

PROBABLE ECONOMIC EFFECT

Mr. Chairman, in recent years international trade has had an increasing effect upon U.S. chemical workers. We have complained long and hard to management about the large number of plants they are building abroad. In 1960, out of every \$9 the chemical industry invested in new plants and equipment, only approximately \$1 was invested abroad. In 1967, \$1 in every \$3 is being invested abroad.

We have urged management to build these new plants in the United States and then export the products abroad. Management has taken the position that because of higher U.S. costs we could not export these products from U.S. plants and expect to be able to compete in the world market. I have to admit that until the last year or so I had suspected that this trade issue was being used as an excuse by management to move abroad as a means of maximizing their profits. However, in the light of these agreements negotiated in Geneva, it now seems clear to me that our foreign trade policy is in fact forcing U.S. chemical manufacturers to export jobs rather than chemicals. Our foreign trade policy may not be the only factor, but I believe that it is certainly a principal one.

In 1961 the Honorable Willard Wirtz, Secretary of Labor, told the Joint Economic Committee that there was an "imperative need to create approximately 5 million new jobs every year"—today the number may even be larger. The contribution of the chemical industry in creating these new jobs had been decreasing in recent years as a result of automation, technology, increased imports and investment in plants abroad. There is little we can do about automation and technology—we are for progress. But at the very least, we can avoid pursuing a foreign trade policy which will only serve to increase imports and investment in plants abroad—two factors which have a vital influence not only upon the number of jobs which will be created but also the retention of existing jobs.

Mr. Chairman, the elimination of ASP and implementation of the Separate Package Agreement will cause a loss of existing jobs and the dislocation of workers. Just as important, it will result in the exportation of even more jobs which would otherwise have been created in the United States.

ADJUSTMENT ASSISTANCE AND THE ESCAPE CLAUSE

Ambassador Roth told this Committee that he believed "that the adjustment assistance provision of this Bill will be adequate" to deal with the problem which will be caused by implementation of this package. While I support the liberalization of the standards for obtaining adjustment assistance, I would like to make it clear that these liberalized provisions provide no substitute for a man's job.

Rather than providing adjustment assistance for workers who lose their jobs as the result of increased imports, we believe that it would be far better to prevent increased imports from reaching such injurious levels in the first place.

It's like preventive medicine or preventive maintenance; it's a lot better to prevent the injury from occurring than to attempt to administer "first aid." Moreover, it is a little hard to see how you can effectively cure an injury without removing the cause of the injury! It is for this reason that while supporting liberalization of the criteria for according adjustment assistance, we also urge that the standards for invoking the "escape clause" be liberalized in the same manner. This would at least provide an effective means for either preventing the injury or at least promptly curing it rather than attempting to "adjust" to it.

CONCLUSION

In conclusion, the effect of foreign trade upon the jobs of our members is a subject of vital importance to us.

We strongly urge that the Committee retain ASP valuation by rejecting the Separate Package Agreement.

While we support liberalization of the adjustment assistance provisions, we urge that as a very minimum the escape clause provisions be similarly modified. However, I wish to make it absolutely clear that no amount of liberalization of the criteria for adjustment assistance or the escape clause can begin to warrant the acceptance of the unreciprocal 50%-20% Kennedy Round deal on chemicals or the even more unreciprocal Separate Package Agreement.

I would like to express my appreciation for the opportunity accorded to me to appear here this morning to present the views of the International Chemical Workers Union and its 110,000 members.