annual review has been carried out in other international agencies, including GATT itself with respect to the so-called agricultural waivers.

Coterminous with this annual review there should be, in our estimate, a complaint machinery in the GATT available to industry and labor in member countries acting through their governments.

This procedure could take this form: Where the union and/or firms in the luggage industry in an importing country, such as the United States believed that they are faced by unfair competition based on unfair labor standards in the exporting country, let us say, Japanese wallets, they could ask the U.S. Government to take their complaint directly to the GATT. Under GATT auspices, there could then be direct confrontation between the exporting and importing country (involving, if possible and preferably, representatives of labor and industry in the two countries as well as representatives of government) in an international rather than bilateral setting.

The two countries, with the assistance of GATT, which might also consult with the ILO on the labor aspects of the problem, might come to an agreement. Such an accord could take the form, for example, of some temporary mechanism involving, perhaps, voluntary quotas imposed by the exporting country or an export tax or some other device intended to deal with the short-run problem. Or it might take the form of a decision that improvement should be made in the wage levels and working conditions in the exporting country in order to meet the problem. Or it is possible that there might be a combination of recommendations for both short-term and long-term action.

If the two parties with the assistance of the GATT and ILO could not come to an agreement, then the complaining party might bring the matter before the next regular session of GATT. In that case, GATT might recommend what action, if any, should be taken by the exporting country to correct the situation.

This stress on fair international labor standards is aimed at assuring that broadened trade opportunities for exporting countries are reflected in improved wages and labor conditions for workers in these countries, while at the same time the workers in the importing countries are not placed at a handicap in striving for improvements in their own standards, improvements which are predicated upon the continued health and prosperity of their industry. In other words, raising levels of wages and labor standards in exporting countries from unduly low levels will help to eliminate competitive advantages based on unfair labor conditions which curtail employment opportunities and depress labor standards in competing importing countries.

We are mindful, however, that the next round of tariff and trade negotiations will have to tackle a job more onerous and difficult than that involved in the process of cutting duties. And since this latter process took 3 years, we are entertaining no illusions that American proposals with respect to the elimination of nontariff obstacles to trade or the incorporation of fair international labor standards will be readily accepted.

V. RECOMMENDATIONS

Meanwhile, we are confronted with an immediate situation, one that involves a burden in maintaining the employment standards of our members. They are concerned, and understandably so, with the very real possibility that their jobs will be destroyed.