

article, must be relaxed. It should be sufficient that the increased imports were in part caused by the concessions and that such increased imports were a factor in causing, or threatening to cause, serious injury to the domestic industry.

However, proposed H.R. 17551 proposes to amend, the admittedly ineffective criteria, only with respect to assistance to firms and workers. It is conspicuously silent with regard to the criteria for obtaining Tariff Adjustment Assistance for injured domestic industries (the so-called escape clause). In fact in identifying Title III the bill omits any reference to "Tariff Adjustments Assistance".

Prior to 1962 the escape clause provided a somewhat effective form of relief for domestic industries which were being seriously injured as a consequence of an actual or relative increase in the quantity of competing imported products. By adding trade assistance for domestic firms and workers to the existing escape clause, Tariff Adjustment Assistance, for domestic industries, the Trade Expansion Act of 1962 was supposed to provide a greater benefit for domestic interests, business as well as labor. However, the strict and ineffective qualifying standards or criteria introduced by the T.E.A. of 1962, not only nullified the effect of such allegedly increased benefits but, also destroyed the effectiveness of the previously existant escape clause.

In proposed H.R. 17551, the administration now suggests the adoption of new criteria for trade assistance to firms and workers. However, H.R. 17551 would leave the proven, and admittedly ineffective criteria of the T.E.A. of 1962, applicable to trade assistance for domestic industries. Such a result would be unconscionable. It would permit individual firms and workers to obtain temporary assistance in the form of stop-gap economic relief while permitting the continuation of the destruction caused to an entire domestic industry as a result of excessively increased imports of a competitive foreign product. The root cause of the injury to the industry, the firms, and the workers would be permitted to persist since the injured domestic industry seeking Tariff Adjustment Assistance would have to satisfy the unworkable criteria contained in the T.E.A. of 1962. Unless the criteria is changed for all types of trade assistance—including Tariff Adjustment Assistance available to domestic industries—the assistance provisions will continue as sterile as they have been and domestic industries which have suffered injury as a result of trade agreement concessions will continue to suffer such injury without recourse to the tariff adjustment relief which the Congress, since 1951, has obviously intended be available to them.

We emphatically urge that the ineffective test of the 1962 act be completely abandoned, and that a more workable test, similar to that proposed in H.R. 17551 for firms and workers, be applied also to Tariff Adjustment Assistance for domestic industries.

II. THE PRESIDENT SHOULD NOT BE RE-DELEGATED AUTHORITY TO REDUCE TARIFF RATES NOT REDUCED IN THE KENNEDY ROUND OF TRADE NEGOTIATIONS

The Trade Expansion Act of 1962 gave the President the authority to reduce rates of duty on imported articles by as much as 50% of the rates which were in effect on July 1, 1962. In the Kennedy Round of Trade Negotiations the President exercised most of his authority to reduce duty rates.

Pursuant to Sections 221 and 223 of the Trade Expansion Act of 1962, hearings were held in 1963-64 and again in 1966 by both the United States Tariff Commission and the Trade Information Committee. These hearings purported to give interested persons an opportunity to present their views as to whether certain articles should be considered by the President for the purpose of granting concessions at the then forthcoming Kennedy Round trade negotiations. Along with many other industries the Industrial Rubber Products Division submitted its views to both the United States Tariff Commission and the Trade Information Committee. Along with these other industries the Industrial Rubber Products Division never did and probably never will know the conclusions which either of the government agencies drew from the hearings. The hearings and their results are kept secret. The participants have no way of knowing whether the facts and arguments which they presented were properly analyzed. We do know that the United States duties on most industrial rubber products were cut during the Kennedy Round negotiations. We have no way of knowing whether they were cut in conformity with the reports of the Tariff Commission and/or the Trade Information Committee or whether they were cut despite the findings made in those reports.