obviously some of them are merely put into the hopper by Congressmen in order to appease constituents.

In order to reduce the work load of Congress in this connection and to remove the doubt as to whether or not a domestic industry is entitled a relief from imports by limiting the amount of imports, an omnibus quota bill should be passed. The criteria for qualifying for relief under such a bill could be spelled out by Congress and would require an overt act on the part of such industry to seek relief. Therefore, even if a particular industry may be entitled to relief under such a bill, the relief would not be forthcoming automatically, but it would be necessary for the industry to petition for the relief necessary.

Again using the domestic earthenware dinnerware industry as an example, we find that since the Tariff Commission ruled under the criteria of the Trade Expansion Act of 1962 that the industry was not entitled to relief, matters have worsened. Furthermore, the duty reductions made under the Kennedy Round have not yet been felt due to the shortness of time that they have been in existence (January 1, 1968). Attached hereto is Exhibit I which is a report of the Bureau of Labor Statistics covering this industry and tells its own story. It shows that from 1960 to 1965 employment decreased 26 per cent and imports increased 42 per cent. Furthermore, and most important, is the fact that in 1960 imports was 18 per cent of total consumption and in 1965 it jumped to 27 per cent. An omnibus quota bill would probably have a percentage of imports as related to domestic consumption as part of its qualifying criteria, and in all probability, would not be as drastic as the jump in this industry from 18 per cent in 1960 to 27 per cent in 1965.

Furthermore, attached hereto is Exhibit II which shows domestic shipments in a steady decline from 1954 to 1966 and a steady increase in the value of imports (based on foreign value) during the same period. During the period the ratio of imports to consumption jumped from 7.7 per cent to a whopping 32.5 per cent. See also Exhibit III, a report of the Bureau of the Census showing the tremendous increase in imports of earthenware table and kitchen utensils from 1954 to 1967 and the negligible amount of exports. As a result of such increased imports against decreased domestic production, the number of production workers decreased from 12,333 in 1954 to 5,626 in 1966 (See Exhibit IV attached hereto). When combined with certain chinaware imports, Exhibit V, a report from the Bureau of the Census, shows that *earthenware* table and kitchen articles domestic shipments decreased from \$67,029,000 in 1954 to \$47,599,000 in 1966 whereas imports increased from \$5,522,000 to \$22,332,000; and when combined with chinaware imports, the ratio of total imports to domestic shipments rose from 28.8 in 1954 to 116.6 in 1966.

No domestic industry can long survive with increases of that nature, especially one like the earthenware dinnerware industry, where approximately 60 per cent of the cost of production is attributable to direct labor. . .