TARIFF AND TRADE PROPOSALS

HEARINGS

BEFORE THE

COMMITTEE ON WAYS AND MEANS
HOUSE OF REPRESENTATIVES

NINETY-FIRST CONGRESS

SECOND SESSION

ON

TARIFF AND TRADE PROPOSALS

MAY 11, 12, 13, 14, 18, 19, 20, 21, 22,
JUNE 1, 2, 3, 4, 5, 8, 9, 10, 11, 12, 15,
16, 17, AND 25, 1970

Part 14 of 16 Parts

(June 12 and 15, 1970)

Printed for the use of the Committee on Ways and Means

TARIFF AND TRADE PROPOSALS

HEARINGS

BEFORE THE

COMMITTEE ON WAYS AND MEANS
HOUSE OF REPRESENTATIVES

NINETY-FIRST CONGRESS

SECOND SESSION

ON

TARIFF AND TRADE PROPOSALS

MAY 11, 12, 13, 14, 18, 19, 20, 21, 22,
JUNE 1, 2, 3, 4, 5, 8, 9, 10, 11, 12, 15,
16, 17, AND 25, 1970

Part 14 of 16 Parts

(June 12 and 15, 1970)

Printed for the use of the Committee on Ways and Means

U.S. GOVERNMENT PRINTING OFFICE

46-127 O WASHINGTON : 1970

For sale by the Superintendent of Documents, U.S. Government Printing Office
Washington, D.C. 20402 - Price $1.50

COMMITTEE ON WAYS AND MEANS

WILBUR D. MILLS, Arkansas, *Chairman*

HALE BOGGS, Louisiana
JOHN C. WATTS, Kentucky
AL ULLMAN, Oregon
JAMES A. BURKE, Massachusetts
MARTHA W. GRIFFITHS, Michigan
DAN ROSTENKOWSKI, Illinois
PHIL M. LANDRUM, Georgia
CHARLES A. VANIK, Ohio
RICHARD H. FULTON, Tennessee
JACOB H. GILBERT, New York
OMAR BURLESON, Texas
JAMES C. CORMAN, California
WILLIAM J. GREEN, Pennsylvania
SAM M. GIBBONS, Florida

JOHN W. BYRNES, Wisconsin
JACKSON E. BETTS, Ohio
HERMAN T. SCHNEEBELI, Pennsylvania
HAROLD R. COLLIER, Illinois
JOEL T. BROYHILL, Virginia
BARBER B. CONABLE, JR., New York
GEORGE BUSH, Texas
ROGERS C. B. MORTON, Maryland
CHARLES E. CHAMBERLAIN, Michigan
JERRY L. PETTIS, California

JOHN M. MARTIN, Jr., *Chief Counsel*
J. P. BAKER, *Assistant Chief Counsel*
RICHARD C. WILBUR, *Minority Counsel*

TABLE SHOWING CONTENTS OF THESE HEARINGS BY DATES, SUBJECTS, VOLUME NUMBERS, AND PAGE NUMBERS

Date	Subject	Volume number	Pages
1970			
May 11	Government officials	1	1–297
May 12	do	2	299–556
May 13	do	2	557–643
May 14	do	3	645–737
May 18	General testimony	3	739–1000
May 19	do	4	1001–1210
May 20	Textiles and apparels	5	1211–1500
May 21	do	5	1501–1615
May 22	General testimony	6	1617–1748
June 1	Iron, steel, brass, copper, and related products	6	1749–1959
June 2	Footwear (leather and rubber) and related products.	7	1961–2177
June 3	Oil, gas, and coal	8	2179–2395
June 4	DISC, oil, refund of duties on exported articles; machinery and machine tools.	9	2397–2651
June 5	State agencies, scissors and shears, toys and novelties, umbrellas, flowers, alcoholic beverages, glue, candles, sporting arms, tobacco, general testimony.	10	2653–2825
June 8	Electronics, heavy electrical equipment, item 807.	10	2827–3049
June 9	General testimony, fur, item 807, hardwood	11	3051–3344
June 10	Chemicals, ASP	12	3345–3640
June 11	Textiles, meat, bearings and chains, industrial fasteners, aluminum and other metals, general testimony.	13	3641–3833
June 12	Aircraft, bicycles, pins and fasteners, mushrooms, seafoods, coffee.	14	3835–3969
June 15	Stone, glass, clay, ceramic tile, cement, marble, granite.	14	3971–4155
June 16	Farm products, milk and milk products, soybeans, honey, molasses, candy, footwear, textiles, apparel, general testimony.	15	4157–4274
June 17	Farm and citrus products, footwear, textiles, apparel, tea, general testimony.	15	4275–4416
June 25	Government officials	16	4417–4651

CONTENTS

SUBJECT HEADINGS

	Date
Aircraft	June 12.
Alcoholic beverages	June 5.
Aluminum	June 11.
American selling price	June 10.
Bearings and chains	June 11.
Bicycles	June 12.
Brass	June 1.
Candles	June 5.
Candy	June 16.
Cement	June 15.
Ceramic tile	June 15.
Chemicals	June 10.
Clay	June 15.
Coal	June 3.
Coffee	June 12.
Copper	June 1.
Domestic International Sales Corp	June 4.
Electrical equipment	June 8.
Electronics	June 8.
Exported articles, refund of duties	June 4.
Farm products	June 12, 16, 17.
Fish	June 12.
Flowers	June 5.
Footwear (leather and rubber) and related products	June 2, 16, 17.
Fur	June 9.
Gas	June 3.
General testimony	May 18, 19, 22, June 5, 9, 11, 16, 17.
Glass	June 15.
Glue	June 5.
Government officials	May 11, 12, 13, 14, June 25.
Granite	June 15.
Hardwood	June 9.
Honey	June 16.
Industrial fasteners	June 11.
Iron	June 1.
Item 807	June 8, 9.
Machinery and machine tools	June 4.
Marble	June 15.
Meat	June 11.
Milk and milk products	June 16.
Molasses	June 16.
Novelties	June 5.
Oil	June 3, 4.
Pins and fasteners	June 12.
Scissors and shears	June 5.
Soybean	June 16.
Sporting arms	June 5.
State agencies	June 5.
Steel	June 1.
Stone	June 15.
Tea	June 17.
Textiles and apparels	May 20, June 11, 16, 17.
Tobacco	June 5.
Toys	June 5.
Umbrellas	June 5.
Zinc	June 15.

BACKGROUND MATERIAL

Page

Letter from the President to Chairman Mills, dated May 11, 1970 — 65
Press releases:
Dated Thursday, April 16, 1970, outlining future schedule of the Committee on Ways and Means — 1
Dated Monday, May 4, 1970, announcing public hearings on tariff and trade proposals — 2
Proposed Trade Act of 1969, committee print — 5
Draft bill (H.R. 14870, introduced by Chairman Mills and Congressman John W. Byrnes of Wisconsin on November 19, 1969, at the request of the administration) — 15
Message of the President — 8
Section-by-section analysis — 20
Trade Expansion Act of 1962, as amended — 30

ORAL STATEMENTS BY GOVERNMENT OFFICIALS

Agriculture, Department of: Hardin, Hon. Clifford M., Secretary — 626
Commerce, Department of:
Stans, Hon. Maurice H., Secretary — 299, 4417
Abbuhl, Forrest, Director, Trade and Commercial Policy Division — 299, 4417
Bodner, Seth, Special Assistant to Deputy Assistant Secretary for Resources — 299, 4417
Butler, Michael F., Assistant General Counsel, Domestic and International Business — 299, 4417
Fox, Lawrence, Deputy Assistant Secretary for International Trade Policy — 479
Johnson, Chadwick, Japan Desk Officer — 4417
Nehmer, Stanley, Deputy Assistant Secretary for Resources — 482, 4417
Labor, Department of:
Shultz, Hon. George P., Secretary — 589
Blackman, Herbert N., Deputy Assistant Secretary for Trade and Adjustment Policy — 589
Hildebrand, Hon. George H., Deputy Under Secretary — 589
State, Department of:
Rogers, Hon. William P., Secretary — 557
Trezise, Philip H., Assistant Secretary for Economic Affairs — 570
Treasury, Department of:
Kennedy, Hon. David M., Secretary — 499
Nolan, John, Acting Assistant Secretary for Tax Policy — 499
Patrick, Robert J., Associate Tax Legislative Counsel (International) — 499
Petty, John R., Assistant Secretary for International Affairs — 532
Rossides, Eugene T., Assistant Secretary for Enforcement and Operations — 521
Volcker, Paul A., Under Secretary for Monetary Affairs — 524
Trade Negotiations, Office of the Special Representative for:
Gilbert, Hon. Carl J., Special Representative for Trade Negotiations — 67, 645
Garland, Allen H., chairman, Trade Staff Committee — 67, 645
Gates, Theodore R., Assistant Special Representative for Industry and Labor — 67, 645
Pomeranz, Morton, acting general counsel, and secretary, Trade Executive Committee — 67, 645

ORAL STATEMENTS BY PUBLIC WITNESSES

Abbitt, Hon. Watkins M., a Representative in Congress from the State of Virginia — 4283
Ackley, Hon Gardner, on behalf of the American Retail Federation — 921
Aerospace Industries Association of America, Inc.:
Harr, Karl G., Jr., president — 3835
Marshall, Robert B., member, International Committee — 3847
Stoffel, Albert W., chairman, International Committee-Trade Policy Task Group — 3843
Alevra, Peter, Pulp & Paper Machinery Association — 2486
Allen, Edward A., Jr., on behalf of the Stainless Steel Flatware Manufacturers Association — 1810
Amalgamated Clothing Workers of America, Jacob S. Potofsky, president — 1267

Page

Amalgamated Meat Cutters & Butcher Workmen of North America:
Feinglass, Abe, international vice president (statement delivered by Mr. Wishart) 2130
Wishart, James, research director 2130
Fur and Leather Department:
Foner, Henry 3157
Shapiro, Ralph, counsel 3154
American Apparel Manufacturers Association:
Brawley, H. W 1373
Flanagan, William S., board of directors and executive committee 1373
Meredith, Ellis E., executive vice president 1373
Priestland, Carl, economic consultant 1373
American Association of Port Authorities, Clifford B. O'Hara, chairman, committee XI 975
American Association of Woolen Importers, Inc.:
Bissinger, Fred, Jr., president 1490
Daniels, Michael P., counsel 1490
American Butter Institute, Robert F. Anderson, executive secretary 4178
American Farm Bureau Federation:
McLain, Marvin, director, legislative department 1620
Sherwin, Dale, assistant director, legislative department 1620
Shuman, Charles B., president 1620
American Federation of Labor and Congress of Industrial Organizations:
Biemiller, Andrew J., director, department of legislation 1001
Goldfinger, Nathaniel, director, department of research 1022
American Footwear Manufacturers Association:
Griffin, W. L. Hadley, chairman, board of directors 1983
Olson, Iver M., vice president 1983
Shannon, Thomas F., counsel 2024
Sheskey, William, chairman, national affairs committee 2016
American Fur Merchants' Association, Inc.:
Dreisin, Eugene, cochairman, foreign trade committee 3094
Hessel, B. H., cochairman, foreign trade committee 3096
Sharp, James R., Washington counsel 3094
American Fur Merchants Council, Eugene Dreisin, former president 3159
American Gas Association, Herbert D. Clay, chairman, government relations committee 2315
American Importers Association:
Cutler, Ralph H., Jr., chairman, trade policy committee 933
O'Brien, Gerald, executive vice president 933
Footwear group:
Beispel, Paul 2119
Davis, Jeff 2103
Hemmendinger, Noel, counsel 2103
Organic chemicals group:
Hochschwender, Dr. Karl A., chairman 3508
McCauley, Alfred R., counsel 3508
Stobaugh, Robert B. 3509
Textile and apparel group:
Daniels, Michael P., general counsel 1324
American Iron & Steel Institute:
Roche, John P., president 1753
Stinson, George A., chairman 1753
American Institute for Imported Steel, Inc.:
Graubard, Seymour, counsel 1796
Greenberg, Michael H., associate counsel 1796
American Loudspeaker Manufacturers Association, Herbert Rowe (chairman, parts division and distributor products division, Electronic Industries Association) 2881
American Mexican Association:
Blum, William 3200
Bramble, H. P 3218
Courtney, Gen. J. Cal, president 3200
Nathan, Robert R 3202

Page

American National Cattlemen's Association, C. W. McMillan, executive vice president 3687
American Petroleum Institute, panel on behalf of:
Dunlop, Robert G., chairman of the board, Sun Oil Co 2239
Ikard, Hon. Frank N., president 2202
Wright, Myron A., chairman of the board, Humble Oil & Refining Co., also in behalf of Standard Oil Co. of New Jersey 2210
American Pipe Fittings Association:
Goodridge, Raymond H., secretary-treasurer 1905
Vilsack, Robert M 1905
Wilcox, William F 1908
American Retail Federation:
Ackley, Hon. Gardner 921
Keeney, Eugene, president 921
American Saint Gobain Corp., J. Clifford Knochel, president and chief executive officer 3976
American Soybean Association, D. Leslie Tindal, president 4222
American Sprocket Chain Manufacturers Association, Edward M. Rhodes, special consultant 3745
American Textile Manufacturers Institute, panel of:
Dent, Frederick B., chairman, international trade committee 1222
Jackson, Robert C., executive vice president 1217
McCulloch, Donald F., president 1217
Booth, Robert, chairman, Northern Textile Assn 1240
Darman, Morton H., chairman of the board, National Association of Wool Manufacturers 1243
Robie, Merle C., chairman, executive committee, Cordage Institute 1264
Anderson, Hon. John B., a Representative in Congress from the State of Illinois 4290
Anderson, Robert F., executive secretary:
American Butter Institute 4178
National Cheese Institute, Inc 4178
Anderson, Robert W., on behalf of Tanners Council of America, Inc 2023
Anti-Friction Bearing Manufacturers Association, William E. Decaulp, chairman, foreign trade committee 3740
Apparel Industries Inter-Association Committee:
Ferster, Herbert F., counsel, Clothing Manufacturers Association of the U.S.A 1517
Korzenik, Sidney S., counsel 1517
McEvoy, James, research director, National Knitted Outerwear Association 1517
Appleman, Leonard, immediate past president, Green Olive Trade Association 4347
Archer, John, counsel, Mass Retailing Institute 2671
Arcuri, Andrew, International Union of Dolls, Toys, Playthings, Novelties and Allied Products of the United States and Canada 2769
Ashley, James M., cochairman, board of trustees, Trade Relations Council of the United States, Inc 3649
Aspinall, Hon. Wayne N., a Representative in Congress from the State of Colorado 2397
Association on Japanese Textile Imports, Inc.:
Ishikawa, Samuel, of counsel 1388
Masaoka, Mike M., Washington representative 1388
Atkins, Edward, executive vice president, Volume Footwear Retailers of America 2078
Atkind, Leon, chairman, Textile Importers Group of the Italy-America Chamber of Commerce 1649
Baldanzi, George, international president, United Textile Workers of America 1290
Barnard, Robert C., counsel:
Synthetic Organic Chemical Manufacturers Association 3371
Dry Color Manufacturers Association 3371
Barnes, Delbert, tax counsel, Cummins Engine Co 2471
Bates, Victor, president, Bates Nitewear Co., Inc 1550
Beispel, Paul, member, footwear group, American Importers Association 2119
Bennett, Hon. Charles E., a Representative in Congress from the State of Florida 3879

Page

Bent, Donn N., Meat Importers Association, on behalf of John E. Ward, chairman ---- 3696
Berncolors-Poughkeepsie, Inc., James W. Monks, president ---- 3571
Bevil, Hon. Tom, a Representative in Congress from the State of Alabama ---- 1512, 1749
Biaggi, Hon. Mario, a Representative in Congress from the State of New York ---- 2654
Bicycle Manufacturers Association of America:
Hannon, William M., chairman, Washington affairs committee ---- 3850
Shannon, Thomas, counsel ---- 3850
Biemiller, Andrew J., director, Department of Legislation, American Federation of Labor, Council of Industrial Organizations ---- 1001
Bissinger, Fred:
American Association of Woolen Importers, Inc. (president) ---- 1490
Synthetic Organic Chemical Manufacturers Association (senior vice president) ---- 3371
Blake, Peter, acting director, Division of Economic Development, New Jersey Department of Labor and Industry, on behalf of New Jersey Economic Development Council ---- 2659
Blum, William, American Mexican Association ---- 3200
Boland, Hon. Edward P., a Representative in Congress from the State of Massachusetts ---- 4286
Boot & Shoe Workers Union, John E. Mara, general president ---- 2066
Booth, Robert, chairman, Northern Textile Association ---- 1240
Bradley, Gail, vice president, League of Women Voters of the United States 979
Bramble, H. P., American Mexican Association ---- 3218
Brawley, H. W., on behalf of the American Apparel Manufacturers Association ---- 1373
Brazilian-American Chamber of Commerce, Morris Rosoff, president ---- 1686
British-American Chamber of Commerce:
Farquharson, David N. G., executive secretary ---- 1677
Lee, Derek A., president ---- 1677
Pacy, David G., vice president ---- 1677
Bronz, George, on behalf of the Tie Fabric Importers Association ---- 1541
Broun, E. Fontaine, member, executive advisory committee, Man-Made Fiber Producers Association ---- 1427
Brown, Phillip, on behalf of Rubber Manufacturers Association ---- 2094
Broyhill, Hon. James T., a Representative in Congress from the State of North Carolina ---- 1501
Brudno, Walter W., counsel, in behalf of Cummins Engine Co. and Kobe, Inc ---- 2471
Bruno, Vincent J., director, World Trade Department, Commerce & Industry Association of New York ---- 1208
Bryant, F. Leonard, chairman of the board of directors, Manufacturing Chemists Association ---- 3490
Buchanan, Hon. John, a Representative in Congress from the State of Alabama ---- 1812, 1905, 4025
Burch, Bob, vice chairman, import policy committee, Independent Petroleum Association of Amerca, and also president, Rocky Mountain Oil & Gas Association ---- 2299
Burton, Hon. Laurence J., a Representative in Congress from the State of Utah ---- 2428
Busby, David, Washington, D.C ---- 2573
Butler, George D., president, Electronic Industries Association ---- 2827
Buzzard, John A., chairman, Import-Export Advisory Committee, National Confectioners Association ---- 4232
Byrnes, Hon. John W., a Representative in Congress from the State of Wisconsin and a member of the Committee on Ways and Means, statement with reference to testimony of Nelson Stitt ---- 1126, 3641
Bywater, William, vice president, International Union of Electrical, Radio & Machine Workers; also on behalf of International Association of Machinists & Aerospace Workers and the International Brotherhood of Electrical Workers ---- 2903
California-Arizona Citrus League, Julian B. Heron, Jr., counsel ---- 4360

Page

Campbell, John, assistant general counsel, United Rubber, Cork, Linoleum & Plastic Workers of America ---- 2137
Campbell, William, chairman, footwear division, Rubber Manufacturers Association ---- 2094
Cast Iron Soil Pipe Institute:
Hendrickson, Jerome, executive vice president ---- 1813
Hunt, Frederick D., foreign trade consultant ---- 1813
Perry, J. Wiley, Jr., chairman, Import Study Committee ---- 1813
Caterpillar Tractor Co.:
Fender, James, Public Affairs Department ---- 1202
Grant, Virgil V., vice president ---- 1202
C-E Glass, Robert C. Hordis, president ---- 3982
Cement Industry Antidumping Committee:
Hiss, Donald, counsel ---- 4089
Mundt, John C., vice chairman, advisory committee ---- 4089
Ceramic Tile Manufacturers of the United States:
Murchison, David M ---- 4074
Steele, Robert W ---- 4074
Chamber of Commerce of the United States:
Field, John E ---- 1048
Ostrander, F. Taylor, Jr ---- 1050
Surrey, Walter Sterling, member, international group ---- 1039
Vest, Kay, manager, international group ---- 1039
Chattem Drug & Chemical Co. of Chattanooga, Tenn.:
Colburn, Charles S., engineer ---- 3617
Evans, Ray W., vice president ---- 3591
Vansant, John M., Jr., counsel ---- 3591
Chester, Howard P., executive secretary, Stone, Glass & Clay Coordinating Committee ---- 4032
Chicago (Ill.) Board of Trade, Henry H. Wilson, president ---- 4323
Christopher, William, on behalf of Manufacturing Chemists Association ---- 3506
Christopher, William F., chairman, Society of the Plastics Industry, International Committee ---- 3322
Churchill, Robert, member, executive advisory committee, Man-Made Fiber Producers Association ---- 1427
Citronbaum, Jack, executive vice president, Luggage & Leather Goods Manufacturers Association of America ---- 2158
Clay, Herbert D.: chairman, Government Relations Committee, American Gas Association; president, National Fuel Gas Co ---- 2315
Clayman, Jacob, administrative director, Industrial Union Department, AFL-CIO ---- 1776
Cleveland, Hon. James C., a Representative in Congress from the State of New Hampshire ---- 3345
Clothespin & Veneer Products Association, Myron Solter, counsel ---- 3331
Coerper, Milo G., Washington counsel, German-American Chamber of Commerce ---- 1672
Cohen, Samuel Harris, counsel, New York Local No. 1, International Leather Goods, Plastics & Novelties Workers Union ---- 2143
Colburn, Charles S., engineer, Chattem Drug & Chemical Co. of Chattanooga, Tenn ---- 3617
Coleman, Gerald R., vice president-executive secretary, United Hatters, Cap & Millinery Workers International Union ---- 1317
Collins, George, assistant to the president, International Union of Electrical, Radio & Machine Workers; also on behalf of the International Association of Machinists & Aerospace Workers and the International Brotherhood of Electrical Workers ---- 1776, 2903
Commerce & Industry Association of New York, Vincent J. Bruno, director, world trade department ---- 1208
Committee for a National Trade Policy:
Hight, John W., executive director ---- 861
Steinberg, David J., secretary and chief economist ---- 872
Taft, Hon. Charles P., chairman ---- 852

Page

Committee for Economic Development:
Neal, Alfred C., president 914
Roth, Hon. William M., vice chairman, international economic studies, research and policy committee 914
Conte, Hon. Silvio O., a Representative in Congress from the State of Massachusetts 2421
Cooper, Mitchell J., counsel, footwear division, Rubber Manufacturers Association 2094
Copper & Brass Fabricators Council, Inc.:
Veltfort, Theodore E., managing director 1830
Wardell, Robert J., assistant managing director 1830
Cordage Institute, Merle C. Robie, chairman, executive committee 1264
Cornett, Hollan, international vice president, Stone & Allied Products Workers 4055
Cotton, Hon. Norris, a U.S. Senator from the State of New Hampshire 2184
Coughlin, Hon. R. Lawrence, a Representative in Congress from the State of Pennsylvania 1515, 4073
Council of State Chambers of Commerce:
Koch, George S., chairman, Federal finance committee 2439
Rinta, Eugene F., executive director 2439
Courtney, Gen. J. Cal, president, American Mexican Association 3200
Crimmins, Mitchell T., counsel, Tenneco Chemicals, Inc 3565
Culleton, Edward J., president, Green Olive Trade Association 4347
Cummins Engine Co.:
Barnes, Delbert, tax counsel 2471
Brudno, Walter W., counsel 2471
Curran, Jack, legislative director, Laborers' International Union of North America 4121
Cutler, Ralph H., Jr., chairman, trade policy committee, American Importers Association 933
Cycle Parts and Accessories Association, Carrol J. Warrell, chairman, tariff and customs committee 3858
Damon, E. M. Jr., executive secretary, Mushoom Processors Association 3885
Danielian, N. R., president, International Economic Policy Association 946
Daniels, Michael P., counsel:
American Association of Woolen Importers, Inc 1490
American Importers Association, textile and apparel group 1324
Darman, Morton H., chairman of the board, National Association of Wool Manufacturers 1243
Daugherty, Philip, legislative representative, Industrial Union Department, AFL–CIO 1776
David Guttman, Inc., David Guttman (executive representative, Miss Erika, Inc.) 1552
Davies, Richard, consulting economist, Synthetic Organic Chemical Manufacturers Association 3476
Davis, Jeff, member, footwear group, American Importers Association 2103
Decaulp, William E., chairman, foreign trade committee, Anti-Friction Bearing Manufacturers Association 3740
Decker, James, president, Kobe, Inc 2481
Dent, Frederick B., chairman, international trade committee, American Textile Manufacturers Institute 1222
Dent, Hon. John H., a Representative in Congress from the State of Pennsylvania 3107
De Santis, Arthur A., executive secretary, Italy-America Chamber of Commerce 1647
(Greater) Detroit Chamber of Commerce, world affairs committee:
Lyon, Lyman R., chairman-designate 1636
Toro, Carlos, vice chairman-designate 1636
Dirlam, Dr. Joel B., director, Institute for the Study of International Aspects of Competition, University of Rhode Island 1846
Discover America Travel Organizations, Inc., Sam N. Mercer, president 2581
Distillery, Rectifying, Wine and Allied Workers International Union, AFL–CIO, Abraham S. Weiss, legislative representative 2801
Donehower, William L., Jr., chairman, executive committee, Rolled Zinc Manufacturers Association 4112

Page

Donohue, Hon. Harold D., a Representative in Congress from the State of Massachusetts ---- 2186, 4284
Dreisin, Eugene, cochairman, Foreign Trade Committee, American Fur Merchants' Association, Inc ---- 3094, 3159
Driver, William, president, Manufacturing Chemists Association ---- 3490
Dunlop, Robert G. (chairman of the board, Sun Oil Co.) on behalf of the American Petroleum Institute ---- 2239
Eagle Shoes of Philadelphia, Inc., Harry A. Kozac (president, Worldwide Shoes, Inc.) ---- 2162
Eckles, William C., general manager, Pure Milk Products Cooperative ---- 4217
Edmondson, Hon. Ed, a Representative in Congress from the State of Oklahoma ---- 2403
Egge, George C., Jr., Synthetic Organic Chemical Manufactures Association ---- 3364
Electronic Industries Association:
  Butler, George D., president ---- 2787
  McCauley, Alfred R., special counsel ---- 2876
  Price, Jay, director of public affairs ---- 2827
  Consumer products division:
    Hoffman, Charles N., chairman ---- 2870
    Wayman, Jack, staff vice president ---- 2870
  Parts and distributor products divisions:
    Rowe, Herbert, chairman, world trade committee ---- 2881
  Semiconductor division:
    Field, John C., economist ---- 2987
    Meagher, Edward, chairman ---- 2987
    New Delman, Mitchell J., attorney ---- 2987
Emergency Committee for American Trade:
  Hazard, Ellison L ---- 749
  Kendall, Donald M., chairman ---- 739
  McNeill, Robert L., executive vice chairman ---- 836
  Townsend, Lynn ---- 750
Empire State Novelty Corp., Ira Weinberg, vice president and general manager ---- 2779
E. Stanwyck Coil Co., Inc., Edward Stanwyck, president ---- 3016
Evans, Ray W., vice president, Chattem Drug & Chemical Co., of Chattanooga, Tenn ---- 3591
Evans, S. W., member, Umbrella Frame Association of America ---- 2796
Fairchild Camera & Instrument Corp.:
  Herzstein, Roberty, attorney ---- 2995
  Hinkelman, Thomas, vice president for coporate planning ---- 2995
Fannin, Hon. Paul J., a U.S. Senator from the State of Arizona ---- 4275
Farmers & Manufacturers Beet Sugar Association:
  O'Rourke, Dennis, counsel ---- 4243
  Reeve, Perc A., executive vice president ---- 4243
Farquharson. David N. G., executive secretary, British-American Chamber of Commerce ---- 1677
Farrington, James, president, National Association of Scissors & Shears Manufacturers ---- 2748
Fecteau, George O., general president, United Shoe Workers of America ---- 2061
Feinglass, Abe, international vice president, Amalgamated Meat Cutters & Butcher Workmen of North America (statement delivered by James Wishart) ---- 2130
Fender, James, public affairs department, Catepillar Tractor Co ---- 1202
Ferster, Herbert F., counsel, Clothing Manufacturers Association of the U.S.A. ---- 1517
Field, John E., economist, on behalf of:
  Chamber of Commerce of the United States ---- 1048
  Electronic Industries Association, semeiconductor division ---- 2987
Fish, Hon. Hamilton, Jr., a Representative in Congress from the State of New York ---- 3565
Findley, Hon. Paul, a Representative in Congress from the State of Illinois ---- 3079
Finkel, Leonard E., president, Umbrella Frame Association of America ---- 2790
Flanagan, William S., board of directors and executive committee, American Apparel Manufacturers Association ---- 1373

Flat glass domestic producers, panel on behalf of:
Hainsfurther, Robert M., vice president and general manager, glass division, PPG Industries, Inc. — Page 3986
Hordis, Robrt C., president, C-E Glass — 3982
Knochel, J. Clifford, president, chief executive officer, American Saint Gobain Corp. — 3976
Stewart, Eugene L., special counsel — 3988
Wingerter, Robert G., president, Libby-Owens-Ford Co. — 3972
Flood, Hon. Daniel J., a Representative in Congress from the State of Pennsylvania — 1961
Florida Citrus Mutual:
Rutledge, Robert W., executive vice president — 4305
Underhill, William Amory, counsel — 4305
Foner, Henry, on behalf of Fur & Leather Department of the Amalgamated Meat Cutters & Butcher Workmen of North America — 3157
Friedel, Hon. Samuel N., a Representative in Congress from the State of Maryland — 1508
Fuller, Robert P., member, government affairs committee, National Shoeboard Conference, Inc. — 2092
Furrier Joint Council of New York, Charles Hoff, assistant manager — 3154
GAF Corporation, chemical division, Alison Webb, director of marketing — 3568
Gaydos, Hon. Joseph M., a Representative in Congress from the State of Pennsylvania — 3151
Gehl's Guernsey Farms, Germantown, Wis., Robert G. Lewis — 4212
German-American Chamber of Commerce, Milo G. Coerper, Washington counsel — 1672
Gettys, Hon. Tom S., a Representative in Congress from the State of South Carolina — 1211
Giaimo, Hon. Robert N., a Representative in Congress from the State of Connecticut — 2193
Glass, Irving R. president, Tanners Council of America, Inc. — 2005
Gleason, Donald H., chairman, international taxation subcommittee, National Association of Manufacturers — 2438
Golden, David A., tariff and customs counsel, United States Potters Association — 1188
Goldfinger, Nathaniel, director, Department of Research, AFL-CIO — 1022
Goldman, Julius, marketing manager, industry sales, Tenneco Colors Division, Tenneco Chemicals, Inc. — 3565
Goldy, Daniel L., vice chairman, committee on commercial policy, United States Council of the International Chamber of Commerce — 1170
Golson, Charles E., on behalf of International Engineering & Construction Industries Council — 2481
Goodman, Richard J. member, international trade committee, National Grain & Feed Association — 3734
Goodridge, Raymond H., secretary-treasurer, American Pipe Fittings Association — 1905
Gordon, Douglas R., assistant executive director, Society of American Florists — 2797
Gordon, Milton, International Union of Dolls, Toys, Playthings, Novelties and Allied Products of the United States and Canada — 2768
Gorton, Harry, American Aniline Products, Inc. — 3575
Graham, Harry L., legislative representative, National Farmers Organization — 987
Graham, James A., chairman, government and international affairs committee, Industrial Fasteners Institute — 3757
Grant, Virgil V., vice president, Caterpillar Tractor Co. — 1202
Graubard, Seymour, counsel, American Institute for Imported Steel, Inc. — 1796
Greenberg, Michael H., associate counsel, American Institute for Imported Steel, Inc. — 1796
Green Olive Trade Association:
Appleman, Leonard, immediate past president — 4347
Culleton, Edward J., president — 4347
Nolan, John E., Jr., counsel — 4347
Pappas, John, Jr. — 4347
Schuman, Samuel, past president — 4347

Page

Griffin, W. L. Hadley, chairman, board of directors, American Footwear Manufacturers Association 1983
Griffin, Hon. Charles H., a Representative in Congress from the State of Mississippi 4298
Gubser, Hon. Charles S., a Representative in Congress from the State of California 4159, 4360
Guttman, David, executive representative, Miss Erika, Inc 1552
Also testifying in behalf of:
David Guttman, Inc 1552
Ricki Knits, Jr 1552
Hagerich, Don A., executive director, Marble Institute of America 4121
Hainsfurther, Robert M., vice president and general manager, glass division, PPG Industries, Inc 3986
Halpern, Hon. Seymour, a Representative in Congress from the State of New York 2190
Hannon, William M., chairman, Washington Affairs Committee, Bicycle Manufacturers Association of America 3850
Hansen, Hon. Orval, a Representative in Congress from the State of Idaho 3092
Harr, Karl G., Jr., president, Aerospace Industries Association of America, Inc 3835
Harsha, Hon. William H., a Representative in Congress from the State of Ohio 2653
Hathaway, Hon. William D., a Representative in Congress from the State of Maine 1504
Hazard, Ellison L., on behalf of the Emergency Committee for American Trade 749
Healy, Patrick B., secretary, National Milk Producers Federation 4181
Healey, William, staff counsel, Machinery & Allied Products Institute 2454
Hemingway, Stuart C., Jr., executive vice president, Stainless Steel Flatware Manufacturers Association 1804
Hemmendinger, Noel, counsel, footwear group, American Importers Association 2103
Henderson, Dave, executive secretary, National Board of Fur Farm Organizations 3051
Hendrickson, Jerome, executive vice president, Cast Iron Soil Pipe Institute 1813
Heeron, Julian B., Jr., counsl, California-Arizona Citrus League 4360
Herzstein, Robert, attorney, Fairchild Camera & Instrument Corp 2995
Hessel, B. H., chairman, foreign trade committee, American Fur Merchants' Association, Inc 3096
Hight, John W., executive director, Committee for a National Trade Policy 861
Higman, W. E., Washington, D.C 2596
Hinkelman, Thomas, vice president for corporate planning, Fairchild Camera & Instrument Corp 2995
Hiss, Donald, counsel, Cement Industry Antidumping Committee 4089
Hobbs, Claude, chairman, committee on foreign trade policy, National Electrical Manufacturers Association 2934
Hochschwender, Dr. Karl A., chairman, American Importers Association, Organic Chemical Group 3508
Hoff, Charles, assistant manager, Furrier Joint Council of New York 3154
Hoffman, Charles N., chairman, consumer products division, Electronic Industries Association 2870
Hordis, Robert C., president, C-E Glass 3982
Humble Oil & Refining Co., Myron A. Wright, chairman of the board 2210
Hunt, Frederick D.:
Cast Iron Soil Pipe Institute, foreign trade consultant 1813
Office Machines International Institute, director 3314
Ikard, Hon. Frank N., president, American Petroleum Institute 2202
Imported Hardwood Products Association, Inc., James R. Sharp, counsel 3195
Independent Natural Gas Association of America, Hon. Walter E. Rogers, president 2307

Page

Independent Petroleum Association of America, panel on behalf of:
Jameson, Minor, executive vice president 2299
Burch, Bob, vice chairman, import policy committee, and also president, Rocky Mountain Oil & Gas Association 2286
Medders, Tom B., Jr., chairman, import policy committee 2295
Industrial Fasteners Institute:
Graham, James A., chairman, government and international affairs committee 3757
Masterson, Frank, president 3811
Industrial Union Department, AFL–CIO:
Clayman, Jacob, administrative director 1776
Daugherty, Philip, legislative representative 1776
Institute on U.S. Taxation of Foreign Income, Inc., Paul D. Seghers, president 2443
International Association of Machinists & Aerospace Workers:
Bywater, William (vice president, International Union of Electrical Radio, & Machine Workers) 2903
Collins, George (assistant to the president, International Union of Electrical, Radio, & Machine Workers) 2903
International Brotherhood of Electrical Workers:
Bywater, William (vice president, International Union of Electrical, Radio, & Machine Workers) 2903
Collins, George (assistant to the president, International Union of Electrical, Radio, & Machine Workers) 2903
International Brotherhood of Operative Potters, Lester Null, president 4041
International Chemical Workers Union, Frank D. Martino, Washington director 3575
International Economic Policy Association, N. R. Danielian, president 946
International Engineering & Construction Industries Council:
Golson, Charles E 2481
Rutherford, H. L 2481
International Ladies' Garment Workers' Union, Lazare Teper, director of research, presenting statement on behalf of Louis Stulberg, president 1269
International Leather Goods, Plastics, & Novelties Workers Union:
Cohen, Samuel Harris, counsel, New York Local No. 1 2143
Weiss, Abraham, legislative representative 2143
International Longshoremen's & Warehousemen's Union, Albert Lannon, Washington representative 1185
International Trade Club of Chicago, Lawrence C. McQuade, director 2559
International Union of Dolls, Toys, Playthings, Novelties & Allied Products of the United States and Canada:
Arcuri, Andrew 2769
Gordon, Milton 2768
International Union of Electrical, Radio, & Machine Workers:
Bywater, William, vice president 2903
Collins, George, assistant to the president 2903
International Union of Radio & Machine Workers of America, George Collins 1776
Ishikawa, Samuel, of counsel to Mike M. Masaoka, Washington representative, Association on Japanese Textile Imports, Inc 1388
Italy-America Chamber of Commerce:
Atkind, Leon, chairman, Textile Importers Group 1649
De Santis, Arthur A., executive secretary 1647
Luft, Willard, cochairman, Footwear Importers Group 1647
Jackson, Robert C., executive vice president, American Textile Manufacturers Institute 1217
Jameson, Minor, executive vice president, Independent Petroleum Association of America 2286
Jenkins, George O., Jr., chairman, government affairs committee, National Shoeboard Conference, Inc 2092
Joelson, Mark, counsel, Pulp & Paper Machinery Association 2489
Johnson, Reuben L., director of legislative services, National Farmers Union 4237
Keeney, Eugene, president, American Retail Federation 921
Keith, Hon. Hastings, a Representative in Congress from the State of Massachusetts 1980
Kendall, Donald M., chairman, Emergency Committee for American Trade 739

Page
Kessler, Bernard, president, Mass Retailing Institute 2673
Knochel, J. Clifford, president, chief executive officer, American Saint Gobain Corp 3976
Kobe, Inc.:
Brudno, Walter W., counsel 2471
Decker, James, president, finance 2481
Koch, George S., chairman, Federal Finance Committee, Council of State Chambers of Commerce 2439
Korzenik, Sidney S., counsel, Apparel Industries Inter-Association Committeee 1517
Kozac, Harry A., president, Worldwide Shoes, Inc., also on behalf of Eagle Shoes of Philadelphia, Inc 2162
Kyros, Hon. Peter N., a Represenative in Congress from the State of Maine 1982
Laborers' International Union of North America, Jack Curran, legislative director 4112
Langen, Hon. Odin, a Representative in Congress from the State of Minnesota 4165
Lannon, Albert, Washington representative, International Longshoremen's & Warehousemen's Union 1185
League of Women Voters of the United States, Gail Bradley, vice president 979
LeBlond, Daniel W., National Machine Tool Builders Association 2550
Lee, Derek A., president, British-American Chamber of Commerce 1677
Levy, Edward, executive director, National Handbag Association 2160
Lesnick, Edward, director of product planning, Wang Laboratories, Inc 3013
Lewis, Robert G.:
Wisconsin Cheese Makers' Association 4212
Geehl's Guernsey Farms, Germanteown, Wis 4212
Libbey-Owens Ford Co., Robert G. Wingerter, president 3972
Liberty Lobby, Warren S. Richardson, general counsel 1630
Lincoln, Donald O., trade, legislative and legal consultant, Maine Sardine Packers Association and Maine Sardine counsel 3892
Lobred, Leonard K.:
National Canners Association, director, international trade division 4327
U.S. National Fruit Export Council, secretary-treasurer 4367
Lovre, Hon. Harold O., Washington counsel, National Board of Fur Farm Organizations 3051
Luft, Williard, cochairman, Footwear Importers Group of the Italy-America Chamber of Commerce 1647
Luggage & Leather Goods Manufacturers of America, Jack Citronbaum, executive vice president 2158
Lynn, Bruce N., president, National Cotton Council of America 1494
Lyon, Lyman R., chairman-designate, world affairs committee, Greater Detroit Chamber of Commerce 1636
MacArthur, Arthus R., Janesville, Wis 3172
Machinery & Allied Products Institute:
Healey, William, staff counsel 2454
Stewart, Charles W., president 2454
Magdanz, Don F., executive secretary-treasuref, National Livestock Feeders Association 3704
Mahon, Hon. George H., a Representative in Congress from the State of Texas 2179
Mahoney, James, member, executive advisory committee, Man-Made Fiber Producers Association 1427
Maine Sardine Packers Association and Maine Sardine Council:
Lincoln, Donald O., trade, legislative and legal consultant 3892
Reed, Richard E., executive secretary 3892
Warren, James L., chairman, legislative committee 3892
Man-Made Fiber Producers Association:
Executive advisory committee:
Broun, E. Fontaine 1427
Churchill, Robert 1427
Mahoney, James 1427
Stoll, Dr. Reiner 1427
Swank, Dr. Howard 1427
Ramsey, Claude, chairman of the board 1427
Stewart, Eugene L., counsel 1427

Page

Manufacturing Chemists Association:
- Bryant, F. Leonard, chairman of the board of directors — 3490
- Christopher, William — 3506
- Driver, William, president — 3490
- Plumb, Robert — 3490

Mara, John E., general president, Boot & Shoe Workers Union — 2066
Marble Institute of America, Don A. Hagerich, executive director — 4121
Marshall, Robert B., member, International Committee, Aerospace Industries Association of America, Inc — 3847
Martin, Hon. Dave, a Representative in Congress from the State of Nebraska — 3678
Martin, Lewe B.:
- Miniature Precision Bearing Co., counsel — 3345
- Mushroom Processors Association, counsel — 3885
- Stainless Steel Flatware Manufacturers Association, secretary — 1804

Martino, Frank D., Washington director, International Chemical Workers Union — 3587
Marzetti, Alex, chairman, government relations committee, Mushroom Processors Association — 3885
Masaoka, Mike M., Washington representative, Association on Japanese Textile Imports, Inc — 1388
Masterson, Frank, president, Industrial Fasteners Institute — 3811
Mass Retailing Institute:
- Archer, John, counsel — 2671
- Kessler, Bernard, president — 2673
- Peabody, Hon. Endicott — 2671

Massachusetts Department of Commerce and Development, Carroll P. Sheehan, commissioner — 2656
May, Ernest M., president, Otto B. May, Inc — 3572
McCauley, Alfred R., counsel:
- American Importers Association, organic chemicals group — 3508
- Electronic Industries Association — 2876

McClanahan, W. W., executive president, National Coal Policy Conference — 2335
McClure, Hon. James A., a Representative in Congress from the State of Idaho — 4296
McCulloch, Donald F., president, American Textile Manufacturers Institute — 1217
McEvoy, James, research director, National Knitted Outerwear Association — 1517
McEwen, Hon. Robert C., a Representative in Congress from the State of New York — 1968
McFall, Hon. John J., a Representative in Congress from the State of California — 4160
McKenna, Neal, on behalf of Rubber Manufacturers Association — 2094
McLain, Marvin, director, legislative department, American Farm Bureau Federation — 1620
McMillan, C. W., executive vicce president, American National Cattlemen's Association — 3687
McNeill, Robert L., executive vice chairman, Emergency Committee for American Trade — 836
McQuade, Hon. Lawrence C., director, International Trade Club of Chicago — 2559
Meagher, Edward, chairman, semiconductor division, Electronics Industries Association — 2987
Meat Importers Association, Donn N. Bent, on behalf of John E. Ward, chairman — 3696
Medders, Tom B., Jr., chairman, import policy committee, Independent Petroleum Association of America — 2295
Mercer, Sam N., president, Discover America Travel Organizations, Inc — 2581
Meredith, Ellis E., executive vice president, American Apparel Manufacturers Association — 1373
Metal Masters of Baltimore, Md., H. M. Weiss, president — 1916
Minard, Richard A., officer, Miniature Precision Bearing Co — 3345
Minchew, Daniel, legislative director, United States-Japan Trade Council — 1066
Miniature Precision Bearing Co.:
- Martin, Lewe B., counsel — 3345
- Minard, Richard A., officer — 3345

Page

Mink Hon. Patsy T., a Representative in Congress from the State of Hawaii ---- 2198
Mizell, Hon. Wilmer D., a Representative in Congress from the State of North Carolina ---- 1513, 1549
Miss Erika, Inc., David Cuttman, executive representative ---- 1552
Mollohan, Hon. Robert H., a Representative in Congress from the State of West Virginia ---- 4293
Monagan, Hon. John S., a Representative in Congress from the State of Connecticut ---- 4229
Monks James W., president, Berncolors-Poughkeepsie, Inc ---- 3571
Moorcones, John S., on behalf of the National Restaurant Association ---- 3725
Mundt, John C., vice chairman, advisory committee, Cement Industry Antidumping Committee ---- 4089
Murchison, David C., on behalf of Ceramic Tile Manufacturers of the United States ---- 4074
Mushroom Processors Association:
  Damon, E. M., Jr., executive secretary ---- 3885
  Martin, Lewe B., counsel ---- 3885
  Marzetti, Alex, chairman, government relations committee ---- 3885
National Association of Secondary Material Industries, Inc., Sidney Silver, vice president, foreign trade division ---- 3823
National Association of Manufacturers, Donald H. Gleason, chairman, international taxation subcommittee ---- 2438
National Association of Wool Manufacturers, Morton H. Darman, chairman of the board ---- 1243
National Association of Scissors & Shears Manufacturers, James Farrington, president ---- 2748
National Board of Fur Farm Organizations:
  Henderson, Dave, executive secretary ---- 3051
  Lovre, Hon. Harold O., Washington counsel ---- 3051
  Plaisted, Ken, general counsel ---- 3051
  Woodley, Albert ---- 3057
National Canners Association, Leonard K. Lobred, director, international trade division ---- 4327
National Cheese Institute, Inc., Robert F. Anderson, executive secretary ---- 4178
National Coal Association, Brice O'Brien, vice president ---- 2318
National Coal Policy Conference, W. W. McClanahan, executive president ---- 2335
National Confectioners Association, John A. Buzzard, chairman, import-export advisory committee ---- 4232
National Cotton Council of America:
  Lynn, Bruce N., president ---- 1494
  Wellford, Dabney S., economist ---- 1494
National Electrical Manufacturers Association:
  Hobbs, Claude, chairman, committee on foreign trade policy ---- 2934
  Simpson, John W ---- 2934
National Farmers Organization, Harry L. Graham, legislative representative ---- 987
National Farmers Union, Reuben L. Johnson, director of legislative services ---- 4237
National Foreign Trade Council:
  Scott, Robert T., vice president ---- 928
  Walker, Melville H., executive vice president ---- 928
National Fuel Gas Co., Herbert D. Clay, president ---- 2315
National Grain & Feed Association, Richard J. Goodman, member, international trade committee ---- 3734
National Handbag Association:
  Levy, Edward, executive director ---- 2160
  Weiss, Steven J., counsel ---- 2155
National Livestock Feeders Association, Don F. Magdanz, executive secretary-treasurer ---- 3704
National Machine Tool Builders Association:
  Henry D. Sharpe, Jr., first vice president ---- 2489
  Daniel W. LeBlond ---- 2550
National Milk Producers Federation, Patrick B. Healy, secretary ---- 4181

Page

National Restaurant Association:
Moorcones, John S. 3725
Neville, Robert B. 3725
Nunn, Ira H., counsel 3725
National Shoeboard Conference, Inc.:
Fuller, Robert P., member, government affairs committee 2092
Jenkins, George O., Jr., chairman, government affairs committee 2092
Nathan, Robert R., American Mexican Association 3202
Nation-Wide Committee on Import-Export Policy, O. R. Strackbein, president 883
Neal, Alfred C., president, Committee for Economic Development 914
Nelson, Arthur, president, Revere Stainless Steel Sink Corp 1913
Neville, Robert B., on behalf of the National Restaurant Association 3725
New Delman, Mitchell J., attorney, semiconductor division, Electronic Industries Association 2987
New Jersey Economic Development Council, Peter Blake, acting director, Division of Economic Development, New Jersey Department of Labor and Industry 2659
Nolan, John E., counsel, Green Olive Trade Association 4347
North Atlantic Ports Association, Clifford B. O'Hara, chairman, foreign commerce and Government traffic committee 975
Northern Textile Association, Robert Booth, chairman 1240
Null, Lester, president, International Brotherhood of Operative Potters 4041
Nunn, Ira H., counsel, National Restaurant Association 3725
O'Brien, Brice, vice president, National Coal Association 2318
O'Brien, Gerald, executive vice president, American Importers Association 933
O'Rourke, Dennis, counsel, Farmers and Manufacturers Beet Sugar Association 4243
O'Hara, Clifford B., appearing in behalf of American Association of Port Authorities (chairman, committee XI) and North Atlantic Ports Association (chairman, foreign commerce and Government traffic committee) 975
Office Machines International Institute, Frederick D. Hunt, director 3314
Ohio Greenhouse Cooperative Association, Roger Ruetenik, vice president 4371
Olson, Iver M., vice president, American Footwear Manufacturers Association 1983
Oregon Cattlemen's Association, Fred Phillips, president 3693
Ostrander, F. Taylor, Jr., on behalf of the Chamber of Commerce of the United States 1050
Otto B. May, Inc., Ernest M. May, president 3572
Pacy, David G., vice president, British-American Chamber of Commerce 1677
Palmer, Charles, Southern Dyestuff Co 3575
Pappas, John, Jr., Green Olive Trade Association 4347
Peabody, Hon. Endicott, Mass Retailing Institute 2671
Perkel, George, research director, Textile Workers Union of America 1277
Perry, J. Wiley, Jr., chairman, import study committee, Cast Iron Soil Pipe Institute 1813
Peterson, Dean A., economic consultant, Volume Footwear Retailers of America 2082
Philips, A. Lloyd, president, American Aniline Products, Inc 3575
Phillips, Fred, president, Oregon Cattlemen's Association 3693
Piquet, Dr. Howard S., Washington, D.C. 2676
Plaisted, Ken, general counsel, National Board of Fur Farm Organizations 3051
Plumb, Robert, Manufacturing Chemists Association 3490
Pollock, William, general president, Textile Workers Union of America 1277
Potofsky, Jacob S., president, Amalgamated Clothing Workers of America 1267
PPG Industries, Inc., Robert M. Hainsfurther, vice president and general manager, glass division 3986
Preyer, Hon. Richardson, a Representative in Congress from the State of North Carolina 1550
Price, Jay, director of public affairs, Electronic Industries Association 2827
Priestland, Carl, economic consultant, American Apparel Manufacturers Association 1373
Pucinski, Hon. Roman C., a Representative in Congress from the State of Illinois 3647

Page

Pulp & Paper Machinery Association:
Alevra, Peter ---- 2486
Joelson, Mark, counsel ---- 2489
Pure Milk Products Cooperative, William C. Eckles, general manager ---- 4217
Quillen, Hon. James, a Representative in Congress from the State of Tennessee ---- 1617
Ramsey, Claude, chairman of the board, Man-Made Fiber Producers Association ---- 1427
Reed, Richard E., executive secretary, Maine Sardine Packers Association and Maine Sardine Counsel ---- 3892
Reeve, Perc A., executive vice president, Farmers and Manufacturers Beet Sugar Association ---- 4243
Rehm, John B., Washington, D.C ---- 2576
Reiser, Ralph, international president, United Glass & Ceramic Workers ---- 4045
Revere Stainless Steel Sink Corp., Arthur Nelson, president ---- 1913
Rhodes, Edward M., special consultant, American Sprocket Chain Manufacturers Association ---- 3745
Richardson, Warren S., general counsel, Liberty Lobby ---- 1630
Ricki Knits, Jr., David Guttman (executive representative, Miss Erika, Inc.) ---- 1552
Rinta, Eugene F., executive director, Council of State Chambers of Commerce ---- 2439
Rivers, Hon. L. Mendel, a Representative in Congress from the State of South Carolina ---- 3642
Robie, Merle C., chairman, executive committee, Cordage Institute ---- 1264
Robison, Hon. Howard W., a Representative in Congress from the State of New York ---- 2188
Roche, John P., president, American Iron & Steel Institute ---- 1753
Rocky Mountain Oil & Gas Association, president, Bob Burch ---- 2299
Rogers, Hon. Paul G., a Representative in Congress from the State of Florida ---- 4164
Rogers, Hon. Walter E., president, Independent Natural Gas Association of America ---- 2307
Rolled Zinc Manufacturers Association, William L. Donehower, Jr., chairman, executive committee ---- 4112
Rose, Richard C., president, Trade Relations Council of the United States, Inc ---- 3649
Rosoff, Morris, president, Brazilian-American Chamber of Commerce ---- 1686
Roth, William M., vice chairman, international economic studies, research and policy committee, Committee for Economic Development ---- 914
Rowan, Richard L., associate professor of industry and associate director, research unit, Wharton School of Finance and Commerce, University of Pennsylvania ---- 1561
Rowe, Herbert, chairman, world trade committee, parts division and distributor products division, Electronic Industries Association (also on behalf of the American Loudspeaker Manufacturers Association) ---- 2881
Rubber Manufacturers Association:
Brown, Neal ---- 2094
Campbell, William, chairman, footwear division ---- 2094
Cooper, Mitchell, counsel, footwear division ---- 2094
McKenna, Neal ---- 2094
Ruetenik, Roger, vice president, Ohio Greenhouse Cooperative Association ---- 4371
Ruth, Hon. Earl B., a Representative in Congress from the State of North Carolina ---- 4172
Rutherford, H. L., on behalf of International Engineering & Construction Industries Council ---- 2481
Rutledge, Robert W., executive vice president, Florida Citrus Mutual ---- 4305
Schenk, Prof. Alan, Wayne State University Law School ---- 2585
Schuman, Samuel, past president, Green Olive Trade Association ---- 4347
Schwengel, Hon. Fred, a Representative in Congress from the State of Iowa, submitting statement of William L. Hullsiek (vice president, corporate development, Amana Refrigeration, Inc.) ---- 1209
Schwenger, Robert B., Kensington, Md ---- 2726
Scott, Robert T., vice president, National Foreign Trade Council ---- 928

Page

Seghers, Paul D., president, Institute on U.S. Taxation of Foreign Income, Inc ---- 2443
Shannon, Thomas F., counsel:
American Footwear Manufacturers Association ---- 2024
Bicycle Manufacturers Association of America ---- 3850
Shapiro, Ralph, counsel, Fur & Leather Department of the Amalgamated Meat Cutters & Butcher Workmen of North America ---- 3154
Sharp, James R., counsel:
American Fur Merchants' Association, Inc. ---- 3094
Imported Hardwood Products Association, Inc ---- 3195
Sharpe, Henry D. Jr., first vice president, National Machine Tool Builders Association ---- 2489
Sheehan, Carroll P., commissioner, Massachusetts Department of Commerce and Development ---- 2656
Sheehan, John J., legislative director, United Steelworkers of America ---- 1823
Sherwin, Dale, assistant director, legislative department, American Farm Bureau Federation ---- 1620
Sheskey, William, chairman, national affairs committee, American Footwear Manufacturers Association ---- 2016
Shuman, Charles B., president, American Farm Bureau Federation ---- 1620
Silver, Sidney, vice president, foreign trade division, National Association of Secondary Material Industries, Inc ---- 3823
Simpson, John W., on behalf of the National Electrical Manufacturers Association ---- 2934
Sindelar, Charles, staff assistant, Zenith Radio Corp ---- 2945
Sisk, Hon. B. F., a Representative in Congress from the State of California ---- 4157
Slide Fastener Association, Myron Solter, counsel ---- 3864
Sloane, Jack, president, Standard Cellulose & Novelty Co ---- 2781
Society of American Florists, Douglas R. Gordon, assistant executive director ---- 2797
Society of the Plastics Industry, International Committee:
Christopher, William F., chairman ---- 3322
Tiernan, Robert R., counsel ---- 3322
Solter, Myron, counsel:
Clothespin & Veneer Products Association ---- 3331
Slide Fastener Association ---- 3864
South Carolina, State of, Lt. Gov. John Carl West, on behalf of Gov. Robert E. McNair ---- 1211
St Germain, Hon. Fernand J., a Representative in Congress from the State of Rhode Island ---- 1509, 2195
Staggers, Hon. Harley O., a Representative in Congress from the State of West Virginia ---- 1976
Stainless Steel Flatware Manufacturers Association:
Allen, Edward A., Jr ---- 1810
Hemingway, Stuart C., Jr., executive vice president ---- 1804
Martin, Lewe B., secretary ---- 1804
Standard Cellulose & Novelty Co., Jack Sloane, president ---- 2781
Standard Oil Co. of New Jersey, Myron A. Wright (chairman of the board, Humble Oil & Refining Co.) ---- 2210
Stanwyck, Edmund, president, E. Stanwyck Coil Co., Inc ---- 3016
Steele, Robert W., on behalf of Ceramic Tile Manufacturers of the United States ---- 4074
Steiger, Hon. William A., a Representative in Congress from the State of Wisconsin ---- 4300
Steinberg, David J., secretary and chief economist, Committee for a National Trade Policy ---- 872
Stewart, Charles W., president, Machinery & Allied Products Institute ---- 2454
Stewart, Eugene L., counsel:
American Loudspeaker Manufacturers Association ---- 2809, 2881
Electronic Industries Association ---- 2809, 2881
Man-Made Fiber Producers Association ---- 1427
Flat Glass Domestic Producers Association ---- 3988
Trade Relations Council of the United States, Inc ---- 3649
U.S. Dyestuff Producers ---- 3575

Page
Stinson, George A., chairman, American Iron & Steel Institute 1753
Stitt, Nelson A., director, United States-Japan Trade Council:
Testimony 1066, 1127
Membership list 1131
Registration statement filed with Department of Justice, pursuant to Foreign Agents Registration Act of 1938 1143
Statement of Congressman John W. Byrnes (Wis.), a Member of the Committee on Ways and Means, with reference to testimony of Mr. Stitt 1126, 3641
Interrogation by Congressman John W. Byrnes (Wis.) of Mr. Stitt 1155
Stobaugh, Robert B., American Importers Association, Organic Chemicals Group 3509
Stoffel, Albert W., chairman, International Committee-Trade Policy Task Group, Aerospace Industries Association of America, Inc 3843
Stoll, Dr. Reiner, member, executive advisory committee, Man-Made Fiber Producers Association 1427
Stone & Allied Products Workers, Hollan Cornett, international vice president 4055
Stone, Eugene, III, president, Stone Manufacturing Co 1554
Stone, Glass & Clay Coordinating Committee, panel in behalf of:
Chester, Howard P., executive secretary 4032
Cornett, Hollan, international vice president, Stone & Allied Products Workers 4055
Null, Lester, president, International Brotherhood of Operative Potters 4041
Reiser, Ralph, international president, United Glass & Ceramic Workers 4045
Stone Manufacturing Co., Eugene Stone III, president 1554
Strackenbein, O. R., president, Nation-Wide Committee on Import-Export Policy 883
Stratton, Hon. Samuel S., a Representative in Congress from the State of New York 1965
Sun Oil Co., Robert G. Dunlop, chairman of the board 2239
Surrey, Walter Sterling, member, international committee, Chamber of Commerce of the United States 1039
Swank, Dr. Howard, member, executive advisory committee, Man-Made Fiber Producers Association 1427
Synthetic Organic Chemical Manufacturers Association:
Barnard, Robert C., counsel 3371
Bissinger, Fred, senior vice president 3371
Davies, Richard, economist 3476
Egge, George V., Jr 3364
Turchan, Thomas P., president 3364
Taft, Hon. Charles P., chairman, Committee for a National Trade Policy 852
Tanners Council of America, Inc.:
Anderson, Robert W 2023
Glass, Irving R., president 2005
Taquey, Charles H., Washington, D.C 2723
Tenneco Chemicals, Inc.:
Crimmins, Michael T., counsel 3565
Goldman, Julius, marketing manager, industry sales, Tenneco color division 3565
Teper, Lazare, director of research, International Ladies' Garment Workers' Union, AFL-CIO 1269
Textile Workers Union of America:
Perkel, George, research director 1277
Pollock, William, general president 1277
Thomson, Hon. Vernon W., a Representative in Congress from the State of Wisconsin 3971
Thurmond, Hon. Strom, a U.S. Senator from the State of South Carolina 1538
Tie Fabric Importers Association, George Bronz 1541
Tiernan, Robert R., counsel, Society of the Plastics Industry, International Committee 3322
Tindal, D. Leslie, president, American Soybean Association 4222
Toro, Carlos, vice chairman-designate, world affairs committee, Greater Detroit Chamber of Commerce 1636

Page

Townsend, Lynn, on behalf of the Emergency Committee for American Trade ---- 750
Trade Relations Council of the United States, Inc.:
Ashley, James M., cochairman, board of trustees ---- 3649
Rose, Richard C., president ---- 3649
Stewart, Eugene L., general counsel ---- 3649
Turchan, Thomas P., president, Synthetic Organic Chemical Manufacturers Association ---- 3364
Uhler, Berman, Blackman Uhler Chemical Division ---- 3575
Umbrella Frame Association of America:
Evans, S. W., member ---- 2796
Finkel, Leonard E., president ---- 2790
Underhill, William Amory, counsel, Florida Citrus Mutual ---- 4305
United Glass & Ceramic Workers, Ralph Reiser, international president ---- 4045
United Hat, Cap & Millinery Workers International Union, Gerald R. Coleman, vice president-executive secretary ---- 1317
United Rubber, Cork, Linoleum & Plastic Workers of America, John Campbell, assistant general counsel ---- 2137
United Shoe Workers of America, George O. Fecteau, general president ---- 2061
United States Council of the International Chamber of Commerce, Daniel L. Goldy, vice chairman, committee on commercial policy ---- 1170
United States-Japan Trade Council:
Minchew, Daniel, legislative director ---- 1066
Stitt, Nelson A., director;
Testimony ---- 1066, 1127
Membership list ---- 1131
Registration statement filed with Department of Justice, pursuant to Foreign Agents Act of 1938 ---- 1143
Statement of Congressman John W. Byrnes (Wis.) a member of the Committee on Ways and Means, with reference to testimony of Mr. Stitt ---- 1126, 3641
Interrogation by Congressman Byrnes (Wis.) of Mr. Stitt ---- 1155
United Steelworks of America, John J. Sheehan, legislative director ---- 1823
United Textile Workers of America, George Baldanzi, international president ---- 1290
U.S. dyestuff producers, panel of:
Gorton, Harry, American Aniline Products, Inc ---- 3575
Palmer, Charles, Southern Dyestuff Co ---- 3575
Phillips, A. Lloyd, president, American Aniline Products, Inc ---- 3575
Stewart, Eugene L., counsel ---- 3575
Uhler, Berman, Blackman, Uhler Chemical Division ---- 3575
U.S. National Fruit Export Council, Leonard K. Lobred, secretary-treasurer ---- 4367
U.S. Potters Association, David A. Golden, tariff and customs counsel ---- 1188
Vansant, John M., Jr., counsel, Chatten Drug & Chemical Co., of Chattanooga, Tenn ---- 3591
Veltfort, Theodore E., managing director, Copper & Brass Fabricators Council, Inc ---- 1830
Vest, Kay, manager, international group, Chamber of Commerce of the United States ---- 1039
Vilsack, Robert M., on behalf of American Pipe Fittings Association ---- 1905
Volume Footwear Retailers of America:
Atkins, Edward, executive vice president ---- 2078
Peterson, Dean A., economic consultant ---- 2082
Weiss, Morton A., president ---- 2074
Walker, Melville H., executive vice president, National Foreign Trade Council ---- 928
Wang Laboratories, Inc., Edward Lesnick, director of product planning ---- 3013
Wardell, Robert J., assistant managing director, Copper & Brass Fabricators Council, Inc ---- 1830
Warrell, Carrol J., chairman, tariff and customs committee, Cycle Parts & Accessories Association ---- 3858
Warren, James L., chairman, legislative committee, Maine Sardine Packers Association and Maine Sardine counsel ---- 3892
Wayman, staff vice president, consumer products division, Electronic Industries Association ---- 2870
Webb, Alison, director of marketing, chemical division, GAF Corporation ---- 3568

Page

Weinberg, Ira, vice president and general manager, Empire State Novelty Corp ---- 2779
Weiss, Abraham, legislative counsel:
Distillery, Rectifying, Wine, & Allied Workers International Union ---- 2801
International Leather Goods, Plastics, & Novelties Workers Union ---- 2143
Weiss, H. M., president, Metal Masters of Baltimore, Md. ---- 1916
Weiss, Morton B., president, Volume Footwear Retailers of America ---- 2074
Weiss, Steven J., counsel, National Handbag Association ---- 2155
Wellford, Dabney S., economist, National Cotton Council of America ---- 1494
West, Hon. John Carl, Lieutenant Governor, State of South Carolina, on behalf of Gov. Robert E. McNair ---- 1211
Wilcox, William F., on behalf of American Pipe Fittings Association ---- 1908
Wilson, Henry H., president, Chicago (Ill.) Board of Trade ---- 4323
Wingerter, Robert G., president, Libbey?Owens-Ford Co ---- 3972
Wisconsin Cheese Makers' Association, Robert G. Lewis ---- 4212
Wishart, James, research director, Amalgamated Meat Cutters & Butcher Workmen of North America ---- 2130
Wold, Hon. John S., a Representative in Congress from the State of Wyoming ---- 4173
Woodley, Albert, National Board of Fur Farm Organizations ---- 3057
Worldwide Shoes, Inc., Harry A. Kozac, president ---- 2162
Wright, Joseph S., chairman of the board, Zenith Radio Corp ---- 2945
Wright, Myron A. (chairman of the board, Humble Oil & Refining Co.), on behalf of the American Petroleum Institute ---- 2210
Wyman, Hon. Louis C., a Representative in Congress from the State of New Hampshire ---- 1971
Zenith Radio Corp:
Sindelar, Charles, staff assistant ---- 2945
Wright, Joseph S., chairman of the board ---- 2945
Zwach, Hon. John M., a Representative in Congress from the State of Minnesota ---- 3881

MATERIAL SUBMITTED FOR THE RECORD

By Government Witnesses

Commerce, Department of:
Stans, Hon. Maurice H., Secretary:
Cordage industry (United States), information concerning imports and employment status ---- 491
DISC, letter relating to, with enclosure, to Chairman Mills ---- 2334
Escape clause decisions of Tariff Commission, and President's actions thereon ---- 465
Wool/man-made fiber textiles, foreign import restrictions on, report ---- 309
Labor, Department of:
Shultz, Hon. George P., Secretary:
Exports and imports, employment relationships ---- 608
Letter dated June 17, 1970, to Chairman Mills, with attachment proposing amendment to section 304 of H.R. 14870 ---- 594
Written statement concerning "Cabinet Task Force Report on Oil Import Control" with appendix containing observations of some criticisms of the task force report which occurred during testimony of June 3, 1970 ---- 2340
State, Department of, David M. Abshire, Assistant Secretary for Congressional Relations:
Letter dated May 21, 1970, to Chairman Mills, with regard to wages ---- 579
Letter to Chairman Mills ---- 4212
Trade Negotiations, Office of Special Representative of, Hon. Carl J. Gilbert, Special Representative:
Benzenoid chemicals, title IV of H.R. 17551 (90th Cong.), statement pertaining to ---- 660
Border tax adjustments ---- 726
Export-import trade breakdown, category by category ---- 127
Response to Synthetic Organic Chemical Manufacturers Association (SOCMA) questions ---- 719
Staff Papers and Inventory of Industrial Nontariff Barriers ---- 166

Treasury, Department of:
Englert, Roy T., Acting General Counsel, letter dated June 16, 1970, to Chairman Mills with regard to GATT ..... Page 528
Nolan, John S., Acting Assistant Secretary for Tax Policy:
Company and Industry Responses to DISC Proposal, comments 543
U.S. Income Tax Provisions Affecting Tax Planning for Sales in Foreign Markets, summary 546
Report entitled "Domestic International Sales Corporation, Technical Explanation of Treasury Proposal" 511
Rossides, Eugene T., Assistant Secretary for Enforcement and Operations:
Antidumping and countervailing duty laws, information regarding administration of 523
Response to testimony of Cast Iron Soil Pipe Institute, letter dated July 16, 1970, to John M. Martin, Jr., chief counsel, Committee on Ways and Means, with enclosures 1822a
Volcker, Paul A., Under Secretary for Monetary Affairs:
Foreign direct taxation laws affecting export activities, provisions in 548
Treasury revenue estimates concerning DISC 524

By Public Witnesses

Ajinomoto Co. of New York, Inc., H. William Tanka, statement 3621
Alcan Aluminum Corp., Eric A. Trigg, president, statement 3831
Alder, Donald H., president, Maestro Import Industries, Inc., letter, dated May 13, 1970, to John M. Martin, Jr., chief counsel, Committee on Ways and Means 3305
Allerhand, Irving W., on behalf of CITC Industries, Inc., statement 2171
Aluminum Association, Monroe Leigh, counsel, international policy committee, statement 3827
Amalgamated Clothing Workers of America, supplemental statement preceded by letter of transmittal from Stanley H. Ruttenberg 1271
Amalgamated Meat Cutters and Butcher Workmen (AFL-CIO), Leon B. Schachter, vice president and director, Washington office, statement 3961
Amana Refrigerator, Inc., William L. Hullsiek, vice president, corporate development, prepared statement submitted by Representative Schwengel of Iowa 1209
American Association of University Women, Mrs. Jean Ross, chairman, legislative program committee, statement 1746
American Cotton Shippers Association, Neal P. Gillen, vice president and general manager, letter, dated June 8, 1970, to Chairman Mills 2606
American Cyanamid Co., C. D. Siverd, president and chief executive officer, statement 3630
American Federation of Labor-Congress of Industrial Organizations, Andrew J. Biemiller, director, department of legislation:
Policy resolution 1015
Letter to Chairman Mills 2603
American Flint Glass Workers' Union of North America, George M. Parker, president, statement 4061
American Footwear Manufacturers Association, Iver M. Olson, vice president, letter dated June 17, 1970, to Chairman Mills, with enclosures 2036
American Fur Breeder, Harold Scales, editor and publisher, statement 3181
American Importers Association:
Machine tool group, Eric R. Bachman, chairman of steering committee, statement 2556
Textile and apparel group, Michael P. Daniels, counsel:
"Long-Term Textile Outlook: More" (paper) 1333
"Textiles in the Seventies," article from the Chemical and Engineering News 1345
Trade policy committee, Ralph H. Cutler, Jr., chairman, brochure entitled "Here's What's Wrong With Import Quotas" 938
American Institute of Certified Public Accountants, Division of Federal Taxation, statement 2602
American Paper Institute, John F. Darrow, vice president, letter, dated June 2, 1970, to Chairman Mills 2604
American Petroleum Refiners Association, Walter Famariss, Jr., president, statement 2370

Page

Amity Leather Products Co., Leonard E. Benedict, secretary, letter dated May 27, 1970, to Chairman Mills 2175
Apel, Peter C., president, Upholstery & Decorative Fabrics Association of America, letter dated June 23, 1970, to Chairman Mills 1603
Associated Fur Manufacturers Association, Inc., J. George Greenberg, executive vice president, statement 3183
Association of Food Distributors, Inc., Harold Bruce, executive vice president, statement 4338
Association of Yarn Distributors, Mars J. Bishop, president, letter dated May 22, 1970, to John M. Martin, Jr., chief counsel, Committee on Ways and Means 1596
Association of Fur Farm Suppliers, Inc.:
  Bear, David A., past president, statement 3179
  Graff, Herbert, statement 3179
Atkins, Edward, executive vice president, Volume Footwear Retailers of America, supplementary statement 2088
Australia, Government of, letter dated June 16, 1970, forwarded by letter of transmittal from the U.S. Department of State 1579
Auto Air Accessories, Inc., Howard E. Roberts, president, letter, dated June 9, 1970, to Chairman Mills 2644
Automobile Manufacturers Association, Inc., Thomas C. Mann, president, letter dated May 20, 1970, to Chairman Mills 1728
B. F. Goodrich Co., Charles M. Jorgeson, general manager, textile division, statement 1613
Bachmann, Eric R., chairman of steering committee, American Importers Association, machine tool group, statement 2556
Baguena, Mariano, executive secretary, Spain-U.S. Chamber of Commerce, Inc., statement 1736
Baker, Hon. Howard H., Jr., a U.S. Senator from the State of Tennessee, statement 3619
Ballantyne of Omaha (Nebr.), Inc., J. Robert Hoff, president, statement 3047
Barschdorf, Milton P., port director, Greenville (Miss.) Port Commission, letter, dated June 5, 1970, to Chairman Mills 2635
Bauer, Richard J., chairman of the board, Independent Zinc Alloyers Association, statement 4120
Baughman, Harry W., Jr., national president, Window Glass Cutters League of America, statement 4063
Beam's International Division, O. T. Beam, letter, dated June 8, 1970, to Chairman Mills 2644
Bear, David A., past president, Association of Fur Farm Suppliers, Inc., statement 3179
Beemer, George T., manager, Florida Flower Association, Inc., statement 2800
Benedict, Leonard E., secretary Amity Leather Products Co., letter dated May 27, 1970, to Chairman Mills 2175
Berard, Jack B., president, Pacific Coast Coffee Association:
  Letter, dated May 25, 1970, to Chairman Mills 3964
  Letter, dated June 26, 1970, to Chairman Mills, with attachments 3964
Berman, A. T., Toby Berman Corp., letter dated May 20, 1970, to John M. Martin, Jr., chief counsel, Committee on Ways and Means 1568
Berry, Hon. E. Y. a Representative in Congress from the State of South Dakota, statement 1700
Biemiller, Andrew J., director, department of legislation, American Federation of Labor–Congress of Industrial Organizations:
  Policy resolution 1015
  Letter to Chairman Mills 2603
Birkhead, Frank, Jr., manager, McAllen (Tex.) Industrial Board, statement 3293
Bishop, Mars J., president, Association of Yarn Distributors, letter dated May 22, 1970, to John M. Martin, Jr., chief counsel, Committee on Ways and Means 1596
Boecklin, George E., president, National Coffee Association, letter, dated May 13, 1970, to Chairman Mills, with attachment 3960
Borsum, Leslie C., sales manager, feed sales division, Kellogg Co., statement 3188
Boss Manufacturing Co., Kurt Schaffer, vice president-administration, statement 3308

Page

Bourbon Institute, V. Adm. William J. Marshall, U.S.N. (ret.), president, statement 2811
Brennan, Joseph P., director of research, and marketing, United Mine Workers of America, statement 2366
Briggs, Porter, executive secretary, Catfish Farmers of America, statement 3898
Brock, Hon. W. E., a Representative in Congress from the State of Tennessee, letter, dated June 17, 1970, to Chairman Mills 3619
Brownsville (Texas), Port of, Al Cisneros, general manager and port director, letter dated June 3, 1970, to Chairman Mills, with enclosure 2389
Bruce, David S., chairman, Petrochem Group, statement 2362
Bruce, Harold, executive vice president, Association of Food Distributors, Inc., statement 4338
Bruno, Vincent J., director, World Trade Department, Commerce and Industry Association of New York, letter, dated May 21, 1970, to Chairman Mills 3292
Builders Hardware Manufacturers Association, Clyde T. Nissen, executive director, statement 3812
Burrows, Fred W., executive vice president, International Apple Association, Inc., letter, dated June 22, 1970, to Chairman Mills, with enclosure 4391
Business Equipment Manufacturers Association, John S. Voorhees, counsel, statement 3237
Butler, George D., president, Electronic Industries Association, position paper 2834
Byrne, George P., Jr., secretary, United States Wood Screw Service Bureau, letter dated June 5, 1970, to Chairman Mills, with attachments 3815
Bywater, William, vice president, International Union of Electrical, Radio, & Machine Workers:
  Summary and statement given before the Tariff Commission on May 5, 1970 2914
  "The Developing Crisis in Electronics and Companion Industries," article 2908
California Council for International Trade, G. B. Levine, chairman, legislative committee:
  Letter dated May 15, 1970, to Chairman Mills, with attachments 3292
  Letter dated June 17, 1970, to Chairman Mills, with position paper 2633
California Dried Fig Advisory Board, Ron Klamm, manager, statement 4375
California Fig Institute, Ron Klamm, managing director, statement 4375
California State Chamber of Commerce, Ernest J. Loebbecke, president, letter of transmittal dated April 16, 1970, to Chairman Mills, with enclosures 1701
Candle Manufacturers Association, H. R. Parker, secretary, letter, dated May 26, 1970, to John M. Martin, Jr., chief counsel, Committee on Ways and Means 2785
Canners League of California, statement 4161
Card Clothing Manufacturers Association, E. A. Snape, Jr., chairman, tariff committee, statement 1589
Carlson, Paul, on behalf of the Welded Steel Tube Institute, statement 1935
Caskie, Maxwell, vice president, Reynolds Metals Co., letter dated June 26, 1970, to Chairman Mills 3831
Cast Iron Soil Pipe Institute, Wiley J. Perry, Jr., chairman, import study committee:
  Letter dated April 9, 1968, to Secretary of the Treasury Henry H. Fowler 1816
  Letter dated April 17, 1970, to Secretary of the Treasury David M. Kennedy 1818
Catfish Farmers of America, Porter Briggs, executive secretary, statement 3898
Cement Industry Antidumping Committee, Donald Hiss, counsel:
  Letter dated June 16, 1970, to Congressman Betts of Ohio 4111
  Letter dated June 16, 1970, to Congressman Conable of New York 4110
Chamber of Commerce of the United States:
  Ostrander, F. Taylor, speech delivered to Chamber of Commerce of Buffalo, N.Y., May 22, 1970 1062
  Statham, Robert R., taxation and finance manager, statement 2602
Cheese Importers Association of America, Inc., Martin A. Fromer, counsel, letter dated June 3, 1970, to Chairman Mills 4221

Page

Chemco Group, Morse G. Dial, Jr., chairman, and Petrochem Group, David S. Bruce, chairman, statement 2362
Cheney Bros., Hon. Albert P. Morano, letter dated April 13, 1970, to Chairman Mills 1614
Cherokee Products Co., Jesse G. Moore, letter dated June 1, 1970, forwarded by Congressman Landrum of Georgia 4339
Chilton, Werner F., president, West Coast Metal Importers Association, letter dated June 10, 1970, to Chairman Mills 1920
Christensen, John R., John R. Christensen Associates, letter dated June 25, 1970, to the Committee on Ways and Means 2783
Chrysler Corp., Brian T. O'Keefe, assistant comptroller, letter dated May 27, 1970, to Chairman Mills 2637
Cisneros, Al, general manager and port director, Port of Brownsville (Texas), letter dated June 3, 1970, to Chairman Mills, with enclosure 2389
CITC Industries, Inc., Irving W. Allerhand, statement 2171
Clayman, Jacob, administrative director, Industrial Union Department, AFL-CIO, letter dated June 29, 1970, to Chairman Mills, with enclosures 1789
Cleveland, Hon. James C., a Representative in Congress from the State of New Hampshire:
Letter dated June 11, 1970, to Chairman Mills, with attachments 3361
Letter dated June 26, 1970, to Chairman Mills, with attachments 3363
Cold Spring Granite Co., Kenneth R. Kruchten, director of marketing, letter dated June 8, 1970, to Chairman Mills, with attachment 4154
Committee for a National Trade Policy, David J. Steinberg, secretary and chief economist:
"Wanted for U.S. Trade Policy: A Single Baton and a Certain Trumpet" (speech before the Newark Rotary Club, June 2, 1970) 879
"U.S. on a Collision Course in Trade Policy," (speech before the Milwaukee World Trade Club, October 2, 1969) 874
Committee of Producers of Ferroalloys and Related Products, Lloyd Symington, counsel, letter dated June 26, 1970, to Chairman Mills, with statement 1922
Commerce and Industry Association of New York, Vincent J. Bruno, director, World Trade Department, letter, dated May 21, 1970, to Chairman Mills 3292
Conner, Doyle, commissioner, Florida Department of Agriculture and Consumer Services, letter dated June 1, 1970, to Chairman Mills 4317
Conte, Hon. Silvio O., a Representative in Congress from the State of Massachusetts, statement 3019
Control Data Corp., Hugh P. Donaghue, assistant to the president, statement 2990
Cook Industries, Inc., Frank A. Jones, Jr., executive vice president-finance, letter, dated June 8, 1970, to Chairman Mills 2643
Cooperative League of the USA, Stanley Dreyer, president, letter dated May 14, 1970, to Chairman Mills 1728
Cordage Institute of the United States, statement 1249
Corn Refiners Association, Inc., Robert C. Liebenow, president, letter, dated June 9, 1970, to Chairman Mills 4396
Cox, Langford & Brown, counsel, Glaverbel (USA), Inc., letter dated June 26, 1970, to Chairman Mills 4022
Crompton Co., Inc., Howard Richmond, president, statement 1611
Crystal International Corp., David P. Houlihan, counsel, statement 4005
Cutler, Ralph H., Jr., chairman, trade policy committee, American Importers Association, brochure titled "Here's What's Wrong With Import Quotas" 983
Dana Corp., R. C. McPherson, president, letter dated June 1, 1970, to Chairman Mills, with statement 2639
Daniels, Michael P., Washington counsel:
American Importers Association, textile apparel group:
"Long-Term Textile Outlook: More" (paper) 1333
"Textiles in the Seventies," article from the Chemical and Engineering News 1345
Swiss Union of Commerce and Industry, statement forwarded by Swiss Embassy through the Department of State 3622

Page

Danish American Trade Council, Knud Sorensen, president, statement 1740
Darrow, John F., vice president, American Paper Institute, letter, dated June 2, 1970, to Chairman Mills 2604
Davis Equipment, W. W. Hanley, controller, letter, dated June 9, 1970, to Chairman Mills 2643
David, Joffre C., secretary-treasurer, Florida Fruit & Vegetable Association, statement 4340
Deisler, Paul F., Jr., vice president, manufacturing, transportation and supplies, and marketing, letter, dated June 25, 1970, to Chairman Mills, with statement 2280
Design Products, Inc., Harry Goodman, president, letter dated May 20, 1970, to John M. Martin, Jr., chief counsel, Committee on Ways and Means 3823
DeRan, James, general manager, Farmers Production Credit Association, letter dated June 19, 1970 4401
DeWick, John S., vice president, FMC Corp., letter, dated June 17, 1970, to Chairman Mills 3634
Dial, Morse G., chairman, Chemco Group, statement 2362
Domestic Manufacturers of Knotted Fish Netting and Fishing Nets, Howard C. Johnson, statement 1597
Donaghue, Hugh P., assistant to the president, Control Data Corp., statement 2990
Dorn, Hon. Wm. Jennings Bryan, a Representative in Congress from the State of South Carolina, statement 1570
Douglas, Donald W., Jr., corporate vice president for administration, McDonnell Douglas Corp., statement 3849
Dowland, Robert E., vice president, Mitchum Co., letter, dated June 3, 1970, to Chairman Mills 2645
Dreyer, Stanley, president, Cooperative League of the USA, letter dated May 14, 1970, to Chairman Mills 1728
E. D. Magnus & Associates, Inc., Frank G. Reinhard, president, letter, dated May 26, 1970, to Chairman Mills 2644
E. I. du Pont de Nemours & Co., Samuel Lenher, vice president, letter dated June 3, 1970, to Chairman Mills (with enclosure) 1605
Electronic Industries Association, George D. Butler, president, position paper 2834
Emergency Committee for American Trade:
  Haggerty, Patrick E., statement 752
  Townsend, Lynn, article entitled "Digest of Import Duties for Motor Vehicles Levied by Selected Countries" 760
Evans, C. M., president, Welch Allyn, Inc., Skaneateles Falls, N.Y. 3042
Evans, Hon. Daniel J., Governor, State of Washington, letter dated May 27, 1970, to Chairman Mills (with enclosure) 1696
Evaporated Milk Association, Fred J. Greiner, executive vice president, statement 4221
Exportadora, Inc., of Illinois, W. R. Magnus, president, letter, dated June 22, 1970, to Chairman Mills 2645
Falk, Bernard H., vice president, government and membership services, National Elecerical Manufacturers Association, letter dated June 16, 1970, to Chairman Mills, with attachments 2941
Famariss, Walter, Jr., president, American Petroleum Refiners Association, statement 2370
Farmers Production Credit Association, Jay K. Kohler, president, and James DeRan, general manager, letter dated June 19, 1970 4400
Farrar, Hon. Frank L., Governor, State of South Dakota, letter dated June 1, 1970, to Chairman Mills 3730
Field, Richard M., president, Tea Association of the United States of America, Inc., letter dated June 19, 1970, to Chairman Mills 4401
Fine & Specialty Wire Manufacturers Association, J. A. Mogle, chairman foreign trade committee, statement 1954
First Devonshire Corp. (New York, N.Y.), Yale L. Meltzer, assistant director of research, statement 3637
First National Bank of Memphis, William W. Mitchell, president, letter, dated June 10, 1970, to Chairman Mills 2646

Page

Flegenheimer, Ernest, president, Michigan Sugar Co., statement, forwarded by Congressman James Harvey, of Michigan 2395
Florida Citrus Commission, Edward A. Taylor, executive director, citrus department, letter dated May 28, 1970, to Chairman Mills 4316
Florida Citrus Mutual, Robert W. Rutledge, executive vice president, brief in behalf of the Florida citrus growers 4309
Florida Department of Agriculture & Consumer Services, Doyle Conner, commissioner, letter, dated June 1, 1970, to Chairman Mills 4317
Florida Flower Association, Inc., George T. Beemer, manager, statement 2800
Florida Fruit & Vegetable Association, Joffre C. David, secretary-treasurer, statement 4340
Florida Fresh Citrus Shippers Association, W. G. Strickland, secretary-general manager, letter dated June 3, 1970, to Robert W. Rutledge, executive vice president 4316
FMC Corp., John S. DeWick, vice president, letter, dated June 17, 1970, to Chairman Mills 3634
Form-O-Uth Co., Calvin Fraser, president, letter, dated June 19, 1970, to Committee on Ways and Means 3306
Forrow, Brian D., letter dated June 16, 1970, to John M. Martin, Jr., chief counsel, Committee on Ways and Means 1709
Fraser, Calvin, president, Form-O-Uth Co., letter, dated June 19, 1970, to Committee on Ways and Means 3306
Fromer, Martin A., counsel, Cheese Importers Association of America, Inc., letter, dated June 3, 1970, to Chairman Mills 4221
Fur Dresser's Bureau of America, Arthur M. Stringari, legal counsel, statement 3185
Furriers Joint Council of New York, Oscar Ward, assistant manager, letter dated June 18, 1970, to Chairman Mills, with enclosure 3167
Gasket Materials Producers Institute, Inc., Charles A. Hofmann, president, letter, dated June 12, 1970, to John M. Martin, Jr., chief counsel, Committee on Ways and Means 2558
General Electric Co., New York, N.Y., statement 3023
General Time Corp., statement 3298
Gillen, Neal P., vice president and general manager, American Cotton Shippers Association, letter, dated June 8, 1970, to Chairman Mills 2606
Gillon, J. Werner, president, Status Shoe Corp., statement 2169
Glaverbel (USA), Inc., Cox, Langford & Brown, counsel, letter dated June 26, 1970, to Chairman Mills 4022
Goodling, Hon. George A., a Representative in Congress from the State of Pennsylvania, statement 2165
Goodman, Harry, president, Design Products, Inc., letter dated May 20, 1970, to John M. Martin, Jr., chief counsel, Committee on Ways and Means 3823
Graff, Herbert, in behalf of Association of Fur Farm Suppliers, Inc., statement 3179
Graham, Harry L., legislative representative, National Farmers Organization, supplemental statement entitled, "The United States and the I.G.A." 994
Greeff Fabrics, Inc., Theodore Greeff, president, letter dated June 24, 1970, to Chairman Mills 1614
Greeff, Theodore, president, Greeff Fabrics, Inc., letter dated June 24, 1970, to Chairman Mills 1614
Green Coffee Association of New Orleans, Trion T. Harris, president, letter dated May 11, 1970, to Chairman Mills 3968
Greenberg, J. George, executive vice president, Associated Fur Manufacturers Association, Inc., statement 3183
Greenville (Miss.) Port Commission, Milton P. Barschdorf, port director, letter dated June 5, 1970, to Chairman Mills 2635
Greiner, Fred J., executive vice president, Evaporated Milk Association, statement 4221
Grospiron, A. F., president, Oil, Chemical and Atomic Workers International Union, statement 3626
Gulf+Western Industries, Inc., Victor L. Nutt, Washington counsel, letter, dated June 15, 1970, to John M. Martin, Jr., chief counsel, Committee on Ways and Means 3295

Page

Haggerty, Patrick E., member, Emergency Committee for American Trade, statement ---- 752
Hampton, Robert N., director of marketing and international trade, National Council of Farmer Cooperatives, statement ---- 4269
Harris, Trion T., president, Green Coffee Association of New Orleans, letter dated May 11, 1970, to Chairman Mills ---- 3968
Harvey, H. A., Jr., president, Harvey Industries, Inc., statement ---- 4072
H. Kohnstamm & Co., Inc., Paul L. Kohnstamm, president, letter dated May 20, 1970, to Chairman Mills ---- 3633
Hadley, G. L., president, National Livestock Feeders Association, statement ---- 3704
Hanley, W. W., controller, Davis Equipment, letter dated June 9, 1970, to Chairman Mills ---- 2643
Hanson, Orin T., manager, agricultural and world trade department, Greater Minneapolis Chamber of Commerce, statement ---- 3635
Hardwood Plywood Manufacturers Association, statement ---- 3197
Harman, Roy D., Christianburg, Va., statement ---- 3194
Harshaw Chemical Co., J. A. Zelek, vice president-general manager, pigment and dye department, letter dated May 20, 1970, to the Committee on Ways and Means ---- 3635
Hatfield, Hon. Mark O., a U.S. Senator from the State of Oregon, letter dated June 26, 1970, to Chairman Mills, with attachments ---- 3174
Henderson, David W., executive secretary, National Board of Fur Farm Organizations, statement ---- 3073
Hendricks, H. L., Volco, Inc., letter dated May 16, 1970, forwarded by Congressman Graham Purcell of Texas ---- 2177
Hills Brothers Coffee, Inc., Reuben W. Hills III, president, telegram dated May 18, 1970, to Chairman Mills ---- 3968
Hiss, Donald, counsel, Cement Industry Antidumping Committee:
  Letter dated June 16, 1970, to Congressman Betts of Ohio ---- 4111
  Letter dated June 16, 1970, to Congressman Conable of New York ---- 4110
Hoff, J. Robert, president, Ballantyne of Omaha (Nebr.), Inc., statement ---- 3047
Hofmann, Charles A., president, Gasket Materials Producers Institute, Inc., letter dated June 12, 1970, to John M. Martin, Jr., chief counsel, Committee on Ways and Means ---- 2558
Holmberg, Donald W., secretary, U.S./Mexico Border Cities Association, letter dated May 25, 1970, to the Committee on Ways and Means, with statements ---- 3254
Hommel, E. M., president, O. Hommel Co., letter dated May 18, 1970, to John M. Martin, Jr., chief counsel, Committee on Ways and Means ---- 3640
Houlihan, David P., counsel, Crystal International Corp., statement ---- 4005
Hughes, H. B., Hughesco, Inc., letter dated May 20, 1970, forwarded by Congressman Graham Purcell of Texas ---- 2176
Hughesco, Inc., H. B. Hughes, letter dated May 20, 1970, forwarded by Congressman Graham Purcell of Texas ---- 2176
Hullsiek, William L., vice president, corporate development, Amana Refrigerator, Inc., prepared statement, submitted by Representative Schwengel of Iowa ---- 1209
Hungate, Hon. William L., a Representative in Congress from the State of Missouri, letter dated June 23, 1970, to Chairman Mills ---- 3731
Illinois, State of, Hon. Richard B. Ogilvie, Governor, statement ---- 1694
Impression Fabrics Group, J. A. Sullivan, Jr., chairman, letter dated June 5, 1970, to John M. Martin, Jr., chief counsel, Committee on Ways and Means ---- 1591
Independent Petroleum Association of America, Robert E. Mead, president, statement (submitted by Minor Jameson, executive vice president) ---- 2289
Independent Refiners Association of America, statement ---- 2377
Independent Zinc Alloyers Association, Richard J. Bauer, chairman of the board, statement ---- 4120
Industrial Union Dept., AFL-CIO, Jacob Clayman, administrative director, letter dated June 29, 1970, to Chairman Mills, with enclosures ---- 1789
Institute on U.S. Taxation of Foreign Income, supplemental statement ---- 2450
International Apple Association, Inc., Fred W. Burrows, executive vice president, letter, dated June 22, 1970, to Chairman Mills, with enclosure ---- 4391

International Ladies' Garment Workers' Union:
Supplemental Statement preceded by letter of transmittal from Stanley H. Ruttenberg ..... Page 1271
Teper, Lazare, director, research department, letter dated June 8, 1970, to Chairman Mills, with statement 3218
International Molders & Allied Workers Union, Carl Studenroth, vice president, statement 1933
International Union of Electrical, Radio, & Machine Workers, William Bywater, vice president:
Summary and statement given before the Tariff Commission on May 12, 1970 2914
"The Developing Crisis in Electronics and Companion Industries," article 2908
Italian Embassy, Alberto Rossi, Commercial Minister, letter of transmittal dated June 12, 1970, with memorandum, to Robert M. Beaudry, Country Director, Department of State, forwarded by Department of State 1742
Italy-America Chamber of Commerce, footwear importers group, Gunter von Conrad, counsel, brief 1664
J. B. Hargrave Naval Architects, Inc., J. B. Hargrave, president, letter dated May 13, 1970, to John M. Martin, Jr., chief counsel, Committee on Ways and Means 2646
John R. Christensen Associates, John R. Christensen, letter dated June 25, 1970, to the Committee on Ways and Means 2783
Johnson, Howard C., on behalf of certain domestic manufacturers of knotted fish netting and fish nets, statement 1597
Jones, Felix C., president, United Cement, Lime & Gypsum Workers International Union, statement 4058
Jones, Frank A., Jr., executive vice president-finance, Cook Industries, Inc., letter dated June 8, 1970, to Chairman Mills 2643
Jorgeson, Charles M., general manager, B. F. Goodrich Co., textile division, statement 1613
Kahn, Max L., on behalf of woven label manufacturers of the United States of America, letter dated May 20, 1970, to John M. Martin, Jr., chief counsel, Committee on Ways and Means 1603
Keith, Hon. Hastings, a Representative in Congress from the State of Massachusetts,
Letter, dated June 12, 1970, to Chairman Mills 3899
Statement 2427
Kellogg Co., Leslie C. Borsum, sales manager, feed sales division, statement 3188
Klamm, Ron, managing director, California Fig Institute; manager, California Dried Fig Advisory Board, statement 4375
Knowles, Hon. Warren P., Governor, State of Wisconsin, letter dated June 4, 1970, to Chairman Mills 3174
Kohler, Jay K., president, Farmers Production Credit Association, letter dated June 19, 1970 4400
Kohnstamm, Paul L., president, H. Kohnstamm & Co., Inc., letter dated May 20, 1970, to Chairman Mills 3633
Korea, Republic of, memorandum dated June 9, 1970, forwarded by letter of transmittal from the U.S. Department of State 1580
Kornegay, Horace R., president, Tobacco Institute, Inc., statement 2820
Kruchten, Kenneth R., director of marketing, Cold Spring Granite Co., letter dated June 8, 1970, to Chairman Mills, with attachment 4154
Kust, Leonard E., vice president and general counsel, Westinghouse Electric Corp., statement 2636
Leaf Tobacco Exporters Association, Inc. Malcolm B. Seawell, executive secretary, letter dated June 11, 1970, to the Committee on Ways and Means 2825
Leigh, Monroe, counsel, international policy committee, Aluminum Association, statement 3827
Lenher, Samuel, vice president, E. I. du Pont de Nemours & Co., letter dated June 3, 1970, to Chairman Mills (with enclosure) 1605
Lennon, Hon. Alton, a Representative in Congress from the State of North Carolina, letter dated June 17, 1970, to Chairman Mills 1549

Page

Levine, G. B., chairman, legislative committee, California Council for International Trade:
Letter dated May 15, 1970, to Chairman Mills, with attachment 3292
Letter dated June 17, 1970, to Chairman Mills, with attachment 2633
Liebenow, Robert C., president, Corn Refiners Association, Inc., letter dated June 9, 1970, to Chairman Mills 4396
Loebbecke, Ernest J., president California State Chamber of Commerce, letter of transmittal dated April 16, 1970, to Chairman Mills, with enclosures 1701
Low, Charles H., executive committee member, National Board of Fur Farm Organizations, statement 3078
Ludlow Corp., J. C. Mahoney, vice president, letter dated May 20, 1970, to Chairman Mills 1611
Maestro Import Industries, Inc., Donald H. Adler, president, letter dated May 13, 1970, to John M. Martin, Jr., chief counsel, Committee on Ways and Means 3305
Magdanz, Don F., executive secretary-treasurer, National Livestock Feeders Association:
"The Truth About Beef Supplies and Beef Prices," document dated April 8, 1970 3718
"The Truth About Processed Beef Supplies and Prices," sequel to document of April 8, 1970 3704
Magnus, W. R., president, Exportadora, Inc., of Illinois, letter, dated June 22, 1970, to Chairman Mills 2645
Mahoney, J. C., vice president, Ludlow Corp., letter dated May 20, 1970, to Chairman Mills 1611
Mahoney, John H., senior vice president, Seaboard World Airlines, letter dated June 11, 1970, to Chairman Mills 1729
Man-Made Fiber Producers Association, Claude Ramsey, chairman, supplemental memorandum 1477
Mann, Hon. James R., a Representative in Congress from the State of South Carolina 1577
Mann, Thomas C., president, Automobile Manufacturers Association, Inc., letter dated May 20, 1970, to Chairman Mills 1728
Marks Specialties, Inc., Harry L. Marks, chairman of the board, statement 2759
Marshall, V. Adm. William J., U.S.N. (ret.), president, Bourbon Institute, statement 2811
Martin, George B., Jr., member, Memphis (Tenn.) Regional Export Expansion Council, letter, dated June 3, 1970, to Chairman Mills 2646
Mathias, Hon. Bob, a Representative in Congress from the State of California, letter dated June 12, 1970, to Chairman Mills, with enclosures 227
Mattutat, F. M., president, R. B. Willson, Inc., letter dated June 15, 1970, to John M. Martin, Jr., chief counsel, Committee on Ways and Means 4252
May, Hon. Stephen, mayor, city of Rochester, N.Y., statement 1316
Mazzocchi, Anthony, citizenship-legislative director, Oil, Chemical and Atomic Workers International Union, AFL-CIO, statement 4151
McAllen (Tex.) Industrial Board, Frank Birkhead, Jr., manager, statement 3293
McDonnell Douglas Corp., Donald W. Douglas, Jr., corporate vice president for administration, statement 3849
McIntyre, Hon. Thomas J., a U.S. Senator from the State of New Hampshire, statement 2166
McMillan, Hon. John L., a Representative in Congress from the State of South Carolina, statement 3646
McPherson, R. C., president, Dana Corp., letter, dated June 1, 1970, to Chairman Mills, with attachment 2639
Mead, Robert E., president, Independent Petroleum Association of America, statement (submitted by Minor Jameson, executive vice president) 2289
Meat Importers Association, John E. Ward, chairman, statement (submitted by Donn N. Bent) 3697
Meltzer, Yale L., assistant director of research, First Devonshire Corp. (New York, N.Y.), statement 3637
Memphis (Tenn.) Regional Export Expansion Council, George B. Martin, Jr., member, letter, dated June 3, 1970, to Chairman Mills 2646

Page

Mercker, A. E., executive secretary, Vegetable Growers Association of America, statement 4390
Metal Masters of Baltimore, Md., H. M. Weiss, president, extension of remarks 1919
Michigan Sugar Co., Ernest Flegenheimer, president, statement, forwarded by Congressman James Harvey of Michigan 2395
Milwaukee Sausage Co., Seattle, Wash., Martin B. Rind, president, statement 3732
(Greater) Minneapolis Chamber of Commerce, Orin T. Hanson, manager, agricultural and world trade department, statement 3635
Mitchell, George F., Washington, D.C., letter dated June 13, 1970, to John M. Martin, Jr., chief counsel, Committee on Ways and Means, with attachments 4401
Mitchell, William W., president, First National Bank of Memphis, letter, dated June 10, 1970, to Chairman Mills 2646
Mitchum Co., Robert E. Dowland, vice president, letter, dated June 3, 1970, to Chairman Mills 2645
Mitsuboshi Cutlery, New York, Inc., H. William Tanaka counsel, statement 1957
Mogle J. A., chairman, foreign trade committee, Fine & Specialty Wire Manufacturers' Association, statement 1954
Moore, Jesse G., on behalf of Cherokee Products Co., letter dated June 1, 1970, forwarded by Congressman Landrum of Georgia 4339
Moore, Larry, Suamico, Wis., statement 3192
Morano, Hon. Albert P., on behalf of Cheney Bros., letter dated April 13, 1970, to Chairman Mills 1614
Morss, Elliott R., Taxation With Representation, statement 2607
Morton Frozen Foods Division, ITT Continental Baking Co., George R. Vail, president, statement 3733
National Association of Export Management Companies, Arthur A. Singer, president:
Letter dated June 16, 1970, to Chairman Mills 2605
Letter to Chairman Mills 4415
National Association of Glue Manufacturers, Inc., W. R. O'Connor, chairman, tariff committee, letter, dated June 9, 1970, to John M. Martin, Jr., chief counsel, Committee on Ways and Means 2784
National Board of Fur Farm Organizations:
Henderson, David W., executive secretary statement 3073
Low, Charles H., executive member, statement 3078
National Building Granite Quarries Association, Inc., Kneeland Swenson, secretary, letter dated June 5, 1970, to John M. Martin, Jr., chief counsel, Committee on Ways and Means 4152
National Coal Association, Brice O'Brien, vice president, letter dated June 12, 1970, to Chairman Mills, with enclosures 2327
National Coffee Association, George E. Boecklin, president, letter, dated May 13, 1970, to Chairman Mills, with attachment 3960
National Council of Farmer Cooperatives, Robert N. Hampton, director of marketing and international trade, statement 4269
National Council of Jewish Women, Mrs. Leonard H. Weiner, national president, statement 1744
National Council of Music Importers, Norman R. Sackheim, president, letter dated June 10, 1970, to Chairman Mills, with attachment 3048
National Electrical Manufacturers Association, Bernard H. Falk, vice president, government and membership services, letter dated June 16, 1970, to Chairman Mills, with attachments 2941
National Farmers Organization, Harry L. Graham, legislative representative, supplemental statement entitled "The United States and the I.G.A." 994
National Federation of Independent Business, Edward Wimmer, vice president, letter of transmittal dated May 20, 1970, with enclosures, to Chairman Mills 1731
National Foreign Trade Council, Robert T. Scott, supplemental memorandum 2601
National Grange, John W. Scott, master, statement 4254

National Livestock Feeders Association, Don F. Magdanz, executive secretary-treasurer:
"The Truth About Beef Supplies and Beef Prices," document dated April 8, 1970 — Page 3718
"The Truth About Processed Beef Supplies and Prices," sequel to document of April 8, 1970 — 3714
Hadley, G. L., president, statement — 3704
National Semiconductor Corp., C. E. Sporck, president, statement — 3296
National Soybean Processors Association, statement — 4227
Nation-Wide Committee on Import-Export Policy, O. B. Strackbein, president:
Trade Balances: F.o.b. Versus C.i.f.,, paper — 889
Trade Statistics—A Continuing Distortion, committee paper — 892
Ness Industries, Inc., Oscar Pieper, statement — 3302
New York Chamber of Commerce, Thomas N. Stainback, executive vice president, statement — 1704
Nichols, Hon. Bill, a Representative in Congress from the State of Alabama, statement — 1615
Nissen, Clyde T., executive director, Builders Hardware Manufacturers Association, statement — 3812
Nutt, Victor L., Washington counsel, Gulf+Western Industries, Inc., letter, dated June 15, 1970, to John M. Martin, Jr., chief counsel, Committee on Ways and Means — 3295
North American Rockwell Corp., Robert C. Wilson, president, commercial products group, statement — 1608
Nosawa, New York, Inc., H. William Tanaka, counsel, statement — 1957
O. Hommel Co., E. M. Hommel, president, letter, dated May 18, 1970, to John M. Martin, Jr., chief counsel, Committee on Ways and Means — 3640
O'Brien, Brice, vice president, National Coal Association, letter dated June 12, 1970, to Chairman Mills, with enclosures — 2327
O'Connor, W. R., chairman, tariff committee, National Association of Glue Manufacturers, Inc., letter, dated June 9, 1970, to John M. Martin, Jr., chief counsel, Committee on Ways and Means — 2784
Oddy, Charles F., secretary-treasurer, Optical Manufacturers Association, letter dated May 20, 1970, to John M. Martin, Jr., chief counsel, Committee on Ways and Means — 3041
Oil, Chemical, and Atomic Workers International Union:
Grospiron, A. F., president, statement — 3626
Mazzochi, Anthony, citizenship-legislative director, statement — 4151
Ogburn, Tom, president, Wilkes (N.C.) Chamber of Commerce, letter of transmittal dated May 11, 1970, to Chairman Mills, with statement — 1710
Ogilvie, Hon. Richard B., Governor, State of Illinois, statement — 1694
O'Keefe, Brian T., assistant comptroller, Chrysler Corp., letter, dated May 27, 1970, to Chairman Mills — 2637
Olsen, Hon. Arnold, a Representative in Congress from the State of Montana, letters, dated May 15 and 22, 1970, with attachments, to Chairman Mills — 3177, 3178
Olson, Iver M., vice president, American Footwear Manufacturers Association, letter dated June 17, 1970, to Chairman Mills, with enclosures — 2036
Optical Manufacturers Association, Charles F. Oddy, secretary-treasurer, letter dated May 20, 1970, to John M. Martin, Jr., chief counsel, Committee on Ways and Means — 3041
Ostrander, F. Taylor, Chamber of Commerce of the United States, speech delivered to Chamber of Commerce, Buffalo, N.Y., May 2, 1970 — 1062
Pacific Car & Foundry Co., John S. Voorhees, counsel, statement — 3309
Pacific Coast Coffee Association, Jack B. Berard, president:
Letter, dated May 25, 1970, to Chairman Mills — 3964
Letter, dated June 26, 1970, to Chairman Mills, with attachments — 3964
Palmer, John D., president Tobacco Associates, Inc., statement and attachment — 2823
Parker, George M., international president, American Flint Glass Workers' Union of North America, statement — 4061
Parker, H. R., secretary, Candle Manufacturers Association, letter, dated May 26, 1970, to John M. Martin, Jr., chief counsel, Committee on Ways and Means — 2785

Page

Patterson, Huberta M. secretary, West Virginia League, West Virginia, Pennsylvania, Ohio & Indiana Glass Workers' Protective Leagues, statement ---- 4072
Perry, Wiley J., Jr., chairman, import study group, Cast Iron Soil Pipe Institute:
Letter dated April 9, 1968, to Secretary of the Treasury Henry H. Fowler ---- 1816
Letter dated April 17, 1970, to Secretary of the Treasury David M. Kennedy ---- 1818
Petrochem Group, David S. Bruce, chairman, and Chemco Group, Morse G. Dial, Jr., chairman, statement ---- 2362
Philadelphia Textile Association, Robert E. Putney, Jr., president, letter dated May 27, 1970, to Committee on Ways and Means ---- 1603
Philbin, Hon. Philip J., a Representative in Congress from the State of Massachusetts, letter, dated June 9, 1970, to Chairman Mills ---- 3177
Pieper, Oscar, Ness Industries, Inc., statement ---- 3302
Pin, Clip and Fastener Association, Straight Pin and Safety Pin Divisions, Myron Solter, Counsel, statement ---- 3873
Piquet, Dr. Howard S., Washington, D.C., article entitled, Trends in International Trade of the United States ---- 2686
Pressure Products Industries, Robert J. Senn, sales manager, letter, dated May 22, 1970, to John Martin, Jr., chief counsel, Committee on Ways and Means ---- 2559
Putney, Robert E., Jr., president, Philadelphia Textile Association, letter dated May 27, 1970, to Committee on Ways and Means ---- 1603
Quillen, Hon. James H., a Representative in Congress from the State of Tennessee, letter, dated June 15, 1970, to Chairman Mills ---- 3620
R. B. Willson, Inc., F. H. Mattutat, president, letter dated June 15, 1970, to John M. Martin, Jr., chief counsel, committee on Ways and Means ---- 4252
Ramsey, Claude, chairman, Man-Made Fiber Producers Association, supplemental memorandum ---- 1477
Reading, Pa., city of, Hon. R. H. Yarnell, mayor, resolution re American selling price ---- 3640
Reese, R. S., chairman pro tem., U.S. Earthenware Dinnerware Emergency Committee, statement ---- 4066
Reimann, Bernard, president, Tie Fabrics Importers' Association ---- 1548
Reinhard, Frank G., president, E. D. Magnus & Associates, Inc., letter, dated May 26, 1970, to Chairman Mills ---- 2644
Reynolds Metals Co., Maxwell Caskie, vice president, letter dated June 26, 1970, to Chairman Mills ---- 3831
Richmond, Howard, president, Crompton Co., Inc., statement ---- 1611
Rind, Martin B., president, Milwaukee Sausage Co., Seattle, Wash., statement ---- 3732
Roberts, Howard E., president, Auto Air Accessories, Inc., letter, dated June 9, 1970, to Chairman Mills ---- 2644
Robison, Hon. Howard W., a Representative in Congress from the State of New York, statement ---- 2167
Rochester (N.Y.), City of, Hon. Stephen May, mayor, statement ---- 1316
Ross, Mrs. Jean, chairman, legislative program committee, American Association of University Women, statement ---- 1746
Ross, W. J., comanager, Ross-Wells, statement ---- 3191
Rossi, Alberto, Commercial Minister, Italian Embassy, letter of transmittal dated June 12, 1970, with memorandum, to Robert M. Beaudry, country director, Department of State, forwarded by Department of State ---- 1742
Rutledge, Robert W., executive vice president, Florida Citrus Mutual, brief in behalf of the Florida citrus growers ---- 4309
Ruttenberg, Stanley H., president, Stanley H. Ruttenberg & Associates, Inc., letter of transmittal to Chairman Mills, dated June 16, 1970, forwarding supplemental statement of Amalgamated Clothing Workers Union of America and the International Ladies Garment Workers Union ---- 1271
Sackheim, Norman R., president, National Council of Music Importers, letter dated June 10, 1970, to Chairman Mills, with attachment ---- 3048
Saylor, Hon. John P., a Representative in Congress from the State of Pennsylvania, statement ---- 1574

Page

Schachter, Leon B., vice president and director, Washington office, Amalgamated Meat Cutters and Butcher Workmen (AFL–CIO), statement 3961
Schaffer, Kurt, vice president-administration, Boss Manufacturing Co., statement 3308
Scales, Harold, editor and publisher, American Fur Breeder, statement 3181
Schutt, Mrs. William E., Clarksville, Va., letter forwarded by Hon. W. C. "Dan" Daniel 4414
Schiffli Lace & Embroidery Manufacturers Association, I. Leonard Seiler, executive director, statement 1582
Scott, John W., master, National Grange, statement 4254
Scott, Robert T., National Foreign Trade Council, supplement memorandum 2601
Seaboard World Airlines, John H. Mahoney, senior vice president, letter dated June 11, 1970, to Chairman Mills 1729
Seawell, Malcolm B., executive secretary, Leaf Tobacco Exporters Association, Inc., letter, dated June 11, 1970, to the Committee on Ways and Means 2825
Seiler, I. Leonard, executive director, Schiffli Lace & Embroidery Manufacturers Association, statement 1582
Senn, Robert J., sales manager, Pressure Products Industries, letter, dated May 22, 1970, to John Martin, Jr., chief counsel, Committee on Ways and Means 2559
Shapiro Bros. Shoe Co., Inc., Arthur N. Shapiro, letter dated May 22, 1970, forwarded by Congressman William D. Hathaway of Maine 2168
Shell Oil Co., Paul F. Deisler, Jr., vice president, manufacturing, transportation and supplies, and marketing, letter, dated June 25, 1970, to Chairman Mills, with statement 2280
Sherwin Williams Chemicals, division of the Sherwin-Williams Co., G. L. Tickner, eastern sales manager, statement 3632
Shostak, S. Richard, Los Angeles, Calif., article, "United States Textile Articles Assembled Abroad Should be Excepted from Quotas" 3312
Sikes, Hon. Robert F. L., a Representative in Congress from the State of Florida, two statements:
H.R. 15052 1568
Textiles 1569
Singer, Arthur A., president, National Association of Export Management Companies:
Letter dated June 16, 1970, to Chairman Mills 2605
Letter to Chairman Mills 4415
Sisk, Hon. B. F., a Representative in Congress from the State of California, letter, dated May 25, 1970, to Chairman Mills 4390
Siverd, C. D., president and chief executive officer, American Cyanamid Co., statement 3630
Smith, Hon. Preston, Governor of the State of Texas, prepared statement submitted by Congressman George H. Mahon of Texas 2181
Snape, E. A., Jr., chairman, tariff committee, Card Clothing Manufacturers Association, statement 1589
Solter, Myron, Counsel, Pin, Clip and Fastener Association, Straight Pin and Safety Pin Divisions, statement 3873
Sorensen, Knud, president, Danish American Trade Council, statement 1740
South Dakota, State of, Hon. Frank L. Farrar, Governor, letter dated June 1, 1970, to Chairman Mills 3730
Spain-United States Chamber of Commerce, Inc., Mariano Baguena, executive secretary, statement 1736
Sporck, C. E., president, National Semiconductor Corp., statement 3296
Sporting Arms and Ammunition Manufacturers Institute, Robert C. Zimmer, counsel, statement 2786
Stainback, Thomas N., executive vice president, New York Chamber of Commerce, statement 1704
Standard Parts Co. of Houston, A. C. Tabbert, vice president, letter, dated June 8, 1970, to Chairman Mills 2643
Statham, Robert R., taxation and finance manager, Chamber of Commerce of the United States, statement 2602
Status Shoe Corp., J. Werner Gillon, president, statement 2169

Steinberg, David J., secretary and chief economist, Committee for a National Trade Policy:
Wanted for U.S. Trade Policy: A single Baton and a Certain Trumpet (speech before Newark Rotary Club, June 2, 1970) — Page 879
U.S. on a Collision Course in Trade Policy (speech before the Milwaukee World Trade Club, Oct. 2, 1969) — 874
Stevens, Robert Warren, associate professor of international business, Graduate School of Business Administration, Indiana University, statement — 1747
Stewart, Eugene L., general counsel, Trade Relations Council of the United States, letter dated June 19, 1970, to Chairman Mills — 3673
Stitt, Nelson A., director, United States-Japan Trade Council:
Testimony — 1066, 1127
Membership list — 1131
Registration statement filed with Department of Justice, pursuant to Foreign Agents Registration Act of 1938 — 1143
Statement of Congressman John W. Byrnes (Wis.), a Member of the Committee on Ways and Means, with reference to testimony of Mr. Stitt — 1126
Interrogation by Congressman John W. Byrnes (Wis.) of Mr. Stitt — 1155
"A Comparison of Trade and Economic Data" (pamphlet) — 1118
"How Much Would Textile Quotas Cost the United States" (pamphlet) — 1085
Letter, dated May 26, 1970, to Chairman Mills — 1110
Invitation to membership — 1161
Stokely-Van Camp, Inc., Alfred J. Stokely, president, letter, dated June 15, 1970, to John M. Martin, Jr., chief counsel, Committee on Ways and Means — 4397
Strackbein, O. B., president, Nation-Wide Committee on Import-Export Policy:
Trade Balance: F.o.b. Versus C.i.f., paper — 889
Trade Statistics—A Continuing Distortion, committee paper — 892
Strickland, W. G., secretary-general manager, Florida Fresh Citrus Shippers Association, letter dated June 3, 1970, to Robert W. Rutledge, executive vice president, Florida Citrus Mutual — 4316
Stringari, Arthur M., legal counsel, Fur Dresser's Bureau of America, statement — 3185
Struning, William C., (Pan-American Coffee Bureau) New York, N.Y., letter, dated May 28, 1970, to Chairman Mills, with attachments — 3900
Studenroth, Carl, vice president, International Molders & Allied Workers Union, statement — 1933
Sullivan J. A., Jr., chairman, Impression Fabrics Group, letter dated June 5, 1970, to John M. Martin, Jr., chief counsel, Committee on Ways and Means — 1591
Swenson, Kneeland, secretary, National Building Granite Quarries Association, Inc., letter dated June 5, 1970, to John M. Martin, Jr., chief counsel, Committee on Ways and Means — 4152
Swiss Union of Commerce and Industry, Michael P. Daniels, Washington counsel, statement, forwarded by Swiss Embassy through Department of State — 3622
Symington, Lloyd, counsel, Committee of Producers of Ferroalloys and Related Products, letter dated June 26, 1970, to Chairman Mills, with statement — 1922
Tabbert, A. C., vice president, Standard Parts Co. of Houston, letter, dated June 8, 1970, to Chairman Mills — 2643
Tanaka, H. William, counsel:
Ajinomoto Co. of New York, Inc., statement — 3621
Mitsuboshi Cutlery, New York, Inc., statement — 1957
Nosawa, New York, Inc., statement — 1957
Toshiba America, Inc., statement — 3035
Taxation With Representation, Elliott R. Morss, statement — 2607
Taylor, Edward A., executive director, citrus department, Florida Citrus Commission, letter dated May 28, 1970, to Chairman Mills — 4316
Taylor, Walter, Stafford Springs, Conn., statement — 3189

Page

Tea Association of the United States of America, Inc., Richard M. Field, president, letter dated June 19, 1970, to Chairman Mills ---- 4401
Teper, Lazare, director, research department, International Ladies' Garment Workers' Union, letter, dated June 8, 1970, to chairman Mills, with statement ---- 3218
Texas, State of, Hon. Preston Smith, Governor, prepared statement submitted by Congressman George H. Mahon of Texas ---- 2181
Thompson, William P., stated clerk, United Presbyterian Church in the United States of America, statement ---- 1744
Tickner, G. L., eastern sales manager, Sherwin Williams Chemicals, Division of the Sherwin-Williams Co., statement ---- 3632
Tie Fabrics Importers' Association, Bernard Reimann, president, statement ---- 1548
Tobacco Associates, Inc., John D. Palmer, president, statement and attachment ---- 2823
Tobacco Institute, Inc., Horace R. Kornegay, president, statement ---- 2820
Townsend, Lynn, on behalf of the Emergency Committee for American Trade, article entitled "Digest of Import Duties for Motor Vehicles Levied by Selected Countries" ---- 760
Toby Berman Corp., A. T. Berman, letter dated May 20, 1970, to John M. Martin, Jr., chief counsel, Committee on Ways and Means ---- 1568
Tool & Stainless Steel Industry Committee, statement ---- 1774
Toshiba America, Inc., H. William Tanaka, counsel ---- 3035
Tozzoli, Guy F., secretary General, World Trade Centers Association, statement ---- 1700
Trade Relations Council of the United States, Eugene L. Stewart, general counsel, letter dated June 19, 1970, to Chairman Mills ---- 3673
Trigg, Eric A., president, Alcan Aluminum Corp., statement ---- 3831
Union Carbide Corp., F. Perry Wilson, president, letter to Chairman Mills, with attachment ---- 2646
United Automobile, Aerospace & Agricultural Implement Workers of America (UAW), Leonard Woodcock, president, statement with attachments ---- 1711
United Cement, Lime & Gypsum Workers International Union, Felix C. Jones, president, statement ---- 4058
United Mine Workers of America, Joseph P. Brennan, director of research and marketing, statement ---- 2366
United Presbyterian Church in the United States of America, William P. Thompson, stated clerk, statement ---- 1744
United States-Japan Trade Council, Nelson A. Stitt, director:
- Testimony ---- 1066, 1127
- Membership list ---- 1131
- Registration statement filed with Department of Justice, pursuant to Foreign Agents Registration Act of 1938 ---- 1143
- Statement of Congressman John W. Byrnes (Wis.), a Member of the Committee on Ways and Means, with reference to testimony of Mr. Stitt ---- 1126
- Interrogation by Congressman John W. Byrnes (Wis.) of Mr. Stitt ---- 1155
- "A Comparison of Trade and Economic Data" (pamphlet) ---- 1118
- "How Much Would Textile Quotas Cost the United States" (pamphlet) ---- 1185
- Letter, dated May 26, 1970, to Chairman Mills ---- 1110
- Invitation to membership ---- 1161

U.S. Wood Screw Service Bureau, George P. Byrne, Jr. secretary, letter dated June 5, 1970, to Chairman Mills, with attachments ---- 3815
Upholstery & Decorative Fabrics Association of America, Peter C. Apel, president, letter dated June 23, 1970, to Chairman Mills ---- 1603
U.S. Earthenware Dinnerware Emergency Committee, R. S. Reese, chairman pro tem, statement ---- 4066
United States-Mexico Border Cities Association, Donald W. Holmberg, secretary, letter dated May 25, 1970, to the Committee on Ways and Means, with statements ---- 3254
Vail, George R., president, Morton Frozen Foods Division, ITT Continental Baking Co., Inc., statement ---- 3733
Varel Manufacturing Co., Jim Walker, controller, letter to Chairman Mills ---- 2638

Page

Vegetable Growers Association of America, A. E. Mercker, executive secretary, statement 4390
Volco, Inc., H. L. Hendricks, president, letter dated May 16, 1970, forwarded by Congressman Graham Purcell of Texas 2177
Volume Footwear Retailers of America, Edward Atkins, executive vice president, supplementary statement 2088
Voorhees, John S., counsel:
Business Equipment Manufacturers Association 3237
Pacific Car & Foundry Co., statement 3309
Walker, Jim, controller, Varel Manufacturing Co., letter to Chairman Mills 2638
Ward, John E., chairman, Meat Importers Association, statement (submitted by Donn E. Bent) 3697
Ward, Oscar, assistant-manager, Furriers Joint Council of New York, letter dated June 18, 1970, to Chairman Mills, with enclosure 3167
Washington, State of, Hon. Daniel J. Evans, Governor, letter dated May 27, 1970, to Chairman Mills (with enclosure) 1696
Weiner, Mrs. Leonard H. national president, National Council of Jewish Women, statement 1744
Weiss, H. M., president, Metal Masters of Baltimore, Md., extension of remarks 1919
Welch Allyn, Inc., C. M. Evans, president, Skaneateles Falls, New York, letter 3042
Welded Steel Tube Institute, statement submitted by Paul Carlson 1935
West Coast Metal Importers Association, Werner F. Chilton, president, letter dated June 10, 1970, to Chairman Mills 1920
West Virginia, Pennsylvania, Ohio, & Indiana Glass Workers' Protective Leagues, Huberta M. Patterson, secretary, West Virginia League, statement 4072
Western Oil & Gas Association, statement 2278
Westinghouse Electric Corp., Leonard E. Kust, vice president and general tax counsel, statement 2636
Wilkes (North Carolina) Chamber of Commerce, Tom Ogburn, president, letter of transmittal dated May 11, 1970, to Chairman Mills, with statement 1710
Wilson, F. Perry, president, Union Carbide Corp., letter to Chairman Mills, with attachment 2646
Wilson, Robert C., president, commercial products group, North American Rockwell Corp., statement 1608
Wimmer, Edward, vice president, National Federation of Independent Business, letter of transmittal dated May 20, 1970, with enclosures, to Chairman Mills 1731
Window Glass Cutters League of America, Harry W. Baughman, international president 4063
Winters, Elmer C., acting chairman, Wyoming-Nebraska Regional Export Expansion Council, letter, dated June 9, 1970, to Chairman Mills 2633
Wisconsin, State of, Hon. Warren P. Knowles, Governor, letter dated June 4, 1970, to Chairman Mills 3174
Woodcock, Leonard, president, United Automobile, Aerospace & Agricultural Workers of America (UAW), statement with attachments 1711
World Trade Centers Association, Guy F. Tozzoli, secretary general, statement 1700
Woven Label Manufacturers of the United States of America, Max L. Kahn, letter dated May 20, 1970, to John M. Martin, chief counsel, Committee on Ways and Means 1603
Wyoming-Western Nebraska Regional Export Expansion Council, Elmer C. Winters, acting chairman, letter, dated June 9, 1970, to Chairman Mills 2633
Zelek, J. A., vice president-general manager, pigment and dye department, Harshaw Chemical Co., letter, dated May 20, 1970, to the Committee on Ways and Means 3635
Zimmer, Robert C., counsel, Sporting Arms and Ammunition Manufacturers Institute, statement 2786

TARIFF AND TRADE PROPOSALS

FRIDAY, JUNE 12, 1970

HOUSE OF REPRESENTATIVES,
COMMITTEE ON WAYS AND MEANS,
Washington, D.C.

The committee met at 10 a.m., pursuant to notice, in the committee room, Longworth House Office Building, Hon. Wilbur D. Mills (chairman of the committee) presiding.

The CHAIRMAN. The committee will please be in order.

Our first witness this morning is Mr. Karl G. Harr, president of the Aerospace Industries Association of America.

Mr. Harr, if you will identify yourself for our record by giving us your name, address and capacity in which you appear, we will be glad to recognize you, sir.

STATEMENT OF KARL G. HARR, JR., PRESIDENT, AEROSPACE INDUSTRIES ASSOCIATION OF AMERICA, INC.; ACCOMPANIED BY ROBERT B. MARSHALL, MEMBER, INTERNATIONAL COMMITTEE; ALBERT W. STOFFEL, CHAIRMAN, INTERNATIONAL COMMITTEE—TRADE POLICY TASK FORCE

Mr. HARR. I am Karl G. Harr, Jr., president of Aerospace Industries Association of America, Inc.

I welcome this opportunity to express the views of the aerospace industry on future U.S. trade policy.

With me on my left is Robert B. Marshall, Assistant to the President, Bendix International, and member of our Association's International Committee.

On my right, Mr. Albert W. Stoffel, manager, International Activities of the Boeing Co., and chairman of our Association's International Committee, Trade Policy Task Group.

The CHAIRMAN. We are glad to have all of you with us this morning.

You are recognized, Mr. Harr.

Mr. HARR. Thank you, Mr. Chairman.

The aerospace as a whole employs over 1.2 million Americans in over 40 States, representing a capital investment of $11 billion and sales of $27 billion (1969). The Aerospace Industries Association has been in existence since 1919 and consists at present of 56 member companies, accounting for over 80 percent of total aerospace products manufactured during 1969.

46-127—70—pt. 14——3

AEROSPACE INDUSTRY'S POSITION

We support the President's trade bill, H.R. 14870, and any other proposals aimed at stimulating U.S. exports. We also oppose restrictive trade measures, in whatever form.

The aerospace industry is one of the Nation's principal exporting industries. Aerospace export revenues have exceeded $1 billion in each of the last 12 years, increasing to a record $3.1 billion in 1969. Export revenues regularly amounted to 10 percent of total aerospace sales over recent years. Figures for 1968 reveal that the world's total airline fleet consisted of 3,903 aircraft, of which 74 percent were manufactured in the United States. During the next decade it is estimated that jet transport exports will add $22 billion to the U.S. account.

By maintaining an increasing level of exports, the industry has continued to make a positive contribution to the Nation's trade surplus and balance-of-payments account.

The aerospace trade balance reached a high of $2.8 billion in 1969, which was some 140 percent of the total national trade surplus. The year before, I think our industry trade surplus was something like 230 percent of the national trade surplus.

As I said when I had the honor of testifying before this committee on the Trade Expansion Act of 1968, the members of this association have traditionally favored a trade policy based on equal access to world markets—on a reciprocal basis. Our commitment to an open world trade environment continues today.

Furthermore, the current state of the U.S. economy underscores the need for an open and liberal trade policy. The wage-price spiral and steadily mounting inflationary pressures have necessitated vigorous monetary and fiscal policies on the part of the administration. We have witnessed a slowdown in industrial growth, reductions in corporate earnings and higher unemployment.

The aerospace industry has been affected as severely as any other group by these actions. Major programs have been cut and unemployment in those cities depending on the aerospace business is far above the national average. Consequently, the industry is entering a significant adjustment period. Manufacturers are looking toward new markets and, in some cases, new products to revitalize corporate earnings. In the midst of these troubled times, aerospace manufacturers reject—more adamantly than ever—protectionist measures in any form.

We look toward increasing exports as one way of bringing stability to American industry. The current level of U.S. exports—about 4 percent of the gross national product—is well below the average for industrialized nations. We believe this level could be raised significantly by U.S. initiatives toward an open trade policy in foreign markets. For this reason, the Aerospace Industries Association recommends passage of the Trade Act of 1969 (H.R. 14870) in the form transmitted to Congress by President Nixon.

We do not support amendments to the bill which run counter to its original intent. As the President, himself, said, the bill is "modest in scope" and thus is a first step toward "the more ambitious initiatives that will later be needed for the long-term future." We concur fully with this approach and strongly urge the committee to reject retrogressive measures, even though they may appear to be in the

near-term interests of a few industries. The overall results could be to retard U.S. leadership in world trade development and unleash global retaliation against U.S. exports. In one legislative move, the progress of 35 years could be undone.

COMMENTS ON SPECIFIC PROVISIONS OF H.R. 14870

(1) The bill would restore the President's authority to make limited tariff reductions and enter into new trade agreements.

Although it may be too soon after the Kennedy round to embark on large-scale negotiations, such limited authority will be useful in compensating our trading partners following a mandatory increase in a duty, for example, an escape clause action. Without this authority, the President would be powerless to make such compensations. Because of the high level of aerospace exports, our industry is particularly vulnerable to foreign retaliation and realizes that it could lead to a trade war with disastrous effects to the U.S. economy as a whole.

(2) The measure would strengthen the U.S. position in negotiating the lowering of nontariff barriers to trade.

We endorse any measures to improve the U.S. position in future multilateral negotiations designed to reduce nontariff barriers NTB's). Removal of the American selling price system (ASP) of customs valuations should be the first step in this direction inasmuch as this concept would be viewed by our trading partners as an indication of U.S. willingness to move toward mutual removal of nontariff barriers.

On the other hand, we realize that multilateral negotiations to eliminate nontariff barriers must be preceded by extensive reviews on the part of all nations. Therefore, we support the current GATT study and will participate in any independent U.S. review similar to the one called for recently by the Department of Commerce.

Beyond the scope of H.R. 14870, the aerospace industry subscribes to President Nixon's request to Congress for "a clear statement of congressional intent with regard to nontariff barriers to assist in our efforts to obtain reciprocal lowering of such barriers."

(3) The bill would provide increasing assistance to U.S. industries, firms, and groups of workers adversely affected by imports:

Granted, this aspect of the bill may never affect the aerospace industry directly However, we urge its adoption because it recognizes the fact that a policy of freer trade can occasionally cause hardships. The best corrective approach, as this provision demonstrates, is not the imposition of protective tariffs but, rather, an assistance program designed to provide financial aid and incentives to help affected elements of the economy seek a more competitive position. AIA is convinced that the more liberal and equitable criteria for assistance contained in this provision would put our Nation on record as being committed to a reasonable reaction to dislocations caused by rising levels of imports.

(4) H.R. 14870 would regularize the U.S. method of funding the General Agreement on Tariffs and Trade (GATT):

This association supports direct authorization of funds for U.S. particpiation in GATT, believing that such a funding policy would

underscore our recognition of GATT's effectiveness as an official forum for international trade negotiations.

(5) The measure provides for U.S. action when confronted with unjustifiable restrictions on U.S. exports:

We feel that the President should be able to impose duties or other import restrictions on products of any country discriminating against any class of U.S. exports. In addition, such authority is also necessary to take action against nations that practice subsidized competition in third country markets in cases where such practices affect U.S. exports unfairly. While recognizing the possible need for such authority, we applaud the fact that it is the President's intent to strengthen the Nation's ability to negotiate relief from unfair restrictions rather than take direct action.

GENERAL COMMENTS

Before concluding, Mr. Chairman, I would like to make several general observations and recommendations concerning trade.

In the first place, as has been stated repeatedly, we feel the United States would be most ill advised to take any action to institute trade restrictions of any sort. Obviously the present world trade situation includes many actual and potential conditions which are causing concern among American industries. The textile issue, Common Market agricultural policy and proliferation of regional preference agreements are only a few of the issues at hand. If the United States moves unilaterally to enact import quotas or other restrictive measures, however, our trading partners will be convinced that U.S. policy has been reversed. Moreover, such a move could well cause considerable reaction at home—it would be impossible to single out one group for special protection without requests from others for relief. Clearly, the United States must rely on international forums, such as GATT, in seeking solutions to trade inequities. To do otherwise would be disastrous.

Secondly, the aerospace industry is most conscious of the need for continued availability of competitive financing arrangements if the United States is to increase its exports. Availability of financing has a profound bearing on the trade posture of the Nation. While increased exportation is definitely one solution to the U.S. balance-of-payments problem, in many cases convenient U.S. financing is not available and this is an impediment to foreign sales. The Export-Import Bank has done an excellent job of utilizing the resources provided by Congress, and this industry fully recognizes the very significant service the Eximbank has rendered commercial aircraft export programs.

Thirdly, our industry endorses the concept of a Domestic International Sales Corporation (DISC) currently being viewed by your committee and the Treasury Department.

And lastly, this association believes the United States could increase exports by further liberalizations of East-West trade. While certain restrictions must remain on trade with Eastern European countries for security reasons, the United States can liberalize current restrictions on many commercial products without jeopardizing the safety of the Nation. The recently enacted Export Administration Act is certainly a step in the right direction. We encourage continued congressional interest in the implementation of this act to insure that subsequent regulations are consistent with the spirit in which it was written.

CONCLUSION

In conclusion, Mr. Chairman, we believe that the way out of the current trade dilemma is to export more. Historically, American business has been aggressive and technically innovative in producing and selling goods and services which appeal to world markets. It is hard to believe, as some seem to suggest, that the U.S. business community has been or could be intimidated by competition from abroad. The timely passage of H.R. 14870 and possible consideration of the other approaches I mentioned—along with the continued assistance of the Department of Commerce's vast array of trade promotion programs—will help create the open and balanced trade environment needed to meet the challenges of the coming decade.

Thank you.

The CHAIRMAN. The material appended to your statement, Mr. Harr, do you want that plus the membership of your organization included in the record?

Mr. HARR. Yes, Mr. Chairman.

The CHAIRMAN. Without objection, that material referred to will appear in the record at this point.

(The documents referred to follow:)

STATEMENT OF AEROSPACE INDUSTRIES ASSOCIATION OF AMERICA, INC.

SUMMARY

(1) The Aerospace Industries Association of America, Inc. (AIA) wholeheartedly supports the President's trade bill, H.R. 14870, in the form submitted to Congress.

(2) At the same time, AIA adamantly rejects protectionist legislation in any form whatsoever.

COMMENTS ON SPECIFIC PROVISIONS OF H.R. 14870

(3) Restoration of President's authority to make limited tariff reductions and enter into new trade agreements is needed to compensate U.S. trading partners for such actions as mandatory increases in duties.

(4) Strengthening of U.S. position in negotiating the lowering of nontariff barriers is essential to future trade development—AIA recommends process be initiated by elimination of American Selling Price.

(5) Although it may never affect aerospace industry directly, provision to give increased assistance to industries, firms and groups of workers adversely affected by imports nonetheless would put U.S. on record as being committed to a reasonable reaction to dislocations caused by rising levels of imports.

(6) Regularization of GATT appropriation would underscore U.S. recognition of GATT as an effective official forum for international trade negotiations.

(7) Provision to allow President to impose duties or other import restrictions on products from any country discriminating against U.S. exports or subsidizing competition against U.S. exports in third country markets also considered essential.

GENERAL COMMENTS ON TRADE

(8) U.S. would be most ill-advised to institute trade restrictions of any sort—could provoke a trade war abroad and adverse reactions at home.

(9) Aerospace industry most conscious of continuing need for competitive financing for U.S. exports and applauds efforts of Eximbank in this area.

(10) AIA endorses concept of Domestic International Sales Corporation, as suggested by the Administration and under consideration in Ways and Means Committee and Treasury Department.

(11) U.S. could increase exports by further liberalizations of East-West trade, within bounds of national security.

CONCLUSION

(12) Way out of current dilemma is to export more. President's bill—along with possible implementation of AIA's general recommendations and continued assistance of Department of Commerce—would provide best basis for achieving that goal.

AIA MEMBER COMPANIES

Abex Corporation
Aerodex, Inc.
Aerojet-General Corporation
Aeronca, Inc.
Aeronutronic Division, Philco-Ford Corporation
Amphenol Connector Division, The Bunker-Ramo Corporation
Avco Corporation
The Bendix Corporation
The Boeing Company
Chanrler Evans, Inc.
Curtiss-Wright Corporation
Fairchild Hiller Corporation
The Garrett Corporation
Gates Learjet Corporation
General Dynamics Corporation
General Electric Company
General Motors Corporation
The B. F. Goodrich Company
Goodyear Aerospace Corporation
Grumman Aerospace Corporation
Gyrodyne Company of America, Inc.
Harvey Aluminum, Inc.
Hercules Incorporated
Honeywell Inc.
Hughes Aircraft Company
IBM Corporation
International Telephone and Telegraph Corporation
Kaiser Aerospace & Electronics Corporation
Kaman Aerospace Corporation
Kollsman Instrument Corporation
Lear Siegler, Inc.
Lockheed Aircraft Corporation
LTV Aerospace Corporation
The Marquardt Company
Martin Marietta Corporation
McDonnell Douglas Corporation
Menasco Manufacturing Company
North American Rockwell Corporation
Northrop Corporation
Pacific Airmotive Corporation
Pneumo Dynamics Corporation
RCA Defense Electronic Products
Rohr Corporation
Singer-General Precision, Inc.
Solar, Division of International Harvester Company
Sperry Rand Corporation
Sundstrand Aviation
Teledyne CAE
Teledyne Ryan Aeronautical
Textron Inc.
Thiokol Chemical Corporation
TRW Inc.
Twin Industries Corporation
United Aircraft Corporation
Universal Oil Products Company
Westinghouse Electric Corporation

The CHAIRMAN. Are there any questions of Mr. Harr?

Mr. BURKE. Mr. Chairman.

The CHAIRMAN. Mr. Burke.

Mr. BURKE. I was wondering what countries you export to, of this group you have listed here.

Mr. HARR. What countries?

Mr. BURKE. What countries are the big customers?

Mr. HARR. The largest single item of export is the jet transport, the customers for which are the world's airlines, all of the European airlines and others, including Japan.

The figure I cited in here of 74 percent of the inventory of the world's airlines, including our own, is composed of American-manufactured transport aircraft.

Of our total export figure for last year, which was a record figure, about $1,950 million was composed of civil aviation exports. All but, say, $125 million of that, something on the order of $1,790 million worth, were transport and associated equipment.

As I say, this would be mostly the world's airlines.

I am informed that the figure we have is 72 foreign nations we sell to altogether.

Mr. BURKE. What nations are exporting here? Where do you

get your competition from foreign countries? Where are your big competitors?

Mr. HARR. We have, of course, the British and the French, primarily those two at this point in time.

At the lower levels of civil aviation, you have a broader range of competitive manufacturers; you have Italian; you have Dutch.

Mr. BURKE. You kind of generalized in your statement. It is difficult to follow you.

Mr. HARR. I am sorry; I did not hear that.

Mr. BURKE. You kind of generalized in your statement and it was rather difficult to follow you.

On component parts, all the parts that go into the transports; are there any restrictions by any of the foreign countries on exports to those countries?

I am trying to find out where your exports go to and where your competitors are overseas. I would like to have it in a more specific way. You must have some big competitors.

Mr. HARR. I answered you generally, sir.

We can supply a breakdown of that by country.

(The information referred to follows:)

NEW CIVILIAN AIRCRAFT

1969 U.S. exports of selected products—Country of destination and Total value[1]
(in thousands)

Canada	$128,010.7
Latin America:	
Mexico	7,705.0
Guatemala	807.0
Salvador	427.9
Nicaragua	346.3
Costa Rica	340.4
Honduras	90.2
Panama	694.9
Bahamas	27.8
Jamaica	7,989.0
Dominican Republic	4,469.5
Leeward-Windward Island	146.5
Trinidad	209.1
New Antilles	19.5
French West Indies	198.2
Colombia	2,979.2
Venezuela	18,020.0
Guyana	187.4
Surinam	33.1
Ecuador	1,325.5
Peru	526.7
Bolivia	3,960.9
Chile	1,541.8
Brazil	51,194.3
Paraguay	213.7
Uruguay	502.2
Argentina	5,628.6
Oceania:	
New Zealand	136.6
Australia	7,719.2
New Guinea	32.5
British West Pacific Island	18.0
French Pacific Island	114.5
Europe:	
Iceland	12.8
Sweden	77,756.2
Norway	8,956.9

1969 U.S. exports of selected products—Country of destination and Total value[1] (*in thousands*)—Continued

Europe—Continued	
Finland	$18,697.6
Denmark	1,949.1
United Kingdom	15,211.1
Netherlands	65,474.5
Belgium	28,780.8
France	72,804.4
West Germany	45,218.7
Switzerland	41,763.2
Spain	30,123.1
Portugal	7,753.40
Italy	87,472.4
Austria	185.4
Yugoslavia	4,871.6
Greece	39,200.1
Ireland	19,328.0
Asia:	
Turkey	8,887.0
Iran	3,792.9
Israel	23,978.4
India	793.6
Arabia	70.0
Saudi Arabia	5,132.2
Lebanon	17,375.9
Nepal	35.0
Thailand	1,079.4
Singapore	18,098.8
Indonesia	11,026.4
Philippine Republic	2,748.1
Korean Republic	62.0
Hong Kong	67.6
China Taiwan	22,245.8
Japan	73,418.7
South Asia	2,072.6
Pakistan	64.2
Malaysia	2,205.2
Africa:	
Morocco	97.9
Algeria	6,380.9
Tunisia	60.9
Senegal	54.6
Ivory Coast	14.8
Nigeria	117.6
Gabon	131.9
Angola	181.1
Other Portuguese—W. Africa	53.3
Liberia	35.5
Congo	1,080.0
Somali Republic	29.6
Ethiopia	38.3
Kenya	2,063.7
Malagasy	3,750.2
Rep. South Africa	41,761.2
Mozambique	7,577.0
Zambia	128.9
Libya	2,528.0
Egypt	8,831.6
Other country	57.7
Grand total	1,079,363.5

[1] Total made up of: Personal Single Engine; Personal Multi-Engine Under 3,000; Personal Multi-Engine Over 3,000; Rotary Wing Under 2,000; Rotary Wing Over 2,000; Passenger Transports Under 33,000; Passenger/Cargo Transports Under 33,000; Passenger Transports Over 33,000; Passenger/Cargo Transports Over 33,000; Cargo Transports Over 33,000; Aircraft Not Elsewhere Classified; Spare Parts Not Included.

Source: Bureau of the Census, "U.S. Exports Schedule B Commodity and Country" Report FT 410, December, 1969.

AREAS OF COMPETITION FOR U.S. AEROSPACE EXPORTS

At the present time Western Europe is competitive with the U.S. aerospace industry both domestically and in third countries. The Japanese Y.S.-11 Twin Turbo Prop Short Range Transport is also flying in the U.S. and competitive in third countries.

The British Aircraft Corporation BAC-111 Twin Engine medium jet transport has been sold in the U.S. and is competitive with such aircraft as the Boeing 737 and the McDonnell Douglas DC-9.

Recently Rolls Royce of England has experienced strong sales of jet engines in the U.S. as offset agreements continue where the principal airframe manufacturer finds it necessary to have European components involved in transactions.

Future competition from Western Europe will include the wide-bodied high density A-300B Airbus and the planned short range French Murcure. With this latter series of European aircraft, and providing financial problems can be surmounted, they will present formidable competition in third markets in which U.S. has traditionally dominated.

Commuter and short haul aircraft are supplied by Dornier of Germany and DeHavilland of Canada. These have competed successfully in U.S. markets with the American manufacturers of light aircraft.

Concerning the SST, the Concorde is the Anglo-French project, which is in development test at the present time and is due for production as soon as the problems of supersonic crews, smoke emission and noise are solved. There is no reason to believe that the British-French combination is not as technically competent to solve these as is the U.S. industry.

For the medium term—5 to 7 years—the Boeing 747's and later Douglas DC-10's and Lockheed L-1011's will maintain commercial lead in world markets subsequent to which foreign competition would be very stiff.

U.S. imports—734040 aircraft, NES, nonmilitary (in thousands)

Canada	$24,132.7	Pakistan	$6.1
United Kingdom	34,388.9	Hong Kong	.3
Ireland	900.0	China Taiwan	1.0
Netherlands	2,661.1	Japan	18,910.6
France	18,987.9	Australia	6.3
West Germany	2,343.3	New Zealand	71.3
Czechoslovakia	46.3		
Switzerland	79.3		
Italy	$124.9	Total	102,660.0

Source: U.S. General Imports and Imports for Consumption, December 1969; U.S. Department of Commerce, Bureau of the Census.

Generally, the answer I have given you is about the overall situation. That is to say, we do not have any big competitors in the sense that as far as the world's airlines are concerned, we dominate such a large percentage of the market.

Mr. BURKE. Why was it necessary for the Government to put up so much money on the SST program?

Mr. HARR. Only because the initial development cost so far transcended the available resources of the producing companies.

Mr. BURKE. I believe the arguments were used that if the Government did not put it up the French would come in and produce these supersonic transports.

We had great arguments on the floor of the House last week, in fact, I supported it somewhat reluctantly but the argument seemed to be on the aerospace people that the Government had to come up with all this money and if we did not there would be an imbalance of trade about $11 to $15 billion.

Mr. STOFFEL. $22 billion, sir.

Mr. BURKE. How were they able to produce these supersonic transports?

Mr. STOFFEL. Because they have invested from two governments, from the British and French Governments.

Mr. BURKE. How much of an investment do they have?

Mr. STOFFEL. About $3 billion, we figure the development of the Concorde will cost.

Mr. BURKE. In other words, you people are in here and you are advocating that the Federal Government subsidize this tremendous program that is of such a controversial nature.

On the other hand, you are coming in here and telling us to forget about all the other industries, like the shoe industry and the textiles and electronic industry and the rest of them that are being hard pressed.

You are actually recommending that we come out and give everything away and get nothing in return and yet your people are before Congress asking for tremendous subsidies and then you are advocating industries troubled by imports to go down the drain.

You must have some concern or compassion for these other industries of America. I imagine you must.

Mr. STOFFEL. Yes, sir; we do because any man who is out of work in any industry, that is a tragedy for him and for his family and that must be taken care of regardless of what industry it is.

For example, Seattle right now has the highest unemployment rate in the country of 8 percent, so we are very much aware of it.

Mr. BURKE. We have higher than that in Massachusetts in the textile and shoe industries.

Mr. STOFFEL. It is our feeling that it should be done in other ways rather than going into restrictive trade practices which are bound to generate retaliation which can only hurt us more on our exports.

Mr. BURKE. What retaliation could they generate?

Mr. HARR. I think, Mr. Burke, this industry coming before you illustrates perhaps very sharply the issue and the problem. We are such a large supplier to foreign countries in the form of foreign airlines and foreign governments, of a specific item of equipment which, while it also brings money to this country and provides jobs in this country, constitutes a serious financial drain and employment drain on the part of the customer country overseas.

Therefore, it is an attractive, perhaps the most attractive, item to be retaliated through, to save them the most.

Mr. BURKE. I understand what you are saying. I am merely pointing out that your people are asking the Government for tremendous subsidies and subsidies that are not going to these industries that are being wiped out of business. You have enjoyed a rather unique position and you are enjoying a very unique position. Despite that unique position with the taxpayers of America being called upon to provide help for your industry you seem to be taking the attitude that the other industries are expendable.

Mr. HARR. Not at all.

Let me be perfectly clear on that. We do not support this legislation with any such view in mind. As Mr. Stoffel started to say, our position is simply this: As we see it, alined very directly with the overall national interest in regard to this legislation, you have industries which are at this point in time adversely affected by competition.

You have, therefore, potentially increased unemployment in those industries. We recognize and we fully agree that a man losing his job is a disaster, no matter what industry he loses his job in.

On the other hand, we would argue that the cure for that situation is not to cost another man his job. We would argue further that to use the wrong means to protect one man's job could not only cause at least a commensurate increase in unemployment elsewhere but would produce an adverse effect economically for the country as a whole, both in its consumer mode and in its production mode. Because to the extent to which you have industries successfully competing internationally, you have economic opportunities for growth, both in terms of the individuals working in the industry and the size of the industry as a whole.

To the extent that you have industries which are not competing internationally you have no opportunity for growth. You only have an opportunity to protect them at the cost of higher prices.

We think that the use of import quotas, for instance, is exactly the wrong way to protect individuals adversely affected by imports or by competition. We think not only is it totally self-defeating in terms of the actual numbers of jobs that would be saved but also is self-defeating in terms of the inflationary problems we have here because it inevitably drives prices up. It is self-defeating in terms of increased exports, which is our best way to survive in terms of our balance-of-payments problem, and it is also the least efficient way to use our human and financial capital resources.

Mr. BURKE. That is all fine and we appreciate the sympathy that you have expressed, but what I am trying to point out to you is that if the textile and shoe industries received the subsidies that your industry received, they would not be in the position that they are in today.

The subsidies to your industry are running into the billions. The textile and shoe industries are receiving nothing but rhetoric.

I appreciate your sympathy but you are not really facing the facts here.

We had an industry here last week, the umbrella industry, the last two in the industry in America testified here a week ago today. About 10 years ago, there were 55 firms in America. One of these firms expects to go out of business in about 3 months and the other one does not expect to be around at the end of another calendar year.

Now, this means that this entire industry has been obliterated. Of course, umbrella frames are small compared to the aerospace industry.

What I am pointing out is that you people have received tremendous, tremendous subsidies on the part of the Government and you come in here recommending the administration's bill that would not even be comparable to an aspirin tablet to somebody suffering from cancer. You come in here and support it.

Do you not think that we ought to be a little fairer to some of these other industries? They might not be as exotic as yours but, nevertheless, there are people employed there.

If we are going to expend billions of dollars in your industry to protect your industry, which we are doing, and I voted for it the other day, somewhat reluctantly, I say that you people should exercise a little bit of concern for these other industries that are being exterminated in the Nation.

Mr. HARR. Mr. Burke, without wanting to get off onto the road of what your premise about subsidies implies, I, of course, would have to disagree to a considerable extent that the industry is subsidized.

Mr. BURKE. What benefits do you think could derive to the textile industry if we expended, say, $2 billion of the taxpayers' money toward modernizing their plants and paying for some of the competition that they are receiving overseas that your people complained of on the arguments presented on the floor of the House for the SST program? Do you think this would put the textile people in the same position of competition that you people are going to be in?

Mr. HARR. I am sure that any plant modernization makes an industry more competitive. I fully agree with that. It is impossible for me to view what has happened, for instance, in the aerospace industry's evolution as a subsidy. When a Government buys something from an industry, the Government-industry relationship does not constitute a subsidy.

Mr. BURKE. The Government does all the research and planning and creates a product and puts everything in there. That industry is in a terrific position. It is quite advantageous for them.

I do not mind helping you people out. I voted for it. But I can't understand why you come in here and support the administration's bill which will more than likely cause further imbalance in trade—right now, we have gone from a $7 billion surplus in 1965, I believe to a $1 billion surplus now. If we took the economic aid and the military aid out of that we would have a deficit in our balance of trade and if this continues on, by 1975 we will more than likely have an imbalance of $3 billion to $5 billion.

Now, you people are getting an awful lot of the cream off the top of the economy and the taxpayers are paying for it. In my district, my people opposed the SST program. I am a little bit disturbed that your industry should come in here today with this SST program pending in the Congress and asking for all these appropriations and everything paid for by the taxpayers. Yet you take a rather unconcerned attitude toward these other industries. Maybe when that SST comes back here possibly the people up in the textile and shoe industries might be interested to know what the attitude of your industry is. It might change a lot of your votes up there.

We are going to have one group coming in getting billions of dollars for subsidies and then have that same group come in here and testify in favor of a bill that is going to destroy industries that are so vital to our areas. We will have to take a good hard look at the SST program.

I am not threatening you. I am merely pointing out that we have some priorities in this country and some of us will have to vote for those priorities that we believe are important.

Mr. HARR. I understand you, Congressman Burke.

Let me say that the SST in terms of national appropriation of funds for development purposes is only justifiable in terms of the broad national interest. When you talk about the returns that will be effected to the Nation, the national economy, and the adverse effects that will be avoided by having a competitive and purchased SST in the SST generation, which is on us now, there it seems to me you have the issue.

If we have a better product, if it is purchased in the amounts predicted, it will have economic benefits to this Nation that are very easily demonstrated in terms of dollars, in terms of balance of payments, in terms of jobs.

If it is not a better product, it won't.

Everything is predicated on its being a sufficiently efficient product which will induce the airlines to pick it up. If it happens anywhere near as predicted, it will be of importance to our national economy.

Mr. BURKE. It is the issue. The issue also broadens itself up to other industries in the country, not only yours.

I know that you have a specific and special interest in this industry but we have to look at the broad aspects of the entire economy. I do not think that your industry is being very fair to other industries in the Nation that are really being hurt by coming in here supporting the administration's bill which, in my opinion, will glut the market with all kinds of cheap goods and drive hundreds of thousands of American workers out of their jobs, will export these jobs overseas and cause a rise in the unemployment figures, which are pretty high right now, and why do you people feel you should take care of yourselves and forget about the other fellow?

Mr. MARSHALL. I would like to speak to that point about the administration's trade bill being unfair to industries such as textiles and shoes and others.

I think the President was quite clear in drafting that bill and submitting it to the Congress that he was very much interested in the welfare of American industry and therefore made a considerable point, a strong point, in supporting and liberalizing the escape clause criteria and adjustment assistance and going further and asking that funds be appropriated to the Secretary of Labor to help retrain people who are eligible under adjustment assistance. This is a fair, and what seems to us, a very equitable approach.

Mr. BURKE. The recommendations are a complete joke and will be a hoax on the American worker and will prove to be a hoax to those industries that are driven out of business. They will get nothing.

Mr. MARSHALL. Congressman, it seems to me that the Tariff Commission under the Trade Expansions Act of 1962 up until recently has not been very active. They have been recently. It seems to me being able to operate under the more liberal criteria of the President's bill they will have the tools to be able to assist those industries.

Mr. BURKE. The tools you are talking about are like a drop in the bucket compared to what we are doing for the aerospace program.

Mr. MARSHALL. Sir, I am just talking now to the trade bill and the industries that are claiming harm. They can petition the Tariff Commission for either escape clause action or adjustment assistance.

Mr. BURKE. We know that. The experience has been very sad. What they are recommending here does not do much more than what the present experience is. I am merely pointing out to you that I am a little bit saddened at your appearance here today in view of my vote a week ago and the vote of many of my congressional colleagues who feel that the aerospace industry should be helped. We voted and, believe me, there is severe criticism back home on this.

Now we find you people coming here after this largesse on the part

of the Federal Government and practically testifying against your fellow American industries here that are suffering real harm.

Mr. HARR. We have no intention to be doing that.

Let me point out one thing, as I did in my statement, that we have a very serious unemployment situation, ourselves. The last year and a half or 2 years our employment has dropped from well over a million point four down to this year substantially less than one million point two. It will be about a quarter of a million drop in a year and a half in employees.

So, it is not a situation where we are a fully employed, growing industry at this moment in time. The economics of the aerospace industry is very bad.

Mr. BURKE. We voted hundreds and hundreds of millions of dollars to help your industry out. Your industry is getting help that the other industries being hurt are not getting. That is why I am a little surprised at your testimony here today. It bothers me because I am getting letters back home asking me what am I doing voting for this SST program that is going to cause al kinds of noise and pollution in the air.

Now we find your industry, after we cast this vote, coming in here and practically testifying against the industries that support the economy of our regions. I cannot understand this type of thinking.

Mr. HARR. We have no intention of testifying against any other industry. The issue is the question of what is the best way to solve a broad problem, what is in the total national interest. Certainly that is the basis upon which we support the supersonic transport; the decision should be made in terms of the total national interest. It seems to me that it has to stand or fall on that issue.

The CHAIRMAN. Mr. Conable.

Mr. CONABLE. I would like to ask one question.

I do not understand, sir, the mechanics of how an association like yours goes about preparing this kind of statement. We have here listed as members of the AID a very large number of very big companies which, obviously, have many interests, not just aerospace industry interests. Their viewpoint must be a rather diverse one. They have not just aerospace business in mind in connection with a complex problem like the problem of international trade.

Do you submit a statement of this sort to all the members of your association in advance before you appear, or do you reflect some sort of a predetermined position as a result of an annual meeting, or do you simply, as a staff, get together a statement of this sort without respect to the prevailing opinions in individual companies?

Mr. HARR. There are a variety of ways.

Basically, depending on the degree of potential variance of opinion within the industry or depending upon the degree to which the subject has been previously discussed, we either clear a position with the policymaking body of the association, which would be the executive committee, and then the board would ratify it, or we actually prepare the document and have it cleared in some such fashion.

Now to provide us with the substantive viewpoints of the industry we have committees in various areas composed of the experts drawn from different member companies. They will make the initial input to

establish a position. Then I have the responsibility for making sure that that is the position endorsed by the top management of the industries and there are different specific ways in which that can be done, but it had better be done each time.

For example, Mr. Conable, we are pretty clear on the freer trade philosophy of the industry as a whole.

Mr. CONABLE. You have not received any dissent from your individual members to the position you have taken?

Mr. HARR. That is right.

Mr. CONABLE. I am interested in that. Of course, we are all interested here.

Many, many representative groups come before us and these people sometimes are representative and sometimes they are expressing a professional opinion. The degree of representation necessary is a matter of interest, of course, in this forum of representative government. So, I did want to ask you about the manner in which you get such a statement.

Thank you, Mr. Chairman.

The CHAIRMAN. Mr. Harr, let me suggest to you that I fully understand your viewpoint and your reasons for expressing a viewpoint. None of us on this committee would want to do anything that would result in the return of the Smoot-Hawley days or the elimination of your ability to sell abroad. That, I assume, is what you are cautioning the committee about.

Mr. HARR. Yes, sir.

The CHAIRMAN. You have a perfect right to do that.

Thank you for coming. We appreciate very much your coming.

Mr. HARR. Thank you, Mr. Chairman.

(The following statement was received for the record:)

STATEMENT OF DONALD W. DOUGLAS, JR., CORPORATE VICE PRESIDENT FOR ADMINISTRATION, MCDONNELL DOUGLAS CORP.

Mr. Chairman and Members of the Committee, my name is Donald W. Douglas, Jr., and I am Corporate Vice President for Administration of McDonnell Douglas Corporation of St. Louis, Missouri.

McDonnell Douglas manufactures commercial and military aircraft and is an active participant in the Government's military and spacecraft program. At the present time we have 49 locations in 16 states and employ 102,635 people. We also have a plant in Malton, Ontario, Canada, where we manufacture the wing and tail assemblies for our DC–9 airplanes and where we are making some of the components for the DC–10, our 300 passenger tri-jet. The completed DC–9 sells for about $4 million and the DC–10 will sell for approximately $16 million.

At the outset, let me say that our Company strongly supports the liberal trade policies enunciated by the Trade Expansion Act of 1962 and the proposed Trade Act of 1969 recently transmitted to the Congress by President Nixon. The position of our industry as stated by the Aerospace Industries Association, of which we are a member, is that we strongly support reciprocal free trade under equitable competitive conditions.

The aerospace industry is one of the largest manufacturing export industries in the United States with exports in 1969 of over $3.1 billion, accounting for a substantial part of the nation's merchandise trade surplus.

But, domestic and export sales of airplanes are based on the same principles as any other sales—an attempt to develop the best product at the lowest competitive cost. Seen in this light, the tariff that we must pay on our components from Canada is an added inflationary cost factor that is not needed as a protective device for American industry and acts to inhibit our competitive position. Moreover, the procedures necessary to assure precise compliance with the tariff requirements present a formidable administrative problem.

The 6,450 employes in our Malton plant represent a necessary supplement to our United States operation. We feel that our industry is a continental industry and its efficient development should not be impaired by tariff barriers that are no longer needed.

Now, I would like to talk about non-tariff trade barriers for a moment. This Committee has heard extensive testimony on this subject, but I would like to point out that the largest single non-tariff barrier is sales resistance. If the potential customer says "no," the other barriers do not make any difference. There is a growing tendency in international markets for the foreign purchaser to buy only if a plant is set up in his country to manufacture some component of the airplane, thereby allowing that country a direct participation in the international aircraft industry. At the same time, this encourages development of skilled manufacturing jobs for the customer country's labor force, which is much preferred to a situation where jobs are restricted to primary industry alone. We believe that selective placement of some of the work in foreign countries has helped export sales, and will continue to do so.

Our wing and tail assemblies made in Canada are manufactured primarily from aluminum made in the United States, and shipped to Malton. The assemblies enter the United States where a duty (currently 6½% under TSUS Item 694.60) is paid on the value added in Canda. This rate is scheduled to continue to be reduced in annual stages, as a result of the Kennedy Round, until it reaches 5% in 1972.

We sincerely hope that a way can be found to authorize immediate negotiations, under the safeguards of the Trade Expansion Act, to bring this duty even lower and to eliminate it if at all possible. We believe this is vital to our competitive position in world markets and the sooner we can move in this direction, the better.

It is for the above reasons that McDonnell Douglas strongly support the position taken by Congressmen Corman and Betts at the Committee Hearings on May 11 concerning possible direct trade negotiations with Canada. We are also grateful for the affirmative position taken by Congressman Pettis on this subject. We urge this Committee to provide the legislative authority that will make these negotiations possible.

The CHAIRMAN. Our next witness is Mr. William M. Hannon, who is a resident of Nashville, Tenn.

The CHAIRMAN. Yesterday, Mr. Fulton, Congressman Richard Fulton, told me he would be unable to be here this morning to present you to the committee personally because of a prior commitment he had made to be in Nashville today. He did ask me on behalf of himself to welcome you to the committee, and we are very pleased to have you, Mr. Hannon, with us. We know that you have been in the production of bicycles for a number of years and very successfully, we hope, in spite of the competition you have had.

Mr. HANNON. Thank you very much.

The CHAIRMAN. We are glad to have you with us, sir.

STATEMENT OF WILLIAM M. HANNON, CHAIRMAN, WASHINGTON AFFAIRS COMMITTEE, BICYCLE MANUFACTURERS ASSOCIATION OF AMERICA; ACCOMPANIED BY THOMAS SHANNON, COUNSEL

Mr. HANNON. Thank you, Mr. Chairman.

Mr. Chairman, as you stated, my name is William M. Hannon.

I am president of the Murray Ohio Manufacturing Co., of Nashville, Tenn., and I appear here today as chairman of the Washington Affairs Committee of the Bicycle Manufacturers Association of America, Inc. The Bicycle Manufacturers Association is a nonprofit trade association with headquarters in New York City. A list of the members of the association appears as an appendix to this statement.

I have with me our industry counsel, Mr. Thomas Shannon.

The CHAIRMAN. We appreciate having you with us.

Your are recognized, Mr. Hannon.

Mr. HANNON. Thank you.

DOMESTIC BICYCLE INDUSTRY SUFFERING SEVERE INJURY FROM IMPORTS

The members of the association welcome this opportunity to convey to the committee their deep concern about the future of the domestic bicycle industry in light of the present course of U.S. foreign trade and trade policy. We have had extensive experience in foreign trade matters over the years. On certain occasions we have expressed concern over rising imports and in each case our foreboding has been tragically confirmed by subsequent events. Mr. Chairman, I am here to tell you that 2 years ago we expressed a similar concern and, today, in June 1970, the domestic bicycle industry is indeed again suffering severe injury from imports.

In July of 1968, I appeared before this committee at its hearings on Tariff and Trade Proposals. At that time, I reviewed the history of bicycle imports and noted our alarm at the initial signs of what could become a damaging trend. Imports were then at 20.4 percent of our domestic consumption, up from 16.1 percent in 1966. By the end of last year, our worst fears were confirmed; imports for 1969 were 28 percent of domestic consumption, up 37 percent from 1968 and 74 percent from 1966.

PAST IMPACT OF IMPORTS ON THE DOMESTIC INDUSTRY

To fully understand our concern that this trend will in fact continue, it is necessary to know the history of the impact of imports on the domestic bicycle industry. For many years preceding, and during and immediately following World War II, bicycle imports were less than 1 percent of domestic consumption. In 1947, however, the United States, under the multilateral General Agreement on Tariffs and Trade, cut the tariff on lightweight bicycles from 15 to 7½ percent and from 30 to 15 percent on all other models.

Although in 1948 many of the foreign countries were still busy attempting to reach their prewar levels of production, the record shows that it did not take long for the GATT reduction to take effect. Between 1948 and 1956, the ratio of bicycle imports to domestic consumption climbed from 0.6 percent to 41.2 percent: 1948, 0.6 percent; 1949, 1.0 percent; 1950, 3.4 percent; 1951, 9.0 percent; 1952, 11.8 percent; 1953, 22.8 percent; 1954, 38.2 percent; and 1955, 41.2 percent.

In October 1951, after the domestic industry had seen the number of bicycle imports increased twelvefold from 15,757 in 1949 to 176,257 in 1951, the members of the Bicycle Manufactures Association filed for "escape clause" relief under section 7 of the Trade Agreements Extension Act of 1951. The Tariff Commission conducted an investigation and, on October 9, 1952, concluded that bicycles were not being imported in such increased quantities as to cause or threaten serious injury to the domestic bicycle industry.

The above chart shows how wrong the Tariff Commission was. Despite the fact that domestic manufacturers had modernized their plants

at great expense, the lower labor and material costs of foreign manufacturers enabled them to steadily erode the Americans' share of their own market. Tariff Commission figures developed later show that during the period 1951–54 there was a 16-percent reduction in the number of persons employed in the bicycle industry and a 24-percent reduction in the number of man-hours of bicycle employees.

In a final effort to remedy this serious injury, the Bicycle Manufacturers Association, in June 1954, again applied for "escape clause" relief. This time the Tariff Commission could not deny the damage that had been done and recommended to the President that the tariff rate on all bicycles be increased to 22½ percent. The President partially accepted this recommendation, imposing, effective August 18, 1955, an increase in existing rates, raising lightweights from 7½ percent to 11¼ percent and other models from 15 percent to 22½ percent.

This partial relief, along with drastic measures by the domestic industry to cut prices and costs, helped to stabilize import penetration in the neighborhood of 30 percent of the domestic market for the next 8 years. However, at a rate of approximately 30 percent the domestic industry continued to sustain serious injury.

In 1964 the domestic industry first developed the "high rise" bicycle, characterized by smaller wheels and high handlebars. The model immediately caught on with the youngsters, and the importers' percentage of the U.S. market fell sharply from 29.3 percent in 1963 to 19.8 in 1964. In 1965 and 1966, as sales of high risers continued to increase and foreign manufacturers were not yet fully equipped to produce them in large amounts, import penetration continued to fall off: 1963, 29.3 percent; 1964, 19.8 percent; 1965, 18.3 percent; and 1966, 16.1 percent.

By 1967 high rise bicycles accounted for 61 percent of the domestic market and were still increasing in popularity. But three other facts overshadowed the significance of this achievement for the domestic bicycle industry:

First, mounting inflationary pressures were beginning to have a real effect on the cost of manufacturing a bicycle in the United States.

Second, foreign manufacturers had copied the popular high rise and, capitalizing on their own cost advantages, were sending them to the United States in increasingly larger quantities.

Third, on June 30, 1967, the United States became a party to the infamous sixth (or Kennedy) round of trade negotiations under the General Agreement on Tariffs and Trade. Notwithstanding the probable consequences, the United States agreed to reduce the existing rates on all bicycles by 50 percent over a 5-year period beginning January 1, 1968.

As I have indicated, by the end of 1969, after only two of the five steps of the Kennedy round tariff reductions, imports had risen as follows:

Year	Units	Units increase over Dec. 31, 1966 level	Percent
1966	927,223		
1967	1,117,146	189,923	
1968	1,540,167	612,944	
1969	1,981,047	1,053,824	114

SITUATION NOW MORE PRECARIOUS THAN EVER BEFORE

The situation is now more precarious than it ever has been before. We are experiencing only our third Kennedy round reduction in 1970, with two more still to come. Here in the United States labor and manufacturing costs continue to rise. Abroad (manufacturers have become extremely adept at copying our styles, and they do so with far smaller labor and manufacturing costs and, in many cases, with the benefit of various subsidies and rebates. These advantages aid not only the traditional importers of bicycles into the United States but also countries not heretofore in the U.S. bicycle market. Taiwan, for example, shipped 91,125 bicycles into the United States in 1969; in 1968 it exported only 12,415. These bicycles were manufactured by workers who receive an average wage of 20 cents an hour.

Mr. Chairman, when I appeared before you in 1968 I stated our concern and concluded as follows:

"We do not claim that we are today in an extreme condition although our market loss is twice that of other industries appearing here. We say we are threatened by imports, that unless some relief can be provided when we need it we will suffer serious harm and that present avenues of relief are wholly inadequate."

Well, Mr. Chairman, today, in 1970, the bicycle industry is in that "extreme" condition which it foresaw in 1968. We have done everything a responsible industry can do. We have moved our factories many miles to more economical operating areas. We have modernized our plants and equipment.

As an example, our company over the last 10 years has averaged spending a million and half dollars a year for capital equipment. We have evaluated and reevaluated our processing methods. We have cut costs by using foreign parts. We have innovated new bicycle designs.

Nevertheless, imports continue to mount because foreign producers enjoy cost advantages, rebates, grants and subsidies which are not available here in the United States. The obvious result has now begun: the idling of expensive equipment and the loss of thousands of jobs in the domestic bicycle manufacturing and related industries.

Our bicycle employment is off 33 percent from what it was 2 years ago; that is our own company.

Just 2 months ago, a domestic manufacturer announced the closing of its plant in Michigan City, Ind. [See attached newspaper account]. This plant has been an employer in the Michigan City community since 1916, and only the current flood of imports is responsible for its being shut down. Within 2 months' time its workers, many of whom have no other skills, will be unemployed. Each domestic manufacturer, and each of their employees, are now asking themselves, "Will I be next?"

PROPOSED SOLUTIONS

Mr. Chairman, it is clear that we and similarly situated industries are confronted with an extremely significant problem. The question remains only as to the most effective form of relief. In that regard, may I comment on the administration's trade bill, H.R. 14870?

The bill seeks to liberalize the availability of escape clause relief, relief from unfair competition, and adjustment assistance. As to escape clause relief, the bill would (1) eliminate the requirement that increased imports be caused by a trade agreement concession; and (2) provide for relief if increased imports are the "primary" cause of actual or potential serious injury, instead of the "major" cause as is presently required. The elimination of the causal requirement would remove an existing obstacle to relief which has no logical bearing on the decision of whether an industry is being injured by imports, and we therefore heartily endorse this provision.

The adoption of a "primary" cause standard is, however, little, if any, improvement over the existing "major" cause standard. With the numerous factors which affect the marketplace today, domestic industries will continue to experience the same problem of proof which they have under present law, even though it is clear that imports are in fact causing injury. We believe that the standard in H.R. 16920 (Mills bill), which would require that increased imports be a "substantial" cause of actual or potential serious injury and which in fact is the administration's proposed standard for relief in the form of adjustment assistance, more realistically reflects the conditions under which tariff adjustment relief is warranted.

The extension to all products of relief from unfair practices under section 252 of the Trade Expansion Act of 1962 and the liberalization of adjustment assistance relief are desirable, if long overdue, measures. However, we caution against reliance on them as a panacea for an industry's import problems. Unfair practices are often extremely difficult to prove and the record shows very few instances of relief under other, similar statutes. Likewise, adjustment assistance is relief after the fact. It is, we believe, akin to making a patient comfortable after he has received notice of his funeral.

MOST EFFECTIVE AND EQUITABLE SOLUTION

We must, in fact, tsate that none of the measures proposed in H.R. 14870 offer the most effective and fair relief regarding imports which have reached a level highly injurious to a domestic industry. The solution we believe to be most effective, as well as most equitable to foreign iand domestic manufacturers alike, is one which places a quantitative limitation on imports if they reach an injurious level, yet permits foreign producers to share in any growth in the U.S. market.

Further, we believe that this form of relief should be available to every domestic industry which is being injured by imports. A bill which provides for such relief and whose approach we endorse and urge the committee to consider is the fair international trade bill, S. 2778, introduced by Senator Russell B. Long of Louisiana and numerous Congressmen. Should this solution be deemed inappropriate for reasons which we are now unable to imagine, we urge that the committee act on the Orderly Bicycle Marketing Act, H.R.13401, introduced by Congressman Richard H. Fulton of Tennessee.

Mr. Chairman, the domestic bicycle industry urgently needs relief. Unless we are permitted to compete with foreign manufacturers on an equitable basis, we will face further production cutbacks and the result-

ing loss of jobs, and the closing of the Michigan City plant and its tragic consequences will soon become commonplace throughout the entire country.

(Material previously referred to in the statement follows:)

MEMBERS OF THE BICYCLE MANUFACTURERS ASSOCIATION

AMF Wheel Goods Division, P.O. Box 344, Olney, Illinois 62450.
Chain Bike Corporation, 350 Beach 79th Street, Rockaway Beach, New York 11693.
Columbia Manufacturing Co., Inc., Westfield, Massachusetts 01085.
Huffman Manufacturing Company, P.O. Box 1204, Dayton, Ohio 45401.
MTD Products, Inc., 5389 130th Street, Cleveland, Ohio 44111.
Murray Ohio Manufacturing Company, 635 Thompson Lane, Nashville, Tennessee 37204.
H. P. Snyder Manufacturing Co., Inc., Little Falls, New York 13365.

BICYCLE IMPORTS BLAMED

Excelsior Manufacturing Co., will close its plant at Kentucky and William Streets within two months.

Excelsior is the third industry to close manufacturing operations in Michigan City the past year. One new firm, W. R. Grace and Co.'s Formed Plastics Division, established manufacturing operations here in February. Seventeen industrial firms here have either expanded present facilities or built larger plants since 1968.

In announcing transfer of all Excelsior operations to its parent company, H. P. Snyder Manufacturing Co. Inc., Little Falls, N.Y., Excelsior general manager B. C. Flint blamed the plant's closing on an accelerated increase of bicycle imports. The plant manufactures bicycles, play cycles and exercisers.

Flint said the plant normally employs between 100 and 130 people. A union official for Teamsters Local 298 earlier this week estimated that about 100 people are currently employed by the company during its production cycles. Teamsters local president William Jenkins said yesterday afternoon that negotiations for severance pay will begin late next week.

Flint said work is expected to continue at the plant on a reduced basis while an effort is being made to help employees find other jobs.

In a written statement, Flint explained economic factors which he said necessitated the closing.

He said, "The consolidation is being made to obtain all possible economies in an effort to compete with the flood of low-cost imports accelerated by the Kennedy round of tariff decreases put into effect Jan. 1, 1968. Under the Kennedy round, bicycle tariffs have been lowered 30 per cent and will be lowered an additional 20 per cent over the next two years. Bicycles made by foreign workers entered the United States at a very high rate during 1969, reaching a total of 1,970,528."

Flint said that during last January imports jumped about 425 per cent over January, 1969, imports. Jenkins said a major part of the imports are manufactured in Japan.

Excelsior began operations here in 1916 as the Excelsoir Cycle Co. In 1934 the firm changed ownership and assumed its present name. Its parent firm was established at its present New York location in 1893.

During the early 1950s Excelsior's Hopalong Cassidy cowboy model bicycle was a national favorite. In recent years, the company has manufactured many bicycles marketed by retail chains under the retailer's trade names.

Trailco Company's Norwin Division plant closed here March 31. About two years ago, that plant employed approximately 100 persons. Employment had dropped to about 75 persons in the last year.

Dunham-Bush Inc., closed its plant here last August. About 440 workers were employed at its Michigan City plant when the company announced Feb. 18, 1969, that it was moving operations to facilities owned by its parent corporation, Signal Oil Corp., in Harrisonburg, Va.

The CHAIRMAN. Mr. Hannon, we thank you for your statement and for coming to the committee to present it to us.

This material appended to your statement contains a list of the members of the Bicycle Manufacturers Association.

Are these the only concerns left in the United States that produce bicycles?

Mr. HANNON. That is right.

The CHAIRMAN. One in Illinois, New York, Massachusetts, Ohio, another one in Ohio, yours in Tennessee, and another one in New York?

Mr. HANNON. That is correct.

The CHAIRMAN. How many did you have 15 or 20 years ago?

Mr. HANNON. I don't have the exact figure on that. There would have been four or five more, Mr. Chairman.

The CHAIRMAN. Four or five more than this?

Mr. HANNON. Yes.

The CHAIRMAN. Twenty-five or 30 years ago, the number would have been doubled or more, would it not?

Mr. HANNON. Yes, sir.

The CHAIRMAN. We thank you, sir, for coming to the committee.

Mr. Burke.

Mr. BURKE. I just wish to commend you on your testimony and also point out that two of my colleagues from the western part of Massachusetts, Congressman Ward Boland and Congressman Conte, have expressed grave concern about the future of the Columbia Manufacturing Co. in Westfield, Mass.

Thank you.

The CHAIRMAN. Mr. Schneebeli.

Mr. SCHNEEBELI. Mr. Hannon, you note in Taiwan this large increase which now amounts to 5 percent of the imports.

Was that plant capacity generated by native capital and management or was it a U.S. concern that went over there as a runaway proposition?

Mr. HANNON. It was generated by Japanese capital.

Mr. SCHNEEBELI. From what areas generally do most of your imports come?

Mr. HANNON. They come from a great number of countries. They come from West Germany, from England, from Japan, from Italy, from Belgium, from France.

Mr. SCHNEEBELI. Is there any area from which we are getting a flood of imports more than other areas?

Mr. HANNON. Japan has had the biggest increase.

Mr. SCHNEEBELI. Why would the Japanese have gone down to Taiwan?

Mr. HANNON. The Japanese labor costs are increasing.

Mr. SCHNEEBELI. So, Taiwan and Hong Kong are becoming sort of the end of the line as far as low labor cost. It seems as though a lot of imports that were generated out of Japan are now coming from Hong Kong and Taiwan.

Mr. HANNON. There are still a large number of bicycles out of Japan.

Mr. SCHNEEBELI. On many of our imports, the new problem seems to be generated now in Taiwan and Hong Kong.

Mr. HANNON. Take 20 cents a day in Taiwan——

Mr. SCHNEEBELL. Thank you very much.

The CHAIRMAN. Any further questions?

Mr. Conable.

Mr. CONABLE. I would like to ask you, sir, what is the condition in terms of absolute amounts of imports from other countries? You talk about the trend being toward Japan.

Don't we still import a large number of bikes from England, for instance? I had the impression that English bikes were quite popular in this country and in absolute terms don't we still receive a large number of bikes from that country?

Mr. HANNON. The English bicycle is a term which is applied to a style of bicycle. It is the English-style lightweight bicycle.

Mr. CONABLE. That does not mean that it is made in England, however?

Mr. HANNON. No. It is just the style. England's labor costs have been increasing.

Mr. CONABLE. Close to ours?

Mr. HANNON. Right. They are less competitive in this market.

Mr. CONABLE. So, in absolute terms, we do not receive a lot of imports from England.

Mr. HANNON. They were by far the No. 1, going back when we received tariff relief in 1955. As of now, I don't have the exact percentage, but I would say of the bicycles being imported, say 20 percent come from England. Still a sizable quantity comes from England but they do not dominate the import picture as they did in 1955.

Mr. CONABLE. Do more come from West Germany than from England?

Mr. HANNON. Yes. West Germany is No. 2.

Mr. CONABLE. What are their labor costs there relative to ours?

Mr. HANNON. They are considerably lower.

Mr. CONABLE. They are considerably lower than either ours or the English?

Mr. HANNON. Yes.

Mr. CONABLE. But the Japanese are the ones that show the dynamic increase; is that right?

Mr. HANNON. In just the last few years; yes.

Mr. CONABLE. Do you have reason to believe that the trend will continue, that more and more of the bicycle manufacturing will be done in Japan or by Japanese businesses in other low-cost oriental areas?

Mr. HANNON. That is what the trend is now.

Mr. CONABLE. You don't see anything working against the continuance of that trend?

Mr. HANNON. No; especially with the fact that we are still having our tariff reduced. This goes through 1972.

Mr. CONABLE. Thank you.

The CHAIRMAN. If there are no further questions, we thank you, Mr. Hannon, again for coming to the committee.

Mr. HANNON. Thank you.

The CHAIRMAN. Mr. Warrell.

Mr. Warrell, we are pleased to have you with the committee.

If you will present yourself to the committee by giving us your

name and address and the capacity in which you appear, we will be glad to recognize you, sir.

STATEMENT OF CARROL J. WARRELL, CHAIRMAN, TARIFF AND CUSTOMS COMMITTEE, CYCLE PARTS AND ACCESSORIES ASSOCIATION

Mr. WARRELL. Good morning, gentlemen.

Mr. Chairman and members of the committee, I am Carrol Warrell, president of the Carlisle Tire and Rubber Division of the Carlisle Corp. of Carlisle, Pa.; and chairman of the tariff and customs committee, Cycle Parts and Accessories Association. The CPAA consists of 40 member firms, engaged in the manufacture and sale of component parts for bicycles. (See appendix A.)

I have appeared here before, and can say now that the predictions regarding imported cycle parts, made in previous testimony are now being borne out. For example, if the present rate of increase of imported bicycle tires and tubes continues, there will be no domestic production of these products in 1976. I made this statement in 1966, in 1968, and it still applies; the differences now are that we are 2 years closer to the end, and we have lost one of the three U.S. producers, Uniroyal Tire Co.

In 1957, 5.4 percent of the bicycle tires sold in the United States were brought in from abroad, but by 1969 foreign tires accounted for 56.1 percent. Innertube imports have followed much the same pattern. Tables showing bicycle tire and tube shipments for these years are attached as appendix B.

The importation of other bicycle parts has increased similarly with similar effect. The dollar value of 18 Tariff Schedule categories that include bicycle parts has approximately doubled in the last 5 years. (See appendix C.) As a result, we now have general distress in the industry. Bicycle chain is no longer made in the United States, and only one coaster brake manufacturer has been able to survive, although considering plans for moving to a low-wage rate country.

There are those who will say, "Get out of the buggy-whip business." But, I submit that this solution is not the answer. If we were to stop making bicycle parts and were able to convert to another type of product, foreign manufacturers with their low wages could still undersell us, even on the most advanced or sophisticated products. With modern communications, and technology, much of which has been exported from the United States, all the world has about the same know-how. We are exporting jobs to other countries, increasing unemployment here, and severely injuring the solid endeavors of production and manufacturing in favor of the fields of retail and wholesale trade and other service industries. In short, we are becoming a Nation of consumers.

The term "free trade" has a nice ring to it, but free trade cannot exist while other industrialized countries have labor rates one-sixth or so of ours. The small to medium-sized manufacturer is most adversely affected, because larger firms can acquire foreign subsidiaries and thus participate in the low-cost labor market. Also, the small industries are much less able to support legislative campaigns. In our industry group,

the Cycle Parts and Accessories Association, over 75 percent of our members could qualify as small business firms by current Government standards.

The Republican platform proposed control of imports by international agreements. While a worthy objective, this avenue has manifestly not worked.

This, then, makes corrective legislation imperative now. Such legislation must be comprehensive in character, because the problem is a general one.

Of the legislation being considered, I will touch upon three bills * * * H.R. 14870—the administration bill, H.R. 16920—Chairman Mills Bill, and H.R. 14102—known as the Fair International Trade bill, and introduced by Congressman Saylor and 67 other Congressmen.

Both H.R. 14870—administration bill—and H.R. 16920—Chairman Mills' bill—are improvements over the grim situation we now have, but they are neither adequate nor directed towards basically solving the problem. To promise corrective actions and liberalized assistance for companies to workers ruined by imports, presuppose that the disaster be allowed to take place. Measures of this kind "pay for the funeral" after the patient dies. We who have developed a modern market and have factories and skills invested, want to continue to work and grow reasonably.

As for the idea of selecting two industries for import protection while leaving the rest of us to sink or swim on our own, this is unconscionable. The textile and shoe industries are in trouble from imports, but so are many others. We must solve the entire problem with legislation of fairness and classic stature. I am referring to the fair international trade bill. This bill permits foreign countries to participate in the growth of U.S. markets, but prevents our country from being flooded with imports. It has the preservation of American businesses as its purpose, certainly a worthy objective from our standpoint. Failure to pass this bill, or one accomplishing similar purposes, will result in a worsening balance of trade, more lost jobs, and more ailing companies.

Gentlemen, in summary, I would like to leave you with these several thoughts:

(1) The Cycle Parts & Accessories Association represents 40 companies, who supply parts to the domestic bicycle industry, which industry is also seriously threatened by imports.

(2) Most of the members of CPAA can be classified as small business by Federal standards. Many are family owned, and located in small communities throughout the country.

(3) Low labor rates in foreign countries with developed manufacturing and technical skills is the main reason for our members' inability to effectively compete costwise.

(4) The most effective bill for resolving the problems created by imports is the fair international trade bill (H.R. 14102), which provides, among other things, quotas under which any affected industry can obtain relief.

(5) As an alternative to this bill, H.R. 16920 (the Mills bill) would provide effective relief if it was broadened to include any industry, not just shoes and textiles.

Thank you for your time and attention today.

I would be most happy to respond to any question which you may have.

The CHAIRMAN. We appreciate, Mr. Warrell, your coming to the committee and bringing us your very fine statement.

I asked the previous witness about the membership of his organization because I think I had a company in Little Rock, Ark., either making bicycles or bicycle parts but I see that it is a member of your organization.

Mr. WARRELL. American Machine & Foundry in Little Rock.

The CHAIRMAN. Yes.

Without objection, we will include the material appended to your statement at this point in the record.

(The material referred to follows:)

APPENDIX A

1970 MEMBERSHIP LIST—CYCLE PARTS AND ACCESSORIES ASSOCIATION, INC.

Acro Wire, Inc., Philadelphia, Pennsylvania.
Androck Incorporated, Worcester, Mass.
The Ashtabula Bow Socket Co., Ashtabula, Ohio.
Banner Mfg. Co., Inc., Brooklyn, New York.
The Bendix Corporation, Elmira, New York.
Berger Industries, Maspeth, New York.
Bornemann Products, Inc., Bremen, Indiana.
Bright Star Industries, Inc., Clifton, New Jersey.
Carlisle Tire and Rubber, Carlisle, Pennsylvania.
Crane Edmund Corporation, Chardon, Ohio.
Custom Cycle Company, El Mirage, Arizona.
Eaton Yale and Towne, Inc., Cleveland, Ohio.
Elrae Pressed Metals, Inc., Buffalo, New York.
Excel, Incorporated, Franklin Park, Illinois.
Faulhaber Company, Monroeville, Ohio.
Gobby Mfg. Company, Glendale, Arizona.
Goodyear Tire and Rubber Co., Akron, Ohio.
D. P. Harris Hardware and Mfg. Co., New York, New York.
Hartford Precision Products, Rocky Hill, Connecticut.
Hunt-Wilde Corporation, Dayton, Ohio.
The Kelly-Springfield Tire Co., Cumberland, Maryland.
Kilian Steel Ball Corporation, Hartford, Connecticut.
The Mattatuck Mfg. Co., Waterbury, Connecticut.
McCauley Metal Products, Inc., Buffalo, New York.
Mesinger Mfg. Co., Inc., Bethel, Connecticut.
The Murray-Ohio Mfg. Co., Nashville, Tennessee.
National Bearings Company, Lancaster, Pennsylvania.
Oxford International Corp., North Chicago, Illinois.
Persons-Majestic Mfg. Co., Worcester, Mass.
Ret-Bar Manufacturing Co., Inc., Peoria, Arizona.
Steere Enterprises, Inc., Tallmadge, Ohio.
Stewart Warner Corporation, Chicago, Ill.
Surre Incorporated, Erie, Pennsylvania.
Textile Rubber Company, Inc., Akron, Ohio.
Todson, Inc., Elmont, New York.
The Troxel Mfg. Co., Moscow, Tennessee.
U.S. Premier Co. of New York, Inc., Huntington Station, New York.
Wald Mfg. Co., Inc., Maysville, Kentucky.
Williams Steel Wheel and Rim Corp., Utica, New York.
Yoder Manufacturing Co., Little Rock, Arkansas.

APPENDIX B

LOOSE BIKE TIRE SHIPMENTS

Year	Domestic	Percent domestic	Imports	Percent imports	Total market
1957	8,799,839	94.6	506,305	5.4	9,306,144
1958	8,569,190	88.4	1,122,471	11.6	9,691,661
1959	9,092,969	73.7	3,245,037	26.3	12,338,006
1960	8,167,824	68.7	3,718,570	31.3	11,886,394
1961	9,033,813	75.0	3,009,713	25.0	12,043,526
1962	9,804,615	67.0	4,839,735	33.0	14,644,350
1963	10,163,681	64.4	5,608,802	35.6	15,772,483
1964	11,622,274	60.0	7,748,639	40.0	19,370,913
1965	10,446,299	55.2	8,469,804	44.7	18,916,103
1966	10,503,575	58.6	7,415,629	41.4	17,919,204
1967	10,424,063	55.7	8,298,125	44.3	18,722,188
1968	10,940,425	47.8	11,932,620	52.2	22,873,045
1969	8,278,509	43.9	10,560,303	56.1	18,838,812

Note.—Imported tires that come into this country on bicycles are excluded from the above.

Sources: Domestic figures are shipments of bicycle tires as reported to the Rubber Manufacturers Association by 100 percent of the domestic producers. Import figures are as reported by the U.S. Department of Commerce.

LOOSE BIKE TUBE SHIPMENTS

	Domestic	Percent domestic	Imports	Percent imports	Total market
1957	9,497,084		(1)		
1958	8,838,216		(1)		
1959	9,551,487		(1)		
1960	8,703,423		(1)		
1961	9,561,293		(1)		
1962	10,205,795		(1)		
1963	10,602,326		(1)		
1964	12,784,331	60.0	8,519,724	40.0	21,304,055
1965	11,325,473	55.3	9,165,966	44.7	20,491,439
1966	11,960,647	59.5	8,158,105	40.5	20,118,752
1967	12,221,603	57.5	9,020,390	42.5	21,241,993
1968	13,181,282	49.4	13,527,255	50.6	26,708,537
1969	9,946,702	44.5	12,387,950	55.5	22,334,652

[1] Not available.

Note.—Imported tubes that come into this country on bicycles are excluded from the above.

Sources: Domestic figures are shipments of bicycle tubes as reported to the Rubber Manufacturers Association by 100 percent of the domestic producers. Import figures are as reported by the U.S. Department of Commerce.

APPENDIX C

BICYCLE PARTS AND ACCESSORIES[1]—DOLLAR VALUE OF IMPORTS

TSUSA No.	Item	1964	1965	1966	1967	1968	1969
545.6300	Reflecting lenses of glass	$107,199	$64,498	$85,087	$81,633	$103,624	$123,727
652.1220	Bicycle chain under 40 cents per pound	468,794	711,249	781,854	600,214	589,339	1,122,999
652.1520	Bicycle chain 40 cents or more per pound	629,315	849,801	481,212	592,274	735,989	653,688
652.5500	Bicycle bells	116,466	115,054	88,824	116,972	147,409	128,607
661.1500	Air pumps and parts	2,237,087	3,188,888	3,105,230	3,552,139	5,311,030	6,478,201
680.5400	Chain sprockets and parts	1,036,730	1,139,962	886,705	1,073,985	1,370,319	1,413,792
683.8000	Portable electric lamps	1,434,890	1,411,900	1,866,714	1,431,779	1,346,310	1,537,296
685.7000	Electric horns	1,967,697	2,435,885	2,991,950	3,808,943	5,684,562	6,138,465
711.9300	Bicycle speedometers			80,564	78,515	425,893	848,915
732.3610	Bicycle hubs, coaster brake	2,125,343	2,083,432	2,059,347	2,650,630	3,181,950	2,476,296
732.3620	Bicycle hubs, variable speed	1,349,297	2,362,716	1,589,599	2,082,126	2,124,156	1,633,373
732.3630	Bicycle hubs, not elsewhere specified including dynahubs	614,889	613,626	788,423	1,014,257	1,654,674	1,702,575
732.3650	Bicycle saddles	419,123	453,134	433,808	442,405	806,855	558,037
732.3660	Bicycle pedals	464,169	516,108	477,350	646,712	829,242	897,638
732.3670	Bicycle parts, not specifically provided for	4,544,862	5,006,252	5,368,311	6,688,682	9,271,737	9,189,146
772.4800	Bicycle tires	4,874,192	5,511,123	5,153,961	5,486,632	7,943,769	7,002,421
772.5700	Bicycle tubes	2,372,400	2,814,041	2,538,808	2,709,149	5,974,974	3,747,306
772.8000	Rubber or plastic grips	201,624	191,663	264,812	415,209	521,073	822,082
	Total	24,955,077	29,469,323	29,042,559	33,472,256	46,022,905	46,474,564

[1] All categories are not exclusively bicycle parts.

Source: U.S. Department of Commerce publications.

The CHAIRMAN. Are there any questions of Mr. Warrell?

Mr. PETTIS. Mr. Chairman.

The CHAIRMAN. Mr. Pettis.

Mr. PETTIS. I am not sure this is a question. It may be an observation.

Every member of my family owns a bicycle but I find there aren't too many families today who use bicycles the way they used to.

I am wondering how many automobiles would be sold if we did not have a freeway system and a Federal highway program.

Maybe what we need is a way to make it easier for people to ride bicycles. You go to European countries and you will find streets devoted to bicycle traffic; you can't get an automobile on these streets. I am not sure we still would not have the import problem. Maybe we would just sell more Japanese bicycles.

I have also been thinking, as you have been testifying, that maybe you need a research project in some good university which might prove that if you ride bicycles you will live 10 years longer or something along that line.

The CHAIRMAN. That has been proven by Dr. Dudley White. He rides a bicycle back and forth.

Mr. SCHNEEBELI. I think the first bikeway in the United States was established on East Capitol Street earlier this year in the Nation's Capital.

The CHAIRMAN. What we want, Mr. Schneebeli, are bicycle freeways.

Mr. WARRELL. I would support that, too, Mr. Chairman.

Mr. SCHNEEBELI. What the gentleman from California is referring to has already been initiated with this first bikeway, which I see as I go out East Capitol Street. There are signs on the pole saying, U.S. Bikeway.

Could you expound on this idea?

Mr. WARRELL. Yes; I would be happy to.

The Bicycle Institute of America, of which my group, the Cycle Parts & Accessories Association, and Mr. Hannon's group, the Bicycle Manufacturers Association, are part, has created a very active public relations program that involves safety, bikeways, all this sort of thing, which ties in which the use of bicycles. It has been quite successful, particularly in the last 5 years.

Bikeways are becoming more and more popular all over the Nation.

You may have read that Central Park is now opened only to bicycle and horseback riding during Saturday and Sunday, which upsets some cab drivers but, nevertheless, it is becoming a very popular sport. It is the No. 1 participation sport in the entire Nation. We are very pleased to be a small part of this group. We hope that with the help of your committee and the Congress we can keep it American-oriented for some years in the future.

Mr. PETTIS. Mr. Warrell, let me close by saying good luck to you in your program.

Mr. WARRELL. Thank you, sir.

The CHAIRMAN. If there are no further questions, we thank you, Mr. Warrell, for bringing to the committee a very fine statement.

Mr. WARRELL. Thank you, sir.

The CHAIRMAN. Mr. Solter, if you will identify yourself for the record, we will be glad to recognize you, sir.

STATEMENT OF MYRON SOLTER, COUNSEL, SLIDE FASTENER ASSOCIATION

Mr. SOLTER. Thank you, Mr. Chairman.

Mr. CHAIRMAN. Members of the committee—my name is Myron Solter. It is my pleasure to appear before the committee today on behalf of the Slide Fastener Association, Inc., headquartered at 366 Madison Avenue, New York, N.Y. 10017. This association accounts for more than 80 percent of the total domestic production of slide fasteners. A list of the members of the association is appended.

The Slide Fastener Association wishes to express its unqualified support for H.R. 16920 and its support, with qualifications, for those portions of the administration's trade bill, H.R. 14870, which would amend the escape clause.

The situation of the slide fastener industry is best described as one of double jeopardy. The industry is in jeopardy from rapidly rising imports of slide fasteners incorporated into finished garments, and it is in jeopardy from direct imports of slide fasteners as such. For this reason, the Slide Fastener Association supports both that portion of H.R. 16920 which would impose quantitiative limitations on the importation of textile products, particularly apparel, and those portions of the bill which would amend the escape clause to make it a more effective vehicle for protecting small industry from the effects of excessive import competition.

I might add that the footwear industry is also a substantial user of slide fasteners. We would support additionally the proposed quotas for footwear for that reason as well.

I. CONCEALED IMPORTS OF SLIDE FASTENERS ARE RISING AT THE SAME RATE AS THE INCREASE IN IMPORTS OF FINISHED APPAREL

At this moment, the most serious threat to the domestic slide fastener industry is the rapidly accelerating rate of increase of imports of finished apparel, and the consequent increase in imports of slide fasteners incorporated into finished apparel. To the extent that an imported garment displaces from the American market a garment which would have been manufactured in this country, it also displaces the slide fastener which would have been incorporated into the American-made garment.

As the committee has been advised by both the American Apparel Manufacturers Association and the American Textile Manufacturers Institute, imports of apparel of all fibers have increased exceedingly rapidly over the past 5 years.

Imports of cotton, wool, and manmade fiber apparel, 1965–69

[Millions of square yards equivalent]

1965	684
1966	778
1967	877
1968	1,152
1969	1,519

Source: American Apparel Manufacturers Association.

Applying the utilization factors which are customarily used by American slide fastener manufacturers for market analysis purposes, it is seen that the quantities of zippers imported in finished garments have risen apace.

Imports of slide fasteners as component parts of finished garments

	Units
1965	73, 800, 000
1966	83, 900, 000
1967	94, 400, 000
1968	124, 300, 000
1969	163, 591, 000

II. DIRECT IMPORTS OF SLIDE FASTENERS ARE ALSO INCREASING AT A RAPID RATE UNDER THE STIMULUS OF THE KENNEDY ROUND DUTY REDUCTIONS

During the Kennedy Round negotiations, the United States granted a duty-reduction concession of approximately 46 percent of the prevailing duty rate, staged over a 5-year period. By 1972 the import duty will have been reduced from 46 percent to 25 percent ad valorem on slide fasteners valued not over 4 cents each, and from 36 percent to 20 percent ad valorem on slide fasteners valued over 4 cents each. Corresponding reductions were also made for imported parts of slide fasteners; that is, from 50 percent to 35 percent ad valorem, and on corded tape from 17.5 percent to 13.3 percent if flat and woven, and from 20 percent to 14 percent if sewn.

A clear correlation between the first 2 years of duty reductions and increases in imports of slide fasteners is evident.

(The correlation chart referred to follows:)

CORRELATION BETWEEN KENNEDY ROUND DUTY REDUCTIONS AND INCREASED IMPORT OF SLIDE FASTENERS

Year	Duty rate		Imports (units)
	Not over 4 cents each	Over 4 cents each	
1967	46 percent ad valorem	36 percent ad valorem	28, 377, 000
1968	43 percent ad valorem	34 percent ad valorem	51, 120, 000
1969	38.5 percent ad valorem	30.5 percent ad valorem	66, 138, 000

III. THE RISE IN IMPORTS OF SLIDE FASTENERS HAS TWO DISTINCT IMPACTS ON THE DOMESTIC INDUSTRY

Mr. SOLTER. Appended is a statistical summary of the U.S. shipments, imports, and domestic consumption of slide fasteners for the years 1964–69. Reference to this table indicates two significant facts.

First, imports as a percentage of domestic consumption have grown from 3.4 percent in 1965 to 9.6 percent in 1969. The question may well be asked whether a ratio of imports to total consumption of 1.6 percent is sufficiently serious to justify protective action. In a rapidly expanding market, where the domestic industry benefits as well as imports, perhaps not. But, as regards the slide fastener industry, there is damage, since, looking at the totals of U.S. shipments in the appended table, it is seen that the domestic industry has remained in effect

stagnant over the past 5 years, while the only growth in the market has been enjoyed by imports.

In addition to concern at having been deprived by imports of any participation in the expansion of the market over the past 5 years, the slide fastener industry is further extremely concerned by the rapid rate of increase in both direct and concealed imports of zippers, which bodes ill for the future.

Projecting the trend of direct imports of slide fasteners established during the past 3 years through to the end of the Kennedy round cycle, 1972, it is evident that such imports will reach prohibited units. Projecting the rate of increase in concealed imports on the basis of the trend of apparel imports over the past 5 years, which agrees with the estimates of the textile industry, we can expect this category of slide fastener imports to reach at least 330 million units by the end of the same period. Accordingly, we have excellent reasons to anticipate that imports will attain the level of some 460 million units by 1972.

Domestic shipments have remained essentially static over the past 5 years, increasing imports having usurped the normal market expansion. We, thus, anticipate that domestic shipments will remain approximately the same over the next 2 years, or will decline slightly. On that basis, imports in 1972 will have reached a level equal to more than 21 percent of domestic shipments.

There is no doubt that the rise to a 20-percent import level over such a short period will be injurious—seriously injurious. It means that supply will be expanding considerably faster than demand, which, in turn, means cutbacks in sales and production by the domestic industry, and without any doubt the closing of several plants.

Consequently, the slide fastener industry faces a clear and present danger from excessive import competition. What tools do we have to meet that danger? The answer is "None."

IV. THE REMEDY—IMPORT QUOTAS ON TEXTILES AND SHOES AND A WORKABLE ESCAPE CLAUSE FOR SMALL INDUSTRY

It is for the reasons stated above that the slide fastener industry supports H.R. 16920.

Limiting the rate of increase in apparel imports to levels commensurate with the natural growth of the American market will permit both the domestic textile industry and its component suppliers, such as the slide fastener industry, to share the U.S. market equitably with the foreign producers.

Recreating a workable escape clause will permit the slide fastener industry to move forward confidently in the knowledge that when direct imports reach the point of serious injury an effective means of seeking and obtaining a reasonable measure of protection will be available.

Neither of these remedies is presently available.

H.R. 16920 would provide both.

A. Mandatory quotas on imports of textiles and nonrubber footwear

Passage of the mandatory quota provisions contained in H.R. 16920 would provide assurance, not only to the textile and shoe industries,

but also to the suppliers of components to both industries such as slide fasteners, of an equitable sharing of the U.S. market.

We wish to make two observations with regard to these provisions.

Section 104 of H.R. 16920 authorizes the President to enter into agreements with foreign governments limiting the quantities of textile products and shoes which the contracting nations will export to the United States, and provides further that as long as such agreements should remain in force, their terms will supersede the mandatory quantitative limitations required by section 103 of the bill.

There appears at this time a distinct possibility that before this legislation finds its way through the Congress the President may enter into agreements with one or more of the major textile supplying countries, and that the Congress will then be advised that there is no need for the passage of H.R. 16920, citing the probability of trade retaliation and other theoretically undesirable consequences.

The CHAIRMAN. I don't want to interrupt you, but don't be mislead.

Mr. SOLTER. We suggest to the committee that the conclusion of any such agreements during the progress of H.R. 16920 through the Congress in no way lessens the need for the passage of this legislation.

If any such agreements are successfully negotiated by the President or are in progress of negotiation, it will be only because H.R. 16920 is receiving serious attention from this committee and the Congress.

Since section 104 of the bill would exempt such agreements from the mandatory quantitative restrictions, passage of H.R. 16920 would not interfere with the performance by the United States of obligations thus undertaken.

Generally speaking, such limiting agreements even if entered into can be made to stick over a period of time only with the backup of H.R. 16920.

Failure to pass H.R. 16920 because voluntary quota agreements should have been negotiated in the meantime would result in great detriment to small industries which are suffering from excessive import competition but do not have sufficient national importance to command the status of being special problems since the amendments to the escape clause contained in H.R. 16920 are required to provide even the possibility of reasonable protection to small industry.

The second observation we wish to make is that title I of H.R. 16920 grants little or no discretion to the President in implementing the mandatory quotas, or in the terms which he may negotiate by way of voluntary agreements once the bill is passed. By so providing virtually no discretion, we think the bill seriously collides with other foreign policy imperatives of the United States. We recommend that the rigorous application of the quota mathematics be mitigated with regard to less developed countries when foreign economic, political, and defense policy objectives of the United States are deemed by the President to require some relaxation.

B. Amendment of the escape clause

(1) Adjustment assistance is not an adequate remedy for industry-wide distress.

The standard answer of the free trade advocate to the problem of a domestic industry threatened with extinction by excessive import

competition is—"so be it." The classic doctrine of international comparative advantage holds that when, in the free flow of international trade, an industry within one national unit can no longer compete with imports from lower cost producers, then economic efficiency decrees that national industry shall die. This antiquated rationale underlies the concept of adjustment assistance for firms and workers which was introduced into the Trade Expansion Act of 1962 and is presently in prominent view before the committee in consequence of the administration's recommendations.

What the concept of adjustment assistance and its underlying doctrine ignores, however, is the human factor; it treats labor in the abstract as a mobile factor of production, and it assumes unrealistically that management has handily available alternative uses to which capital, land, and plant can be applied with profit.

As applied to workers on an industrywide basis, adjustment assistance amounts essentially to three R's—retraining, relocation, or relief.

Retraining to be effective requires the availability of alternative employment. In economically distressed areas, such as Appalachia, where several slide fastener factories are located, alternative employment opportunity frequently does not exist. In such circumstances, retraining is to no avail.

Relocation assumes both the willingness and capability of the individual to pull up roots. In the younger age groups, mobility is relatively easy. But where, as is more often the case in small industries distressed by excessive import competition, the displaced workers are older, own homes into which they have put a major part of their life savings, and so on, relocation is most difficult.

In many cases, adjustment assistance can become merely the third R—relief.

With regard to workability of adjustment assistance to firms—to the owners and management of the affected companies—there are equal practical obstacles. Capital assets exist largely in the form of land, buildings, machinery, and unsold inventory, which may or may not be capable of being converted to alternative uses. Especially under depressed economic conditions, few if any reasonable alternative employments are available for the producers' capital assets. If business opportunity is not present, low interest loans in the nature of adjustment assistance avail naught. Similarly, income tax advantages—loss carryovers and so forth—have no meaning when there is no income.

We submit that adjustment assistance to firms and workers is a useful concept only with respect to a firm which for one reason or another is in a significantly weaker competitive position than is the norm for the industry. But where the economic incapacity to compete with imports is industrywide, to attempt to employ adjustments assistance to phose that domestic industry into other lines of manufacture amounts simply to subsidizing the foreign industry from out of the U.S. Treasury.

(2) The solution is to amend the escape clause to make of it a workable remedial device for small industry beset by problems of excessive import competition.

The basic U.S. policy has been, and should continue to be, to stimu-

late a long-term expansion of world trade by the gradual dismantling, on a reciprocal basis, of tariff and other trade barriers. Implicit in the concept, however, is "escape" from harmful dislocations of particular industries by rising imports. Since 1962, no effective means of escape has been available to American industry, particularly small industry.

The GATT escape clause was first implemented by legislation in section 7 of the Trade Agreements Extension Act of 1951, which act predicated eligibility for relief on an increase in imports resulting in whole or in part from a trade agreement concession and that such increased imports had contributed substantially toward causing or threatening serious injury.

During the 11 years of section 7, the Tariff Commission instituted 135 investigations at the behest of American industries and completed 113. A Commission majority recommended relief in the form of import restrictions in 33 cases and were equally divided in eight. The President proclaimed restrictions in 15 instances.

The escape clause was radically restructured in the Trade Expansion Act of 1962, and especially the criteria of eligibility for tariff adjustment, to accord with the innovation first introduced at that time of adjustment assistance to firms and workers adversely affected by increased import competition. Under the 1962 escape clause, no industry has been accorded tariff relief.

The unworkability of the present escape clause derives from the virtually insurmountable obstacles posed by the "major part" and "major factor" tests. In order for the Tariff Commission to find an industry eligible for tariff adjustment—that is, withdrawal or suspension of concession duty rates, limitation of imports by quota, or negotiation of orderly marketing agreements, or certification of the firms and workers constituting the industry as eligible for adjustment assistance—it must be found that a trade agreement concession was the major cause of an increase in imports, and that the increased imports were the major factor in causing, or threatening to cause, serious injury.

In practice, the Tariff Commission has, by and large, concentrated on causes of increased imports other than trade agreement concessions and causes of economic distress in the petitioning industries other than increased imports. While no consistent guideline as to the meaning of major causation is discernable from the Commission's reports, a reluctance to attribute fault to imports is clearly evident.

The amendments proposed by H.R. 16920 would restore a realistic possibility of "escape" to the escape clause.

Essentially, these amendments phrased in highly technical terms would accomplish three principal objectives: (1) the criteria of eligibility for tariff adjustment relief to an industry would be made less rigorous; (2) the unacceptably long period accorded to the Tariff Commission and the President between the filing of a petition and a final decision would be shortened; and (3) the definition of industry producing like or directly competitive articles would be narrowed.

The proposed amendments would eliminate as a prerequisite to relief any demonstration of direct casuality between increased imports and a prior trade agreement concession. Since in a great many instances the Tariff Commission has been unable to pinpoint direct cau-

sation between a prior duty reduction and a subsequent increase in imports and has denied relief on that narrow basis, the elimination of this criterion is desirable. The new approach assumes, quite correctly, that any increase in imports of a magnitude to cause serious injury to a domestic industry must have been caused at least in part by a prior trade agreement concession or by the effects of other obligations incurred by the United States under the GATT.

The second criterial change would be to reduce the quantum of causation between increased imports and serious injury to the domestic industry from a "major factor in causing" to a "substantial cause". We hope that the legislative history will make it clear that the term "substantial" should be interpreted to mean not greater than all other causes combined nor greater than any other single cause.

Section 202(c)(2) of H.R. 16920 would eliminate subsection 351 (a)(4) of the Trade Expansion Act completely, as an inequitable protraction of the time in which the President must act following a Tariff Commission recommendation for tariff adjustment.

Under section 301(f)(2), the Tariff Commission must complete its investigation and report to the President within 6 months from the date of filing of the petition. In practice the Commission takes the full 6 months.

After receipt of the Commission's report and recommendation, the President has under section 351(a)(2) 60 days within which to act.

However, section 351(a)(4) permits the President as a matter of discretion within the 60-day period to request additional information from the Tariff Commission, which body has then a further 120 days to supply the requested information, following which the President again has a further 60 days within which to take final action.

This succession of time periods permits the postponement of final action up to 14 months from the date of filing of the original petition. It is felt that 6 months for investigation and report by the Tariff Commission plus an additional 2 months for consideration and final action by the President affords adequate time to serve the purposes of the statute. Prolongation of final action by another 6 months can only be inequitable to industries which merit escape clause protection.

However, the remedial intent of these amendments would be illusory if in weighing "serious injury", the impact of increased imports should be dissipated across a broad definition of "domestic industry."

Section 202(e) of H.R. 16920 would add a new subsection (7) to section 405 of the Trade Expansion Act to make it clear when an article is produced in a distinct part or section of a subdivision of an "establishment," even in a multi-establishment firm, that part or section will be considered an "appropriate subdivision" within the meaning of the act for measuring injurious impact.

In an age of increasing conglomerate integration, it is necessary to give more attention to the "product line," and not to dilute the injurious impact of the imported article by spreading it over the nonrelated experience of the other divisions of the same business entity. The prob-

lief—that increased imports have been the "primary" cause of the

Mr. Glenn W. Sutton, present Chairman of the Tariff Commission, as quoted by the Daily News Record (Nov. 5, 1969, p. 23)—

> It is almost impossible to find injury under this law as it pertains to an industry * * * the broader you define an industry, the less apt you are to find injury. As an example, nails may be a part of the steel industry, and if only nails were involved there would be a better chance of finding injury than if nails were a part of the whole industry.

Turning briefly to H.R. 14870, the administration trade bill, we comment that the changes in criteria of eligibility for tariff adjustment relief are inadequate to provide any meaningful remedy for small industry.

While the administration trade bill would eliminate the quantum of causation test between a prior trade agreement concession and increased imports, it would still retain a fairly stiff test of causation of serious injury in the case of industries seeking tariff adjustment rerelief—that increased imports have been the "primary" cause of the injury.

The primary cause injury test evolved from a study by an industry commission and the subsequent report of the special representative for trade negotiations, when that position was held by Ambassador William Roth. The "primary" test is intended to relieve only slightly the unworkability of the escape clause. The same study recommended, and the administration trade bill also proposes, the less difficult "substantial" test for eligibility of workers and firms for adjustment assistance.

Given the impracticality of adjustment assistance to workers and firms in so many instances, we see no justifiable reason for establishing tougher criteria for tariff adjustment than for adjustment assistance. In the final analysis, the President has the discretionary option to grant one or the other form of relief, which discretion provides adequately for dealing with retaliation situations.

For the foregoing reasons, we hope that the committee will favorably consider and report out H.R. 16920 in its present form.

(Additional material accompanying statement follows:)

SLIDE FASTENER ASSOCIATION, INC.

Acme Associates, Inc., 2103 44th Avenue, Long Island City, New York 11101.
Adams Industries, Inc., 5–33 48th Avenue, Long Island City, New York 11101.
Aluminum Company of America, 1501 Alcoa Boulevard, Pittsburgh, Pennsylvania 15219.
Coats & Clark, Inc., 430 Park Avenue, New York, New York 10022.
Delta Slide Fastener, Inc., 252 W. 29th Street, New York, New York 10001.
Flair Zipper Corp., 28 W. 23rd Street, New York, New York 10010.
Gastonia Dyeing Corp., P.O. Box 2066, Gastonia, North Carolina 28052.
General Zipper Corp, 48–15 32nd Place, Long Island City, New York 11101.
Ideal Fastener Corp., 150 W. Pine Street, Long Beach, L.I., New York 11562.
Kaiser Aluminum and Chemical Sales, Inc., P.O. Box 671, Newark, Ohio 43055.
National Fastener Co., Inc., 5 W. 31st Street, New York, New York 10001.
Philadelphia Steel and Wire Co., Penn. Street and Belfield Avenue, Philadelphia, Pennsylvania 19144.
Pilling Chain Co., Inc., 90 Bay Spring Avenue, West Barrington, Rhode Island 02890.
Prentice Corp., New Brittain Road, Kensington, Connecticut 06037.
Scouill Manufacturing Co., 99 Mill Street, Box 1820, Waterburg, Connecticut 06720.
Serval Slide Fasteners, Inc., 36–30 Lawrence Avenue, Flushing, New York 11354.
Slide-Rite Manufacturing Co., 42–37 Crescent Street, Long Island City, New York 11101.
Sullivan-Carson, Inc., Box 60, York, South Carolina 29745.

Talon Division of Textron, 626 Arch Street, Meadville, Pennsylvania 16335.
Volco Brass & Copper Co., 801 Kenilworth Boulevard, Kenilworth, New Jersey 07033.
Walde's Kohinoor, Inc., 47–16 Auspel Place, Long Island City, New York 11101.
Zipper Products Corp., 126 13th Street, Brooklyn, New York 11215.
Robin Zippers, Division of Richford Industries, Inc., 180 Varick Street, New York, New York 10014.

STATISTICAL APPENDIX

U.S. SHIPMENTS, IMPORTS, AND DOMESTIC CONSUMPTION OF SLIDE FASTENERS, 1964–69

[Millions of units]

Year	U.S. shipments [1]	Imports of slide fasteners [2]	Imports of slide fasteners in finished garments [3]	Total imports	Domestic consumption	Percent imports of consumption
1965	2,210.044	3.553	73.800	77.353	2,287.397	3.4
1966	2,269.508	10.705	83.900	94.605	2,364.113	4.0
1967	2,157.746	28.377	94.400	122.777	2,280.523	5.4
1968	2,277.677	51.120	124.300	175.420	2,453.090	7.2
1969	2,156.318	66.138	163.591	229.729	2,386.047	9.6

[1] Slide Fastener Association, Inc.
[2] Department of Commerce.
[3] Estimated on basis of slide fastener utilization factors applicable to American-made garments.

Mr. BURKE (presiding). Are there any questions?

Mr. Conable.

Mr. CONABLE. Thank you, Mr. Chairman.

Mr. Solter, I would like to explore the issue of causation a little. I see from the figures you have on page 4 of your statement the reason for your concern. They certainly are very impressive statistics. What was the course of your industry prior to 1967? Have imports been increasing in pretty much a straight line prior to that time, or did they take a very large jump with the reduction in the tariff rates? They have taken a big jump since that time. Before that time, were imports increasing also?

Mr. SOLTER. Prior to 1967 imports had been—I am referring here to direct imports of slide fasteners—imports had been increasing from a relatively low level some 10 years ago to the 28 million unit level indicated for 1967. There has been a steady progression of increases.

Mr. CONABLE. Has anybody made any study about what might have happened to your imports during that period of time had there not been a duty reduction? For instance, domestic inflation was increasing at a very sharp rate during this same period of time—1967, 1968, and 1969. Domestic inflation has a demonstrable impact not only on exports but on imports as well.

Has there been any study made about what might have happened to your imports had there not been tariff reduction during this period of time?

Mr. SOLTER. We have not made such a study. However, there is ancient history to this which perhaps is enlightening. The zipper, the so-called slide fastener, became a significant closure for garments and other devices in the middle 1920's. It was first introduced at that time. There were patents. Many of the patents expired in the early 1930's and thus the protection to the originators of the slide fastener evaporated and the market became highly competitive.

At that time, Japan, which is now also the principal supplier, entered the American market for slide fasteners. Despite the relatively high duty rates prevailing in the 1930's under the Smoot-Hawley tariff, the imports of slide fasteners from Japan increased at a steady and rapidly rising rate up to the beginning of the war. That was during a deflationary period rather than inflationary. To judge from that, we would think that the effects of inflationary or deflationary cycles at home have relatively little long-range impact on the trend of imports of this product.

Mr. CONABLE. So, in your mind at least, the correlation between the duty reductions and the imports is so obvious that other factors need not be looked to at all in connection with this issue that you have presented?

Mr. SOLTER. I think other factors obviously must play a part, but in the aggregate the other factors—I was going to use major factors—are not a major consideration in determining trend of increase if imports. It is the duty rate primarily that is doing it.

Mr. CONABLE. Thank you, Mr. Chairman.

Mr. BURKE. Mr. Pettis?

Mr. PETTIS. One quick question, which is facetious.

Are the research and development people in your industry seeing any immediate breakthroughs to solving the problem of the jammed zipper, which I look upon as one of the national problems?

Mr. SOLTAR. I can say that the research and development people in the industry are assiduously working on all of the problems of developing new and better slide fasteners at all times. I am not sure that that particular problem to which you refer will ever be completely solved, but we are improving and trying all the time.

Mr. PETTIS. Thank you.

Mr. BURKE. The committee thanks you, Mr. Solter, for your testimony. We appreciate your appearance.

(The following statement was received for the record:)

STATEMENT OF MYRON SOLTER, COUNSEL SAFETY PIN AND STRAIGHT PIN DIVISIONS OF THE PIN, CLIP AND FASTENER ASSOCIATION

Mr. Chairman, Members of the Committee—my name is Myron Solter. It is my pleasure to appear before the Committee today as counsel for the Pin, Clip and Fastener Association, 690 North Broadway, White Plains, New York 10603. This Association accounts for virtually the total production of safety pins and straight pins manufactured in the United States. A list of the members of the Association is appended.

The Pin, Clip and Fastener Association wishes to express its unqualified support for H.R. 16920 and its support for those portions of the Administration's trade bill, H.R. 14870, which would amend the Escape Clause.

An important place in these hearings has been devoted to the "special" problems of the textile and footwear industries and the proposal contained in H.R. 16920 to establish mandatory import quotas for the products of those two industries. The textile and footwear industries have the full support of our small safety pin and straight pin industry, both in claiming special status and demanding mandatory import quotas.

However, it is my task today to present the dilemma of the doomed, small industry—small in the sense of not having sufficient national importance to merit consideration as a "special case" entitled to the protection of legislatively imposed import quotas; doomed in the sense that there exists no adequate defensive remedy for such non-special small industries being detroyed by excessive import competition. Thus posed are the two horns of the dilemma: being non-

special, it is fruitless for the small industry to seek mandatory legislative quotas, and, alternatively, it is equally fruitless to pursue the small industry remedy of the Escape Clause as it is presently constituted.

We think it extremely important that the Committee recognize that the problems we present here today are typical of many other similarly situated small industries in the United States, that in the aggregate the relative importance of such industries can be quite special, and that the remedy we propose can have general application to many other small industry groups.

I. IMPORTS ARE STEADILY ERODING THE DOMESTIC INDUSTRY'S MARKET FOR SAFETY AND STRAIGHT PINS

The American producers of safety pins and straight pins have witnessed over the past 15 years, a steady, irresistible, and irreversible erosion of their market in the United States by imported safety pins and straight pins. As is seen from the appended statistical table, safety pin imports rose from an average of approximately 20 percent of total apparent consumption during the period 1951–1955 to some 38 percent[1] at the present time, despite a suspension of the preferential trade agreement duty rate during the period between 1958 and 1965 by operation of the Escape Clause. Similarly, straight pins, not having had the benefit of even the limited tariff protection afforded to safety pins, have risen during the same period from an average of about 11 percent to nearly 42 percent or more of total apparent consumption.

The intrinsic economics of safety pin and straight pin manufacture and marketing offer no escape from the progressive takeover of the market by the foreign producers.

Determined by their use patterns, the market for these products is rather inelastic and tends thus to be static. For example, average annual consumption of safety pins, both domestic and imported, during the period 1951–1955 was 13.8 million gross; during the period 1965–1969, annual consumption averaged only 14.0 million gross. Similarly, annual consumption of straight pins during the period 1951–1955 averaged 3.3 million pounds, while during the period 1965–1969 annual consumption averaged only 3.2 million pounds.

Because of the simplicity of the products, there is virtually no room for superior American technology and know-how to create any further relative cost advantages in manufacture. Because safety pins and straight pins are uniform products, with few quality differences between domestic production and imports and virtually none recognizable by end users, buyers are responsive to very small price changes. Generally speaking, one seller gains business only by a corresponding loss of business to another seller. In competition among domestic producers and distributors, this characteristic of the industry is endurable because all have roughly comparable cost patterns. Imported safety pins and straight pins, however, enjoy always the possibility of significant cost advantages over domestic production, in part because of lower labor costs and in part because of other lower costs, such as materials.

All these factors combine to make the domestic industry hypersensitive to imimport competition, since in imports there can easily exist sufficient cost advantage to capture the entire U.S. market. Imports, thus, are for the domestic pin industry not merely a competitive nuisance, but are a constantly dangling sword of Damocles, which, in the absence of adequate tariff protection, can fall at any time to sever the domestic industry from its market.

If the foreign takeover of the American safety pin and straight pin market continues—and unless this Committee and the Congress devises more adequate remedies to excessive import competition, such a continuation is a certainty—the American producers will in the not very distant future obviously find themselves out of this business, and the workers engaged in producing these articles will find themselves confronted with the unhappy alternatives of retraining, relocation, or relief.

Industry background in brief

Safety pins are manufactured by five firms in the United States; straight pins are produced by seven firms. While safety pins and straight pins constitute sep-

[1] The anomalous downturn in imports in 1969 is attributable to the effects of the 1969 dockworkers' strike.

arate industries, in four instances both products are produced by the same firms. Safety pins and straight pins are manufactured by high-speed, virtually automatic metal forming machinery. Labor cost was found by the Tariff Commission in 1957 to constitute approximately 40 percent of the average unit cost of domestic safety pin and straight pin production, which relative factor has probably since declined under the spur of cheap import competition.

Both industries are concentrated in Connecticut with one substantial manufacturing facility in Tennessee, which industry concentration has naturally the effect of concentrating the impact of adverse economic experience suffered by domestic producers from import competition.

Safety pins and straight pins have a considerable tariff history which it is appropriate to review briefly here. On both articles, duty in the reference year of 1934 was 35 percent ad valorem. In the course of several duty concessions, and particularly the initial GATT concessions of 1948, the duty rate was reduced to 22½ percent on safety pins and to 20 percent on straight pins.

In consequence of these reductions, both industries were suffering serious adverse consequences from increasing imports by the mid-1950's and applied to the Tariff Commission in 1956 for escape clause relief. After lengthy and intensive investigation, the Tariff Commission recommended that the duty be restored to the pre-concession rate of 35 percent on both safety pins and straight pins. Striking balance by a Solomon's judgment, the President granted the recommended relief in the case fo safety pins, but denied any relief to straight pins.

Safety pins benefited from the limited protection of the 35 percent rate for eight years. On January 28, 1966, however, by Proclamation No. 3703 the President restored the preferential trade agreement rate, which had the effect of reducing the duty from 35 to 22½ percent.

The relative economics of the manufacture and marketing of safety pins and straight pins is such that price is ultimately the principal determinant of sales.

Very little difference in quality exists between pins of domestic manufacture and pins imported from Great Britain and West Germany, and users are for the most part unable to discern differences at all. After all, a safety pin is a fairly simple article and a straight pin is an utterly simple article. While there are in the short run other marketing factors such as historical relationships, brand names, promotions, etc., ultimately it is price which determines sales, and even a two or three percent drop below established price differential levels is sufficient to shift business.

Demand and hence consumption of both safety pins and straight pins in the United States is rather static. The industry has in recent years made a determined effort to promote the increased use of pins in industrial applications, with some limited success. The home consumption market is considered impossible to stimulate to further consumption.

The inevitable consequence is that, when foreign producers offer sufficient quantities at even slightly lower prices on the American market, there is a direct and immediate loss of business by domestic producers.

Both the safety pin and straight pin industries live thus at the mercy of the foreign producers, spared so far from extinction only by the preoccupation of foreign pin manufacturers with home and third country markets.

In the case of safety pins, an apparent equilibrium between domestic production and imports was created in their relative shares in total safety pin consumption in the United States at the 35 percent duty level. That relationship during the period from 1958 through 1965 was characterized by the Tariff Commission in the following terms:

"Though there have been year-to-year flutctuations in the intervening period, U.S. consumption has changed very little. Prices for domestic pins, too, are now basically the same as they were in 1956, although there have been several increases and decreases. The ratio of imports to apparent domestic consumption also has held fairly steady, averaging about 25 percent. The price spread between the imported and domestic articles, although narrower on most categories of pins than before the duty increase, has been roughly maintained in recent years . . . Hence we are here considering a small, highly concentrated, static, low-capital industry producing a high-volume, low-price standard item which can be readily imported." *Safety Pins*, Report to the President on Investigation No. TEA–IA–6, TC Publication 155, May, 1965, p. 5.

The basis of that equilibrium was destroyed by the President's restoration of the 22½ percent rate in January, 1966.

In the case of straight pins, there has not been even that limited period of relative equilibrium. The trend of straight pin imports over the past 18 years has been steadily upward, while the trend of domestic sales has been steadily downward.

Accordingly, the American safety pin and straight pin industries are being pushed inexorably toward a point in the near future at which it will no longer be feasible as a matter of reasonable business management to continue these lines of manufacturing in the United States. Henceforward, the total American market will have to be supplied by imports—*unless* there is created an adequate protective remedy.

II. ADJUSTMENT ASSISTANCE IS NOT AN ADEQUATE REMEDY FOR INDUSTRY-WIDE DISTRESS

The standard answer of the free trade advocate to the problem of a domestic industry threatened with extinction by excessive import competition is—"so be it". The classic doctrine of international comparative advantage holds that when, in the free flow of international trade, an industry within one national unit can no longer compete with imports from lower cost producers, then economic efficiency decrees that national industry shall die. This antiquated rationale underlies the concept of adjustment assistance for firms and workers which was introduced into the Trade Expansion Act of 1962 and is presently in prominent view before the Committee in consequence of the Administration's recommendations.

What the concept of adjustment assistance and its underlying doctrine ignores, however, is the human factor; it treats labor in the abstract as a mobile factor of production, and it assumes unrealistically that management has handily available alternative uses to which capital, land, and plant can be applied with profit.

As applied to workers on an industry-wide basis, adjustment assistance amounts essentially to three R's—Retraining, Relocation, or Relief.

Retraining to be effective requires the availability of alternative employment. In economically distressed areas, where several pin factories are located, alternative employment opportunity frequently does not exist. In such circumstances, retraining is to no avail.

Relocation assumes both the willingness and capability of the individual to pull up roots. In the younger age groups, mobility is relatively easy. But where, as is more often the case in small industries distressed by excessive import competition, the displaced workers are older, own homes into which they have put a major part of their life savings, and so on, relocation is most difficult.

In many cases, adjustment assistance can become merely the third R—Relief.

With regard to workability of adjustment assistance to firms—to the owners and management of the affected companies—there are equal practical obstacles. Capital assets exist largely in the form of land, buildings, machinery, and unsold inventory, which may or may not be capable of being converted to alternative uses. Especially under depressed economic conditions, few if any reasonable alternative employments are available for the producers' capital assets. If business opportunity is not present, low interest loans in the nature of adjustment assistance avail naught. Similarly, income tax advantages—loss carryovers and so forth—have no meaning when there is no income.

We submit that adjustment assistance to firms and workers is a useful concept only with respect to a firm which for one reason or another is in a significantly weaker competitive position than is the norm for the industry. But where the economic incapacity to compete with imports is industry-wide, to attempt to employ adjustment assistance to phase that domestic industry into other lines of manufacture amounts simply to subsidizing the foreign industry from out of the U.S. Treasury.

III. THE SOLUTION IS TO AMEND THE ESCAPE CLAUSE TO MAKE OF IT A WORKABLE REMEDIAL DEVICE FOR SMALL INDUSTRY BESET BY PROBLEMS OF EXCESSIVE IMPORT COMPETITION

The basic U.S. policy has been, and should continue to be, to stimulate a long-term expansion of world trade by the gradual dismantling, on a reciprocal basis, of tariff and other trade barriers. Implicit in the concept, however, is "escape" from harmful dislocations of particular industries by rising imports.

Since 1962, no effective means of escape has been available to American industry, particularly small industry.

The GATT Escape Clause was first implemented by legislation in section 7 of the Trade Agreements Extension Act of 1951, which Act predicated eligibility for relief on an increase in imports resulting *in whole or in part* from a trade agreement concession and that such increased imports had *contributed substantially* toward causing or threatening serious injury.

During the 11 years of section 7, the Tariff Commission instituted 135 investigations at the behest of American industries and completed 113. A Commission majority recommended relief in the form of import restrictions in 33 cases and were equally divided in eight. The President proclaimed restrictions in 15 instances.

The Escape Clause was radically restructured in the Trade Expansion Act of 1962, and especially the criteria of eligibility for tariff adjustment, to accord with the innovation first introduced at that time of adjustment assistance to firms and workers adversely affeced by increased import competition. Under the 1962 Escape Clause, no industry has been accorded tariff relief.

The unworkability of the present Escape Clause derives from the virtually insurmountable obstacles posed by the "major part" and "major factor" tests. In order for the Tariff Commission to find an industry eligible for "tariff adjustment"—i.e., withdrawal or suspension of concession duty rates, limitation of imports by quota, or negotiation of orderly marketing agreements, or certification of the firms and workers constituting the industry as eligible for adjustment assistance—it must be found that a trade agreement concession was the major cause of an increase in imports, and that the increased imports were the major factor in causing, or threatening to cause, serious injury.

In practice, the Tariff Commission has by and large concentrated on causes of increased imports other than trade agreement concessions and causes of economic distress in the petitioning industries other than increased imports. While no consistent guidelines as to the meaning of major causation is discernable from the Commission's reports, a reluctance to attribute fault to imports is clearly evident.

The amendments proposed by H.R. 16920 would restore a realistic possibility of "escape" to the Escape Clause.

Essentially, these amendments phrased in highly technical terms would accomplish three principal objectives: (1) the criteria of eligibility for tariff adjustment relief to an industry would be made less rigorous; (2) the unacceptably long period accorded to the Tariff Commission and the President between the filing of a petition and a final decision would be shortened; and (3) the definition of industry producing like or directly competitive articles would be narrowed.

The proposed amendments would eliminate as a prerequisite to relief any demonstration of direct causality between increased imports and a prior trade agreement concession. Since in a great many instances the Tariff Commission has been unable to pinpoint direct causation between a prior duty reduction and a subsequent increase in imports and has denied relief on that narrow basis, the elimination of this criterion is desirable. The new approach assumes, quite correctly, that any increase in imports of a magnitude to cause serious injury to a domestic industry must have been caused at least in part by a prior trade agreement concession or by the effects of other obligations incurred by the United States under the GATT.

The second critical change would be to reduce the quantum of causation between increased imports and serious injury to the domestic industry from a "major factor in causing" to a "substantial cause". We hope that the legislative history will make it clear that the term "substantial" should be interpreted to mean not greater than all other causes combined nor greater than any other single cause.

Section 202(c)(2) of H.R. 16920 would eliminate subsection 351(a)(4) of the Trade Expansion Act completely, as an inequitable protraction of the time in which the President must act following a Tariff Commission recommendation for tariff adjustment.

Under section 301(f)(2), the Tariff Commission must complete its investigation and report to the President within six months from the date of filing of the petition. In practice the Commisison takes the full six months.

After receipt of the Commission's report and recommendation, the President has under section 351(a)(2) 60 days within which to act.

However, section 351(a)(4) permits the President as a matter of discretion

within the 60-day period to request additional information from the Tariff Commission, which body has then a further 120 days to supply the requested information, following which the President again has a further 60 days within which to take final action.

This succession of time periods permits the postponement of final action up to 14 months from the date of filing of the oriignal petition. It is felt that six months for investigation and report by the Tariff Commission plus an additional two months for consideration and final action by the President affords adequate time to serve the purposes of the statute. Prolongation of final action by another six months can only work inequitably to industries which merit Escape Clause protection.

However, the remedial intent of these amendments would be illusory if in weighing "serious injury", the impact of increased imports should be dissipated across a broad definition of domestic industry.

Section 202(e) of H.R. 16920 would add a new subsection (7) to section 405 of the Trade Expansion Act to make it clear when an article is produced in a distinct part or section of a subdivision of an "establishment", even in a multi-establishment firm, that part or section will be considered an "appropriate subdivision" within the meaning of the Act for measuring injurious impact.

In an age of increasing conglomerate integration, it is necessary to give more attention to the "product line", and not to dilute the injurious impact of the imported article by spreading it over the non-related experience of the other divisions of the same business entity. The problem of the overly broad definition of industry was best described by Mr. Glenn W. Sutton, present Chairman of the Tariff Commission, as quoted by the Daily News Record (November 5, 1969, p. 23)—"it is almost impossible to final injury under this law as it pertains to an industry . . . the broader you define an industry, the less apt you are to find injury. As an example, nails may be a part of the steel industry, and if only nails were involved there would be a better chance of finding injury than if nails were a part of the whole industry."

Turning briefly to H.R. 14870, the Administration trade bill, we comment that the changes in criteria of eligibility for tariff adjustment relief are inadequate to provide any meaningful remedy for small industry.

While the Administration trade bill would eliminate the quantum of causation test between a prior trade agreement concession and increased imports, it would still retain a fairly stiff test of causation of serious injury in the case of industries seeking tariff adjustment relief—that increased imports have been the "primary" cause of the injury.

The primary cause injury test evolved from a study by an industry commission and the subsequent report of the Special Representative for Trade Negotiations, when that position was held by Ambassador William Roth. The "primary" test is intended to relieve only slightly the unworkability of the Escape Clause. The same study recommended, and the Administration trade bill also proposes, the less difficult "substantial" test for eligibility of workers and firms for adjustment assistance.

Given the impracticality of adjustment assistance to workers and firms in so many intances, we see no justifiable reason for establishing tougher criteria for tariff adjustment than for adjustment assistance. In the final analysis, the President has the discretionary option to grant one or the other form of relief, which discretion provides adequately for dealing with retaliation situations.

For the foregoing reasons, we hope that the Committee will favorably consider and report out H.R. 16920 in its present form.

PIN, CLIP & FASTENER ASSOCIATION

Scovill Manufacturing Company, Oakville, Connecticut 06779.
Star Pin Company, Shelton, Connecticut 06485.
The Risdon Manufacturing Company, Nagatuck, Connecticut 06771.
The Risdon Manufacturing Company, 2100 South Main Street, Waterbury, Connecticut 06702.
Union Pin Company, Winsted, Connecticut 06098.
William Prym Incorporated, Dayville, Connecticut 06241.

STATISTICAL APPENDIX

SAFETY PINS (MILLIONS OF GROSS)

Year	Domestic shipments	Imports	Apparent consumption	Percent imports of apparent consumption
1951–55 (average)	10.8	2.9	13.7	20.6
1960	7.6	4.6	12.2	37.5
1961	8.2	3.6	11.9	30.4
1962	8.7	4.1	12.8	32.0
1963	8.3	4.2	12.5	33.6
1964	9.4	3.8	13.1	29.0
1965	9.5	4.9	14.4	34.0
1966	9.5	4.3	13.8	31.0
1967	9.2	4.9	14.1	34.6
1968	8.602	5.438	14.040	38.7
1969	9.342	4.353	13.695	31.8
STRAIGHT PINS (MILLIONS OF POUNDS)				
1951–55 (average)	2.9	0.4	3.3	11.7
1960	2.0	1.0	3.0	33.7
1961	2.0	1.1	3.1	34.9
1962	2.1	1.0	3.1	33.0
1963	2.0	1.1	3.1	34.5
1964	2.1	1.1	3.2	33.6
1965	2.2	1.2	3.4	35.9
1966	2.0	1.3	3.3	38.9
1967	1.8	1.3	3.1	41.9
1968	1.746	1.338	3.083	43.4
1969	1.736	1.283	3.019	42.5

Note: Exports have been minimal and are omitted.

Source: U.S. Tariff Commission; Bureau of the Census; Pin, Clip & Fastener Association.

Mr. BURKE. Our colleague from Florida, the Honorable Charles E. Bennett, will be our next witness before the committee. If you will please come forward, we will be pleased to receive your testimony at this time.

STATEMENT OF HON. CHARLES E. BENNETT, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF FLORIDA

Mr. Chairman, it is a pleasure and a privilege to appear before your distinguished committee. The Federal Government has made significant advances in protecting the consumer in this country through passage of the Wholesale Meat Act and the Wholesale Poultry Act, and I believe this is a proper time to insure that foodstuffs which are imported into this country meet the same standards that are now required for domestic foodstuffs.

There is a great national need to protect the consuming public from imported foods that are not adequately inspected. I am particularly concerned about imported fishery products, because the public generally has an uncertainty about the quality of fish products. This is borne out by the fact that over the last 20 years, the per capita consumption of fishery products has remained fairly constant, while that of poultry and meat has increased substantially.

The United States imports fish and fishery products from over 100 different countries, and only one-half of our imports come from countries with some Government inspection. We all know that fishery

products are highly perishable and must be given proper care during handling and processing.

My bill, H.R. 963, now before the House Ways and Means Committee, would provide that no foodstuffs or foodstuff products would be imported into the United States if adulterated or misbranded and unless they comply with all statutes and regulations applicable to domestic articles. My bill is in no way intended to hamper the flow of imported foodstuffs into the United States, but rather designed to insure the consumer he is purchasing similar quality in consumable food products, which is not now the case.

These are imortant ideas to combat great health problems throughout our country. The American housewife and consumer has the right to expect good and clean poultry and fish, and my bill would provide this protection.

Thank you, Mr. Chairman, for allowing me to testify before this committee in support of my bill.

(The bill referred to follows:)

[H.R. 963, 91st Cong., first sess.]

A BILL To require imported foodstuffs to meet standards required by the Federal Government for domestic foodstuffs

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That no foodstuffs or foodstuff products shall be imported into the United States if such articles are adulterated or misbranded and unless they comply will all the inspection, building construction standards, and all other standards and regulations issued applicable to the same or similar articles in commerce within the United States. All such imported articles shall, upon entry into the United States, be subject to statutes and regulations applicable to domestic articles: *Provided*, however, That they shall be marked and labeled as required by such laws and regulations for imported articles: *And provided further*, That nothing in this section shall apply to any individual who purchases foodstuffs or foodstuff products outside the United States for his own consumption except that the total amount of such foodstuffs or foodstuff products shall not exceed fifty pounds.

SEC. 2. The Secretary of the department having jurisdiction over the importation of particular foodstuffs or foodstuff products may prescribe the terms and conditions for the destruction of all such articles within his jurisdiction which are imported contrary to this Act, unless (1) they are exported by the consignee within the time fixed therefore by the Secretary, or (2) in the case of articles which are not in compliance with this Act solely because of misbranding, such articles are brought into compliance with this Act under supervision of authorized representatives of the Secretary.

SEC. 3. All charges for storage, cartage, and labor with respect to any article which is imported contrary to this Act shall be paid by the owner or consignee, and in default of such payment shall constitute a lien against such article or any other article thereafter imported under this Act by or for such owner or consignee.

SEC. 4. (a) Any person, firm or corporation who violates any provision of this Act for which no other criminal penalty is provided by this Act shall upon conviction be subject to imprisonment for more than one year, or a fine of not more than $1,000, or both such imprisonment and fine; but if such violation involves intent to defraud, or any distribution or attempted distribution of an article that is adulterated (except as defined in section 1(m)(8) of this Act), such person, firm, or corporation shall be subject to imprisonment for not more than three years or a fine of not more than $10,000, or both: *Provided*, That no person, firm, or corporation shall be subject to penalties under this section for receiving for transportation any article or animal in violation of this Act if such receipt was made in good faith, unless such person, firm, or corporation refuses to furnish on request of a representative of the Secretary the name and address of the person from whom he received such article or animal, and copies of all documents, if any there be, pertaining to the delivery of the article or animal to him.

(b) Nothing in this Act shall be construed as requiring the Secretary to report for prosecution or for the institution of libel or injunction proceedings, minor violations of this Act whenever he believes that the public interest will be adequately served by a suitable written notice of warning.

(c) Any person who forcibly assaults, resists, opposes, impedes, intimidates, or interferes with any person while engaged in or on account of the performance of his official duties under this Act shall be fined not more than $5,000 or imprisoned not more than three years, or both. Whoever, in the commission of any such acts, uses a deadly or dangerous weapon, shall be fined not more than $10,000 or imprisoned not more than ten years, or both. Whoever kills any person while engaged in or on account of the performance of his official duties under this Act shall be punished as provided under sections 1111 and 1114 of title 18, United States Code.

(d) For the efficient administration and enforcement of this Act, the provisions (including penalties) of sections 6, 8, 9, and 10 of the Act entitled "An Act to create a Federal Trade Commission, to define its powers and duties, and for other purposes", approved September 26, 1914 (38 Stat. 721–723, as amended; 15 U.S.C. 46, 48, 49, and 50) (except paragraphs (c) through (h) of section 6 and the last paragraph of section 9), and the provisions of subsection 409(1) of the Communications Act of 1934 (48 Stat. 1096, as amended; 47 U.S.C. 409(1)), are made applicable to the jurisdiction, powers, and duties of the Secretary in administering and enforcing the provisions of this Act and to any person, firm, or corporation with respect to whom such authority is exercised. The appropriate Secretary, in person or by such agents as he may designate, may prosecute any inquiry necessary to his duties under this Act in any part of the United States, and the powers conferred by said sections 9 and 10 of the Act of September 26, 1914, as amended, on the district courts of the United States may be exercised by any court designated in section 404 of the Federal Meat Inspection Act.

SEC. 5. Not later than March 1 of each year the Secretary having jurisdiction over particular foodstuffs or foodstuff products imported under this Act shall submit to the appropriate committees of the House and Senate a comprehensive and detailed written report with respect to the administration of this Act during the immediately preceding calendar year.

SEC. 6. As used in this Act the following terms shall have the meanings stated below:

(a) The term "foodstuff" means a substance with food value.

(b) The term "article" means any foodstuff or foodstuff product.

SEC. 7. This Act shall become effective upon the expiration of sixty days after enactment thereof.

Mr. BURKE. If there are no questions, we thank you for coming here today, Mr. Bennett.

The Honorable John M. Zwach of Minnesota will be the next witness before the committee today. We are glad to have you with us, and you may proceed with your statement.

STATEMENT OF HON. JOHN M. ZWACH, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MINNESOTA

Mr. Chairman and members of the committee, I appreciate this opportunity to urge your approval of legislation to provide a means of limiting those imports which are adversely affecting our producers, and our countryside economy.

I have been in close touch with our farmer-producers and know first-hand of the problems that they face. The situation is so critical that many will be forced out of business unless some relief can be given to them. This relief must be against the unfair foreign imports, since these producers have, and are, perfectly able to operate economically in a favorable business climate in which the cards are not stacked against them.

What we need is legislation which will not only offset injury to our producers, but will do so before, rather than after the damage becomes apparent. It is my sincerest opinion that if the trend of overall imports in the 1970's is the same as in the 1960's, we will be in real deep trouble in the 1980's.

I specifically want to call your attention to the effects of import competition on the agricultural sector of our economy. It is an evident fact that our agricultural exports are decreasing and the value of agricultural imports is increasing. From a peak of $6.8 billion in fiscal 1967, they declined to $6.3 billion in fiscal 1968 and to $5.7 billion in fiscal 1969. At the same time, agricultural imports rose to an all-time high of $4.9 billion in fiscal 1969; 1970 may well see agricultural imports exceeding agricultural exports.

These difficulties are increased by the newer restrictive measures against our agricultural exports to Europe. These include turnover taxes, value-added taxes, mixing regulations, crop-year restrictions, sanitary and pesticide tolerations, labeling, washing of fruits, packaging and other types of unjustifiable import restrictions against U.S. agricultural products. The President has the power under existing laws to move against foreign countries that institute unreasonable trade restrictions against our agricultural exports. We have applied quota year restrictions in the past. The time has come to apply them more strictly now unless an accommodation can be reached with the European Common Market countries.

Our greatest concern should be the evasion of quota restrictions by our major trading partners. One example under our dairy quotas concerns the percentages of milk fat or sugar in cheese and milk products. Evasion can be achieved by merely changing the content by minute degrees and shipping the commodities under different names. We have specific quotas on cheese and milk, but these evasions nullify our restrictions.

New legislation on our trade policy should contain the specific provision that the benefits of our concessions through tariff reductions are conditional on the reciprocal elimination of hidden trade barriers and restrictions by our major trading partners. Reciprocal concessions mean access to their market without penalties attached to our exports in the form of taxes and other prohibitions. By providing a flexible quota on any commodity that materially damages any one industry or sector of that industry in the United States, we will be able to enhance our bargaining positions with our trading partners.

Three particular items of interest to me are beef, dairy, and mink. During the last few years, beef production has continued to increase in volume. With many countries, particularly in Europe, expanding their own beef production, it follows that a larger percentage of all beef exports will be directed to our shores. At the same time, the American producer is under great pressure to keep the price as low as possible.

Our imports of meats have increased consistently with the increase of our population. Yet prices to our farmers have not increased significantly, despite the fact that costs of land, feedstuffs, machinery and labor have all increased over the years. The beef cattle industry is our largest agricultural industry. Total cash farm income in 1969 was around $47 billion. Cash income deriving from beef amounted to just

over $12 billion, or approximately 27 percent of all farm income. Anything to upset this industry will affect our total agricultural income.

Beef consumption on a per capita basis was 63 pounds in 1950 when our production totalled 11 billion pounds. In 1969 per capita consumption had risen to 111 pounds while total production was 21 billion pounds. In 1969, beef imports comprised 7.5 percent of total beef consumption.

The negotiated control over beef imports, provided under Public Law 88–482, has been liberal in giving foreign exporters more than a fair share of the U.S. market. In actuality, the total beef imports have surpassed the voluntarily agreed amounts because newer producers have been given limited approvals, and are getting a disproportionate share of the voluntary totals. Also, the United States is importing beef and other products which have been previously imported by the trading partner who now profits by acting as middleman.

The opening of the floodgates to unlimited beef imports will undoubtedly drive down domestic prices with a temporary saving to the consumer but at the expense of the domestic producer whose profit margin is small enough as it is. This would tremendously aggravate our farm problem. Since the American consumer is dependent on the U.S. producer for nearly 93 percent of his beef supply, and if that supply is jeopardized by unwisely increasing beef imports, then both consumer and producer will suffer in the long run.

Our beef import control law is very moderate indeed. I have introduced H.R. 9155, which would tighten up the restrictions of the present law, and would provide for more orderly marketing.

As for the mink situation, I feel that such a voluntary quota agreement should also be formalized. Early in 1969, I introduced a H.R. 9342 which would regulate the importation of mink pelts by giving foreign producers 30 percent of our market. Since the early 1950's, mink imports have continued to rise, capturing 48 percent of the market in 1969. This has resulted in a reduction in the number of domestic mink ranchers from 7,200 in 1962 to 2,400 in 1969, with the number now estimated to be less than 2,000. This situation is critical.

The overall comparison of figures between 1959 and 1969 shows that mink imports have increased by about 22 percent; prices have fallen about 24 percent; ranchers have lost 11 more percentage points in a market which they originated and built; and well over 50 percent of the domestic producers have been forced out of business.

Under my bill, the imports of mink skins in future years would be limited to the average number of skins imported over the past 5 years, and would be further limited to 30 percent of the domestic consumption for any particular year. These skins would be duty free, but any quantities over those limits would be subject to a 50 percent ad valorem tax.

As mentioned before, our dairy imports manage to find similar loopholes. In 1969, 40 percent of all dairy imports came in under no quota protection. One of the first bills I introduced during this Congress was H.R. 4881, which would again, tighten up the present restrictions. At this point, I would like to include my remarks in the Congressional Record of January 28, 1969, when I introduced this bill.

(The information referred to follows:)

Mr. ZWACH. Mr. Speaker, I have periodically commented on the sad plight of American farmers over the past several years. I have indicated the economic crisis in which most farmers find themselves by inserting in the Congressional Record the present parity indices of several agricultural commodities. In all cases, these levels are far below the goals which Congress has sought to achieve through much of the agricultural legislation which has been enacted over the past 40 years.

In the case of milk and dairy products, one of the prime factors responsible for the failure of farm prices to reach full parity, is the overwhelming quantities of imports of dairy products which continues to flood our shores. Largely, these imports represent evasions of existing quotas established under section 22 of the Agricultural Adjustment Act. In an attempt to provide some relief to American dairy farmers, action is taken under section 22 to place limits on specific products. Unfortunately, importers have traditionally found loopholes in the limits that have been set. Furthermore a substantial portion of the imports that are brought into the United States are heavily subsidized by the exporting country. Such tactics have resulted in record imports of dairy products since 1965.

In 1965, for example, 0.9 billion pounds of milk equivalent was imported. This compares with 2.7 billion pounds in 1966; 2.9 billion pounds in 1967; and 1.9 billion pounds in 1968. It is estimated that the new quotas will permit imports in the amount of 1.4 billion pounds of milk equivalent in 1969. It is obvious that more effective controls of dairy imports are indispensable to the welfare of American dairy farmers and to the general public. More effective import controls are necessary so that dairy farmers will have an opportunity to achieve parity prices. More effective import controls are also necessary to assure the general public an adequate supply of milk and dairy products. Such a supply is necessary to meet the growing needs of our growing population and our Federal programs, both domestic and foreign. Because the procedure under section 22 of the Agricultural Adjustment Act is so slow and cumbersome, evasion of these section 22 quotas has actually been rewarded by our Government. Products which have evaded existing quotas have been allowed to establish an import history and when they are finally brought under control, such products have been given quotas thereby adding to the overall import explosion.

What is needed, therefore, is permanent legislation which will stop the evasion of section 22 quotas once and for all. To this end, I am today introducing the Dairy Import Act. The Dairy Import Act is a fair and realistic proposal which will serve to set an overall limit on the amounts of butterfat, nonfat milk solids, casein or caseinates, in any form, which may be admitted for consumption to the average level which was imported in the five calendar years, 1961 to 1965.

Millions of dollars of unnecessary costs have been added to the dairy price support program; hundreds of dairy farmers have been driven out of business; and prices to dairy farmers have not been permitted to approach parity levels. I am hopeful that Congress will recognize the urgent need for this legislation and lend its support.

Mr. ZWACH. Our trade policy—especially in regard to agricultural imports, poses a great threat to our farmers. Agriculture has as important a place in our economic future as any other sector of our economy. These safeguards that I have proposed should be a part of any future trade policy.

Mr. Chairman, I also join in support of your bill to regulate textiles and footwear, and hope that Congress will also give favorable consideration to this legislation.

Mr. BURKE. If there are no questions, we thank you for your appearance.

Our next witness is Lewe B. Martin, Counsel, and Alex Marzetti, chairman, Government Relations Committee, Mushroom Processors Association.

We welcome you to the committee. If you will identify yourself and your associates, you may proceed.

STATEMENT OF LEWE B. MARTIN, COUNSEL, MUSHROOM PROCESSORS ASSOCIATION; ACCOMPANIED BY E. M. DAMON, JR., EXECUTIVE SECRETARY, AND ALEX MARZETTI, CHAIRMAN, GOVERNMENT RELATIONS COMMITTEE

Mr. MARTIN. Remembering yesterday, I will state my name is Lewe B. Martin. I am an attorney with the law firm of Pope, Ballard & Loos, which has been in this city for over 45 years. I have practiced tariff and customs laws personally for the last 19 years, representing solely domestic industry.

With me today is Mr. Alex Marzetti, chairman of our government relations committee of our association, and Mr. E. M. Damon, Jr., executive secretary.

The Mushroom Processors Association is a nonprofit trade association consisting of some 17 domestic processors of mushrooms—we just got a new one last week—which account for approximately 70 percent of the domestic production of canned mushrooms. The committee's membership is listed in appendix A attached to this statement.

The association genuinely welcomes the opportunity to present its views on tariff and trade proposals, particularly those involving amendments to section 301 of the Trade Expansion Act of 1962—the so-called escape clause. Our experience as an unsuccessful applicant for adjustment of imports under this escape clause in 1964, we feel, qualifies us to provide this committee with a personal insight into the unrealistic provisions of the present statute. It is apparent to us that the existing escape clause language was so drafted as to make import adjustment relief inapplicable to situations not created by concessions granted in the Kennedy round. We lost at the Tariff Commission in 1964 on the technical finding that the concessions on canned mushrooms were not proximate enough in time to the increase in imports to be the cause of such increase. As you might expect, we support the part of the Mills bill (H.R. 16920) which would amend the escape clause to eliminate the requirements that tariff concessions are required to be the major cause of increased imports.

OTHER REMEDIES

Failing in its escape clause attempt, this industry in 1966 petitioned the President to use his authority under section 204 of the Agricultural Act of 1956 to negotiate an agreement with the principal supplying country, Taiwan, to limit its exports to the United States. You may recall that section 204 was the mechanism used to negotiate the first cotton textile agreement with Japan. Incidentally, this statute applies only to agricultural commodities or articles manufactured therefrom or textiles or textile products. Needless to say, we were unsuccessful. All other known available remedies: Section 22 of the Agricultural Adjustment Act, section 303 and section 336 of the Tariff Act and the Antidumping Act, are not applicable to canned mushrooms.

We noted with some degree of approval the apparent changed conditions in the recent piano escape clause investigation that an individual company has been certified for adjustment assistance. Individual firm or company adjustment assistance is impractical, as mushroom

growing and canning requires specialized facilities and equipment. For instance, the mushroom growing houses would collapse if the growing beds were removed. The root cutters, graders, washers, fillers, and cold storage facilities are unique to mushrooms and could not be adapted to other products. Loans, tax relief, or any adjustment assistance envisaged by the Trade Expansion Act would be of no real value to the American citizens who have invested their time, toil, and treasure in this industry.

While we would welcome an amendment to H.R. 16920 which would include the canned mushroom industry, along with textiles and leather footwear, we are practical enough not to delude ourselves as to that happening. We do believe and trust that Congress will recognize the real serious injury caused some of America's smaller industries by the operation of the trade agreements program and enact legislation that will restore a viable escape clause.

INDUSTRY BACKGROUND

The domestic mushroom processing industry is small, but successful, and an important component of our agricultural economy. Mushroom production is one of our more important specialty crops and has provided employment to many families and workers, and rural localities with valuable industry. For example, the single largest cash crop in the State of Pennsylvania is mushrooms.

Competition from imported products has always been a factor in this industry. The industry was able to coexist with its foreign competition prior to 1960, first from France and later from Japan. Foreign suppliers, while occasionally in a favorable position to actively export to the U.S. market, generally provided only restrained competition, since a combination of home demand and comparable production and marketing costs prevented any wholesale assault on the U.S. market. For the years 1954–60, the average annual volume of imported canned mushrooms was approximately 2 million pounds, or 5 percent of domestic sales.

In 1959 and 1960, however, unbeknownst to the domestic producers, certain ominous developments took place in Taiwan. The Taiwan Government, abetted by the U.S. Agency for International Development, began a diligent search for an export product with which to earn foreign exchange and put their unemployed cheap labor to work. Canned mushrooms, which are extremely high in labor content, were selected as a most likely product. AID provided assistance to the Taiwan mushroom industry in the form of grants and loans and, more importantly, in technical supervision and instruction in both the growing and processing of mushrooms.

That mushroom production in Formosa was designed solely for export is convincingly attested to by the fact that no domestic demand exists for mushrooms of the type here involved. In fact, the Chinese cannot afford to buy their own production.

From a zero start in 1960 with trial exports, Formosa jumped to the position of the world's foremost exporter of canned mushrooms 2 years later. Taiwan expects to export 52.8 million pounds in 1970, with 21.6 million pounds destined for both the United States and West Germany.

The following table, which depicts the import trend, speaks for itself on the devastating impact which low-price Formosan imports have had on the U.S. market.

(The table referred to follows:)

U.S. IMPORTS OF CANNED MUSHROOMS, 1960–67

Year	All countries	Taiwan
1960	2,272,433	None
1961	4,711,204	679,707
1962	10,184,828	6,379,209
1963	13,859,577	11,251,949
1964	10,495,520	8,698,283
1965	13,207,973	11,569,517
1966	14,004,616	12,771,990
1967	18,056,145	16,612,486
1968	22,687,558	19,004,058
1969	22,683,220	18,755,408

Source: U.S. Department of Commerce reports.

Mr. MARTIN. In 1969 Taiwan imports absorbed about one-third of U.S. consumption and for the first 4 months of 1970 are up 80 percent over the prior year (9 million pounds versus 5 million).

The prevailing tariff rates, established in the Tariff Act of 1930, which have been formulated with the traditional suppliers in mind were meaningless in connection with a foreign source which operated as a government controlled and subsidized cartel and relied on child labor and an average wage rate of 5 cents per hour.

We were testifying several years ago before the Dent subcommittee when the Fair Labor Act was being considered. I made this statement. Mr. Dent said:

> I can certainly certify to that, because I personally visited a mushroom cannery in Taiwan and I saw these young children standing on boxes doing this work.

So, if you need any verification, I have the source.

INDUSTRY EXPERIENCE WITH THE ESCAPE CLAUSE

Beset with the sudden and critical situation which we have briefly described, the industry decided to invoke the relief mechanics of section 301 of the Trade Expansion Act of 1962. As we have stated, our efforts under section 301 were not successful, but this was not because we did not meet the criteria of increased imports and serious injury. The Tariff Commission Report clearly contains facts showing declining profits, employment, and prices and increasing inventories. It did find increasing imports, but avoided a serious injury determination by the technicality of the proximate in time of concession theory. For the record, I quote from Tariff Commission Publication 148, January 1965, on "Mushroom, Prepared or Preserved":

> The Commission finds that canned mushrooms are being imported in increased quantities within the meaning of section 301(b) of the Trade Expansion Act. It does not find, however, that such increased imports are attributable in major part to trade-agreement concessions.
>
> Under the trade agreements program duty concessions on imports of canned mushrooms were granted on several occasions. The principal reductions in duty were made in 1936 and 1948; subsequent reductions have been relatively minor. Commencing in 1961/62 (crop year)—13 years after the last major concession

was granted—quantitative increases in imports became very substantial. The increases were accounted for almost wholly by imports from Taiwan. Prior to 1961 France and Japan were the principal U.S. sources of imported mushrooms.

The Commission finds that major changes in the world demand-supply situation provide the principal explanation of the substantial rise in U.S. imports. The rapid emergence of Taiwan as a leading world producer and exporter of canned mushrooms, coupled with a U.S. demand that had already begun to expand prior to that development, have been far more significant factors in the recent increase of imports than trade-agreement concessions whose stimulative force has largely been spent.

Oddly, the Commission later in its considerations made this anomalous statement:

Assuredly the U.S. duty concessions were part of the complex of factors that encouraged Taiwan to undertake the production and exportation of mushrooms, not only to the United States but elsewhere.

I regret that I cannot explain to this committee what kind of a factor U.S. concessions were in encouraging Taiwan to export to other countries. I do agree that U.S. concessions were the major factor in encouraging Taiwan to undertake the production and exportation of mushrooms to the United States. If it were not for the reduction in duty from 10 cents per pound plus 45 percent ad valorem to 3.2 cents per pound plus 10 percent ad valorem, there is little likelihood of the deluge of imports from Taiwan.

THREAT OF FUTURE INCREASED IMPORTS

The world supply of canned mushrooms is on the threshold of a violent explosion. Consider these facts recently collected by the Foreign Agricultural Service of the U.S. Department of Agriculture:

Taiwan industry embarked on a 4-year development plan, 1969–72, to increase production of mushrooms from 119 million pounds to 139 million pounds.

Taiwan Government granted special low-cost loans, some interest free, to growers for new plastic-lined growing houses to increase yields.

Japanese industry, stimulated solely by economic forces can be expected to increase exports to the United States as yields increase from labor efficiencies and the introduction of vinyl growing houses.

South Korean industry believes it has a competitive advantage over Taiwan because of vast reserve of unemployed, assuring low-wage rates.

South Korean Government-sponsored corporation, Agriculture and Fishery Development Corporation, has singled out mushrooms for special attention and has set an export goal of $15 million by 1974, with the United States and West Germany as primary targets.

West German production doubled in 5 years 1964–69 and will probably increase 10 to 15 percent yearly.

West German growers pushing for minimum import prices against third countries, principally Taiwan.

French industry vertically integrated with controlled production and prices—progressively greater part of crop going to processing industry and export—volume of processed doubled in last 7 years.

French exports 84 percent to EEC countries with 80 percent to West Germany alone. Growers and processors campaigning for floor prices and compensatory tax on imports.

Netherlands fifth largest world producer, with 90 percent growers organized into cooperative for lower cost/prices from central buying and equipment usage.

Other countries introduce mushroom production—Ireland, Equador, Costa Rica, and Singapore.

When we add to this expected increased world supply the changes in the EEC principally involving West Germany, the world's largest per capita consumer of mushrooms, we can expect a serious disruption in trade:

The common external tariff of 23 percent on canned mushroom imports into the EEC was established in 1960.

Intra EEC duties on canned mushrooms reached zero July 1, 1968.

French Government reportedly subsidizing exports to West Germany to meet Taiwan prices (Fr. 3.5 million in 1968).

EEC has published proposed floor prices on canned mushrooms (J.O. vol. 12, No. C 108, Aug. 22, 1969).

While the EEC, at the moment, takes more Far Eastern mushrooms than does the United States, increasing protectionism there and an expanding EEC mushroom industry forecast declines in imports. This will leave the United States as the largest, most attractive export outlet for the Far East.

RECOMMENDATION

We strongly urge this committee to report H.R. 16920 with section 202 unchanged. This will result in an escape clause with language similar to that of article XIX of GATT which was in use prior to the Trade Expansion Act of 1962.

I might say, gentlemen, that I had some personal experience with that type language. I represented the bicycle industry in 1955 before the Tariff Commission. I represented stainless steel flatware industry in 1957 before the Tariff Commission, in 1960 the ceramic mosaic tile industry before the Tariff Commission. That language was workable, it was a viable statute.

Surely it is not the desire of Congress, in light of the diametric trade patterns of 1970 compared to the trade-not-aid era of the late forties, that any more rigid requirements confront U.S. industries than faced by industries of other GATT signatories. Further and more important, the role of the Tariff Commission requires reassessment. Is there any question that this agency maintains the greatest expertise in evaluating the facts of increased imports and injury? When the Tariff Commission finds an industry seriously injured by imports, its recommendations should be self-executing. If the President believes the national interest requires otherwise, then provide a mechanism for his petition to Congress to override the findings of the Tariff Commission as to the indicated import adjustment.

(App. A follows:)

APPENDIX A. MUSHROOM PROCESSOR ASSOCIATION

Four H Mushroom Products, Imlay City, Michigan.
Fred Mushroom Products, South Lebanon, Ohio.
Great Lakes Mushroom Cooperative, Warren, Michigan.
Grocery Store Products, West Chester, Pennsylvania.
Hockessin Food Products, Hockessin, Delaware.
Kennett Canning Company, Kennett Square, Pennsylvania.
Losito Mushroom Corporation, Toughkenamon, Pennsylvania.
P. Mastrippolito and Son, Inc., Embreeville, Pennsylvania.
Mt. Laurel Canning Corporation, Temple, Pennsylvania.
Mushroom Cooperative Canning Co., Kennett Square, Pennsylvania.
Nottingham Canning Company, Nottingham, Pennsylvania.
Oxford Royal Mushroom Products, Inc., Kelton, Pennsylvania.
Tim's Packing Company, Hockessin, Delaware.
Tusco Mushroom Products, Inc., Beach City, Ohio.
United Mushroom Corporation, East Palestine, Ohio.
D. Vincenti and Company, Kennett Square, Pennsylvania.

Mr. BURKE. Does that complete your testimony?

Mr. MARTIN. Yes, sir.

Mr. BURKE. Are there any questions?

Mr. Schneebeli?

Mr. SCHNEEBELI. Mr. Martin, I recall discussing with the two gentlemen who are with you at several Pennsylvania delegation meetings the increasing threat to an industry which you observed is the largest cash crop in the State of Pennsylvania. It is a very important industry, actually, in the State of Pennsylvania. As a matter of fact, of the 16 companies listed in your appendix, nine of them are from the State of Pennsylvania. We are very much aware of its importance.

The two gentlemen with you probably can answer my question. We, in one of our meetings as a Pennsylvania delegation, endorsed—and I think all the members of the delegation signed—a letter to the President requesting that action be taken, or consideration be given. Can you tell me what was the outcome of this action taken by our delegation?

Mr. MARTIN. It was unsuccessful, Mr. Schneebeli.

Mr. SCHNEEBELI. I notice that your Tariff Commission report is 1965. This was subsequent to this date. This was about 1968 or 1969 that I think we took this action.

Mr. MARTIN. Yes, sir. I might add for the benefit of the committee that Taiwan itself realized that they were being unreasonable, and for the year 1968, established a voluntary restraint on exports to the United States.

Mr. SCHNEEBELI. That showed up in 1969 because 1969 was slightly less. But now the increase is evident again. You noted for the first 4 months of 1970, 9 million pounds. If we project that for 12 months it will be 27 million pounds, which is a 50 percent increase over the previous high. So this is continuing.

What percentage of our local consumption is now in imports?

Mr. MARTIN. We say one-third.

Mr. SCHNEEBELI. One-third?

Mr. MARTIN. Yes, sir.

Mr. SCHNEEBELI. How many people are involved in the State of Pennsylvania in this industry? Can you tell me?

Mr. MARTIN. Roughly 5,000.

Mr. SCHNEEBELI. How many people have lost their jobs as a result of these imports?

Mr. MARTIN. We should have that answer, Mr. Schneebeli, but I regret that I don't.

Mr. SCHNEEBELI. A rather substantial number?

Mr. MARTIN. A rather substantial number. The growers in particular have closed down mushroom houses. This is very evident.

Mr. SCHNEEBELI. I do not know that we have had any figures given by you that I have seen in this report indicating any decrease in our domestic production. Has there been a decrease?

Mr. MARTIN. No, sir; we cannot testify that we have decreased. What has happened is that we have had no growth.

Mr. SCHNEEBELI. This is similar to the shoe industry, I believe. There has not been any particular decrease, but all the normal increase has been absorbed by foreign imports. So that where we should have a healthy, growing industry, it is more or less atrophied, it is going nowhere?

Mr. MARTIN. This is the typical case of the imports creating a price umbrella over the market. We cannot adequately price our product to reflect our increased cost of labor and materials.

Mr. SCHNEEBELI. Has the price gone down to any degree? I realize we are having inflation in the country, but even though the price remains stable, relatively, it certainly would indicate a decreased return because of the inflationary aspects?

Mr. MARTIN. When the flood of imports first hit the country, it did force a decline in prices, as was testified to by the Tariff Commission in its report. I might say that we do not like our current situation wherein we have given up a third of our market. We are trying to learn how to live with it.

What we are afraid of, if this change in the EEC occurs and if South Korea cranks up its industry, as they are planning to do, and Taiwan is shut out of West Germany—they have no place else to go but here.

Mr. SCHNEEBELI. The Common Market agricultural compact is quite prohibitive so far as any imports are concerned, and it is getting much more so. We thought that would leave with De Gaulle, but it apparently has not. France is still adamant on their agricultural imports.

Mr. MARTIN. This is why we are here testifying before your committee to urge you to give us the mechanism so that when it occurs, we can do something about it.

Mr. SCHNEEBELI. I notice some of the earlier witnesses on bicycles stated they recouped that market by redesigning the bicycles. They were able to pick up a lot of the loss that they had incurred.

Have you anywhere to go? Can you change the characteristics to bring you back into the mainstream again, or are you pretty well tied in with a product that is not adaptable to change?

Mr. MARTIN. The only change that would have any real effect is an increasing yield, and an increase in automation in our canneries. But the very nature of a mushroom requires so much hand labor. You must prepare the beds, you must put your spawn in, you must go in and individually pick these mushrooms, you must cut the roots off, you must take the button off and the stem, and you must size them. It is a high labor-intensified industry.

Mr. SCHNEEBELI. It is an industry that does not adapt itself to going into some other kind of agricultural endeavor? The facilities that you have and the wherewithal totally is concentrated. You could not get into greenhouses, for instance?

Mr. MARTIN. No, sir.

Mr. SCHNEEBELI. Raising flowers or anything like that?

Mr. MARTIN. No.

Mr. PETTIS. Maybe if we could put two mushrooms on a steak instead of one, that would help.

Mr. SCHNEEBELI. It all depends on how high priced the steak is.

Thank you very much. I assure you are concerned about your problem. As Mr. Burke has indicated, there are lots of our industries that are just about on the brink of getting into a terrific amount of employment trouble. I think we are pretty much at the crossroads. I would like to think that the people who are exporting to us are as sensitive to our concerns as we are to their concerns on reciprocal trade. I think they totally lack sensitivity. I think we have gone 6 months beyond the point where there is a turning back here. I think a lot of the Members of Congress have had it.

Thank you.

Mr. BURKE. Mr. Conable?

Mr. CONABLE. Mr. Chairman.

I would like to add I think this is a very good statement you have presented to us.

Mr. MARTIN. Thank you, Mr. Conable.

Mr. BURKE. We wish to thank you for your appearance and your testimony.

Mr. MARTIN. Thank you.

Mr. BURKE. Our next witness is Mr. James L. Warren, chairman of the Legislative Committee, Maine Sardine Packers Association, and chairman of the Maine Sardine Council.

If you will identify yourself and your associates, you will be recognized.

I might say at the outset that Congressman Peter Kyros and Congressman William Hathaway are vitally interested in your testimony here today, they have informed me.

I believe some of the staff members are present in the room.

STATEMENT OF JAMES L. WARREN, CHAIRMAN, LEGISLATIVE COMMITTEE, MAINE SARDINE PACKERS ASSOCIATION, AND CHAIRMAN, MAINE SARDINE COUNCIL; ACCOMPANIED BY RICHARD E. REED, EXECUTIVE SECRETARY OF THE COUNCIL AND THE ASSOCIATION; AND DONALD O. LINCOLN, TRADE, LEGISLATIVE, AND LEGAL CONSULTANT TO THE COUNCIL AND THE ASSOCIATION

Mr. WARREN. Yes. Some of the staff members are here.

Mr. Chairman and members of the committee, I am James L. Warren, president of B. H. Wilson Fisheries, Eastport, Maine.

I appear here today in my capacity as chairman of the Maine Sardine Council, and as chairman of the Legislative Committee of the Maine Sardine Packers Association.

I am accompanied by Richard E. Reed of Augusta, Maine, executive secretary of the council and the association; and Donald O. Lincoln of Washington, D.C., trade, legislative, and legal consultant to the council and the association.

The Maine Sardine Council is a research, development, and promotional agency for the industry, financed by a tax of 25 cents a case imposed by the legislature in 1951 on the privilege of canning sardines in Maine, which, incidentally, is now the only State in the Union where sardines are canned. This is a State agency and the seven members of the council's governing body are appointed by the State government for 5-year terms. To be members of the governing body they must be active canners. They serve without pay, receiving only actual expenses for meetings and while on other council business. The tax is collected monthly by the State tax assessor, and the funds may not be used by the State for any purpose other than the industry's development program.

The Maine Sardine Packers Association is a traditional trade association-type organization which carries out functions and projects for the industry that are not covered by the authorized activities of the council. Fifteen of the State's 17 operating companies are voluntary dues-paying members, who represent more than 92 percent of the annual production of sardines in Maine and 19 of the 21 canneries in the State. The association maintains an office at council headquarters in Augusta, Maine, and the executive secretary of the council acts in that capacity for both groups.

In our view, overwhelming evidence has been presented at these hearings showing that the foreign trade legislation enacted by the Congress over the years is not accomplishing the purposes intended by the Congress, particularly with respect to those industries adversely affected by imports.

The economic conditions existing in our industry today as a result of imports are a further demonstration of this fact, and we feel particularly qualified, therefore, to speak to the need for legislative revision of our foreign trade policies.

The administration concedes the need for escape clause liberalization as an essential part of its proposals for this country's foreign trade program.

There appears to be a unanimity of opinion as to the total inadequacy of the relief or escape clause provisions of the Trade Expansion Act of 1962. President Nixon, in his message relative to world trade policies, transmitted to the Congress on November 18, 1969, stated the administration's position with respect to this matter and, at the same ime, admirably, described the frustrations of our domestic industries in this regard.

The President said:

> The escape clause provisions of the 1962 Act have proved so stringent, so rigid, and so technical that in not a single case has the Tariff Commission been able to justify a recommendation for relief. This must be remedied. We must be able to provide, on a case-by-case basis, careful and expedited consideration of petitions for relief, and such relief must be available on a fair and reasonable basis.

The sardine industry is a classical example of the need for liberalization of the escape clause.

The experience of the Maine sardine industry before the Tariff Commission in a recent escape clause proceeding is a case in point. Those proceedings, which were instituted by the Commission on February 5, 1969, upon petition filed by the Maine Sardine Packers Association, terminated in July 1969 with a finding of no injury. We are submitting for the record a copy of the Commission's report to the President in those proceedings (investigation No. TEA–I–13 under sec. 301(b)(1) of the Trade Expansion Act of 1962, July 1969). (This material was retained in the committee files.)

The evidence submitted to the Commission at that time showed that—

1. The share of the U.S. market supplied by domestically produced sardines had decreased from 71.7 percent in 1958 to 35.9 percent in 1968.

2. During the same 10-year period, imports of sardines had soared from 28 million pounds valued at $8.5 million to 58 million pounds valued at $18.8 million.

3. Employment, production, profits, distribution, and overall economic stability in the industry showed drastic and continuing declines. I should add that no developments have occurred during the last year to indicate any long-term lessening of import competition or improvement in the conditions I have just described.

4. The U.S. tariff rates applicable to imported sardines had steadily declined from 1930 until in 1969 they were only 20 percent of the 1930 rates.

5. The increases in the cost of producing sardines in this country were far beyond such increases in the exporting countries.

6. Other factors favored foreign competition, including currency advantages; foreign government assistance and encouragement; lower transportation rates; tax advantages; foreign labor policies and wages; more liberal standards of quality and inspection in foreign countries; and a national recognition in foreign countries exporting sardines of the importance of the fishing industry.

7. In the face of this foreign competition, the Maine sardine industry had taken many major steps for survival, such as a State-imposed tax on production for a development program; stringent inspection and quality control; mechanization, advertising and promotion; and market, biological, and technical research.

Notwithstanding this clear showing of injury from imports, the Commission felt it was precluded from an affirmative finding in our case because of the escape clause provisions in effect at that time and still in effect. On this point, the Commission said:

> Inasmuch as the increase in the imports is not attributable in major part to trade-agreement concessions, the Commission is precluded from making an affirmative finding of serious injury or threat thereof, regardless of the effect of such imports upon the domestic industry. * * * (Report to the President on Investigation Number TEA–I–13 under Section 301(b)(1) of the Trade Expansion Act of 1962, July 1969, page 7).

In the same vein, the Commission stated at page 4 of its report:

> While the various tariff concessions granted on sardines during the past two decades facilitated the upward trend in the volume of imports, many other factors contributed to the rise, and it is the unanimous opinion of the Commission that the increased imports are not a result in major part of concessions . . . under trade agreements * * *

This, however, is not the only inadequacy in the escape clause provisions as now in effect. To make an affirmative finding of injury, the Tariff Commission must also determine that the increased imports reflecting such trade-agreement concessions are the major factor in causing or threatening serious injury to a domestic industry. In our case, there was no doubt that imports were a substantial factor, though not necessarily the major factor, in causing injury to our industry, and the Commission so found.

The Commission also found that our industry did not take the situation lying down. In this regard, it cited several instances of domestic industry action, a number of which I have mentioned above, directed to alleviating the situation created by drastically rising imports. In spite of these industry efforts, the economic distress continued and the Commission was powerless, because of the requirements of the statute, to find the import injury which was conceded to exist and to recommend the tariff adjustment relief which was required to remove that injury.

The administration's proposals with respect to the escape clause, although a step in the right direction, are not adequate to create a realistic remedy for industries adversely affected by imports.

The President, in his message of November 18, 1969, relative to world trade policies, recommended "a liberalization of the escape clause to provide for industries adversely affected by import competition, a test that will be simple and clear" and that "relief should be available whenever increased imports are the primary cause of actual or potential serious injury." He also recommended that the "increase in imports should not, as it now is, have to be related to a prior tariff reduction."

These recommendations have been incorporated in title III of H.R. 14870, the administration's trade bill.

Although a step in the right direction, these revisions still do not establish a realistic remedy for industries plagued by low-cost imports. The difference between a "major factor," as provided in the present law, and a "primary cause," as proposed in the administration's bill, is hardly sufficient to be characterized as a liberalization of the escape clause test. In our opinion, the test of the administration bill for industry relief, proof that increased imports are "the primary cause" of serious injury, will be as difficult to meet as the present largely unworkable test of the tariff adjustment provision of the Trade Expansion Act of 1962.

The test of "substantial cause" of H.R. 16920, the Mills bill, is, in our view, more meaningful in the context of a liberalization of the escape clause. We therefore endorse the amendments of the escape clause contained in title II of H.R. 16920.

These amendments, however, do not, we feel, go far enough if a workable remedy is to be afforded to industries adversely affected by imports. We believe that few industries will receive help under title II unless the findings of the Tariff Commission as to serious injury and the increase in tariffs or imposition of quotas required to remedy such injury are made self-executing rather than subject to the predictable exercise of discretion by the executive.

We urge, therefore, that you amend title II of H.R. 16920 to provide that the Secretary of the Treasury will automatically place the find-

ings of the Tariff Commission in escape clause cases into effect upon their publication by the Commission, similar to the way in which the Commission's findings of injury in antidumping cases automatically cause the imposition of dumping duties.

The type of relief afforded to textile articles and leather footwear by H.R. 16920 should be extended to the products of other import-sensitive industries.

Our industry also needs help in the form of procedures for the effective regulation of imports in order to preserve a reasonable share of the American market for domestic production and employment. The types of provisions which have been incorporated in H.R. 16920 for textile articles and footwear would, of course, if applied to the products of our industry, provide an equitable solution to our problem. It would enable both the foreign and the domestic industries to share in the American market on a basis which would be reasonable to each, not as presently exists in our industry where the foreign industry has usurped 65 percent of the American market.

We realize that our industry is small compared with the textile and footwear industries. Likewise, the establishments in our industry would be considered "small business" in comparison with many firms in those industries. It is our sincere conviction, however, that public policy for the regulation of imports should apply to large and small business alike. Market disruption and injury to employees and plant investment caused by unregulated, rapidly increasing, or high levels of imports should be prevented in all of our domestic industries.

A number of bills, in addition to H.R. 16920, are pending in the House and have been referred to your committee which would accomplish such a regulation.

H.R. 993 and H.R. 9274 are limited to electronic products. A separate group of bills, including H.R. 2348, H.R. 7340, H.R. 11574, H.R. 13170, H.R. 13623, H.R. 13693, H.R. 13715, H.R. 13766, H.R. 13780, H.R. 13941, H.R. 14072, and H.R. 16287, sponsored by a group of 28 Congressmen, includes steel, manmade fiber textiles, footwear, and glass, in addition to consumer electronic products and components. Of this group H.R. 16287 may be taken as representative.

The system of import regulation specified in H.R. 16287 is quite similar to that provided for in H.R. 16920. There are these differences:

H.R. 16920 is limited to textile articles and footwear, while H.R. 16287 embraces manmade fiber textile articles and footwear plus the other products which I have mentioned.

In addition to the broader scope of the named articles, H.R. 16287 uses as the base period average annual imports during the 3 calendar years 1966 through 1968, in comparison with the 2 calendar years, 1967 and 1968, specified in H.R. 16920. We think the 3-year base period would provide more assistance to industries now beleaguered by unmanageable import volumes than the 2-year period. The enactment of a bill providing for either period, however, would be welcomed by us.

H.R. 16287 has a "safety valve" provision not found in H.R. 16920 under which the Secretary of Commerce, at the request of an interested party, would investigate to determine if there would be available from domestic and foreign sources an insufficient supply of an article subject

to import control under the provisions of the bill to meet the probable normal requirements for consumption of that article for a definite period of time in the future. If the Secretary finds a deficiency will probably exist, he may relax the import quotas to provide for a larger volume of foreign-produced goods. This safety valve provision is insurance against any possibility that price increases might be triggered by a tight supply from domestic and foreign sources.

H.R. 16287 is similar to H.R. 16920 in providing authority to the President to enter into trade agreement negotiations with the affected foreign countries for an agreed limitation of imports and rate of growth of articles supplied by these foreign countries to the United States. H.R. 16287 has a provision not found in H.R. 16920 providing for advice to the President from the industries whose products would be involved in such trade agreement negotiations. In particular, this provision of H.R. 16287 requires that the President accredit representatives selected by such industries as advisers to the U.S. delegation for such trade agreement negotiations and accord them a full opportunity to advise and consult with the negotiators during the course of the negotiations.

The major difference between H.R. 16287 and H.R. 16920 is a provision set forth in section 7 of H.R. 16287 which establishes a procedure under which any import-sensitive industry whose market is heavily invaded by imports may petition the Tariff Commission for a determination that increased imports are contributing in any substantial degree toward causing or threatening to cause disruption of the domestic market, unemployment or underemployment of workers, economic waste of capital investment in domestic production facilities, injury to essential community resources in which domestic plants are located or in which a substantial portion of the workers in the affected plant reside, or a substantially adverse effect upon the United States balance of payments.

Guidelines are specified for the Tariff Commission in making such findings. An affirmative finding by the Commission would be published in the Federal Register, and the effect of that publication would be to cause imports of the articles in question to then become subject to import quotas under the other provisions of the bill.

In other words, imports would be limited to the base period quantity plus an annual growth adjustment, with the right in the President to enter into trade agreement negotiations with the affected countries to resolve by agreement the matter of limiting imports of such articles to the United States in a manner consistent with the objectives of the bill.

The importance of this provision of H.R. 16287 is that it provides any industry as seriously affected by imports as the textile, steel, footwear, glass, and electronic industries an opportunity to secure comparable regulation of its imports by proving to the Tariff Commission that it has been seriously and adversely affected under one of the tests which I have described. It is a just bill in that it provides any industry, on its own behalf and that of its workers and the communities in which its plants are located and workers reside, a fair access to the same type and caliber of import regulation as this and previous administrations, and you and your many colleagues in the House, have sought so determinedly to secure for the textile industry.

We do not quarrel at all with your commendable efforts on behalf of the textile and footwear industries, and we are not unmindful of the chairman's leadership in bringing about a negotiated solution to the steel import problem. Our belief is that other industries have an equal right to the consideration of the Congress for relief from their damaging import problems. H.R. 16287 accomplishes this in a manner quite compatible with the principles of H.R. 16920, and in many respects, we believe, in a manner that would strengthen the implementation of the purposes of H.R. 16920.

This concludes my statement, and I thank you for this opportunity to present our case to you and to describe the particular remedies which we sincerely believe must be made available if our industry is to survive.

Mr. BURKE. Does that complete all of your testimony?

Mr. WARREN. Yes.

Mr. BURKE. The committee appreciates your appearance here today. Are there any questions?

Mr. CONABLE. Mr. Chairman, I have no questions, but I would like to thank Mr. Warren, particularly, for his review of the various pending items of legislation. It is quite helpful to have your review of the various bills that have been filed in relation to the ones that are under direct and present consideration here.

Mr. WARREN. I will pass the thanks on to Mr. Lincoln.

Mr. BURKE. We have about 1,000 bills filed affecting imports. It apparently is a matter of great interest to the Congress.

Mr. WARREN. We are very pleased to be able to provide some information which will be helpful to the committee.

Mr. BURKE. Thank you very much.

(The following statements were received for the record:)

STATEMENT OF THE CATFISH FARMERS OF AMERICA, SUBMITTED BY PORTER BRIGGS, EXECUTIVE SECRETARY

The Catfish Farmers of America is a national association representing the catfish farming industry. We have over 670 members in 37 states. We are less than two years old and have a staff of six persons. Our headquarters are in Little Rock, Arkansas.

Intensive culture of catfish, catfish farming as we call it, began to get seriously started in 1963, at which time there were 2,370 acres of catfish in production. In 1969, catfish production had grown to 39,300 acres. This year there will be an estimated 51,000 acres in production in the United States. These catfish are grown principally in the southern and southeastern parts of the United States with an increasing amount of production in California.

These catfish are usually grown in ponds in flat or slightly hilly regions. Small catfish are spawned and then fed for a year, at the end of which they are called fingerlings. They are then stocked into ponds at roughly 1500 to the acre, and after one year they are harvested out, producing an average yield of 1600 pounds per acre. New methods of intensive culture of catfish have been devised, and preliminary results indicate that they may produce substantial new sources of increased production of catfish.

The most prominent new methods of culture include culturing catfish in raceways, where catfish are grown in an environment of constantly moving water. The other prominent new method is growing catfish in cages. This second method involves placing catfish in enclosed net cages in greatly intensified quantities, and then placing them in rivers or lakes where they are kept and fed under controlled conditions.

In about 1968, imported catfish, coming principally from Brazil's Amazon River, and to a lesser degree from Mexico, began to be imported in increasingly large

quantities into the United States. Recently, Dr. Leslie Glasgow, Under Secretary of the Interior for Fish, Wildlife and Parks, in a speech before 1,050 delegates to the Second Annual CFA Convention, February 6, 1970, at Hot Springs, Arkansas (copy attached), estimated that in 1967, 1.5 million pounds were imported into the U.S. In 1968, 2 million pounds were imported, in 1969 3,820,000 pounds, and already in the first three months of 1970, we have seen 1,174,000 pounds of catfish imported. On the other hand, our total of domestically processed catfish in 1969 was 1,910,000 pounds, exactly 50% less than the total imported fish, and we have only been in competition for actually 3½ years.

The Bureau of Sport Fisheries and Wildlife states in a *Report to the Fish Farmer* (Resource publication 83, February, 1970) that "fish is the only crop developed in the past generation that offers an opportunity to diversify the agriculture of this area."

The average size catfish farm is approximately 38 acres, and according to the Bureau of Sport Fisheries and Wildlife, farmers can expect a profit return favorable to a rice crop. Thus a small farmer can, through a reasonably well-managed catfish farm operation, make a living income well above the poverty level established by our government. Catfish farming represents an enterprise in which the small farmer can go into business and realize a livable income. It will thus help them stay on the farm where they want to remain, and will help stop the out-migration of farm workers to our already over-crowded cities. Further, catfish farming can help ease the shortage of domestically produced high-protein meats with which we are currently faced. These potential benefits have been pointed out in such publications as TIME magazine, the WALL STREET JOURNAL and BUSINESS WEEK in articles on the future of catfish farming.

Another area of new business generated by the domestic catfish farming industry is the processing of catfish. Eighteen months ago there were no processing plants in the catfish farming industry; today there are nearly a dozen either operating or under construction. Almost half of these are being financed by SBA loans and minority business assistance programs of the Federal Government. The effects of increasing imports will be felt first by the processors.

Imported catfish represents a substantial danger to the continued healthy development of this entire industry. Our processed catfish are currently selling wholesale for 87¢ per pound, where they are only at a break-even basis. Imported fish, on the other hand, are selling for a wholesale price of 60¢ per pound. The reason for these price differentials are: (1) Imported catfish are from free lands and thus have no land cost, whereas our land cost will run $300–$500 per acre; (2) There is a great differential in the cost of labor; (3) Warmer temperatures in the equatorial regions provide imported catfish a longer growing season; (4) Imported catfish are scavengers in the wild rivers in which they grow, whereas our fish are fed expensive high-protein feedstuffs.

We are also deeply concerned about the fact that imported fish are often improperly labeled at the retail level, where in some instances, the imported catfish have been sold as "pond raised" catfish, when, in fact, they come out of the wilds of the Amazon River.

We urge the Committee to consider favorably placing a tariff to remove the U.S. wholesale price differentials or an import quota which would hold imports to their present level.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, June 12, 1970.

HON. WILBUR D. MILLS,
Chairman, House Ways and Means Committee,
The Capitol, Washington, D.C.

DR. CHAIRMAN MILLS: It is my understanding that the Ways and Means Committee will soon be going into Executive Session to consider legislation amending U.S. Tariff Schedules.

One of the bills under consideration is H.R. 3139 which I filed with my distinguished colleagues Wendell Wyatt and Al Ullman would limit the amount of groundfish imported into the U.S. to the 1963 and 1964 levels.

The U.S. fishing industry is facing a serious crisis. Over the past few years the rising tide of imported fish for food, industrial and commercial use has risen to control 75% of the U.S. market. The critical factor in the fishing industry as in

other threatened domestic industries such as shoes and textiles is the low cost of foreign labor which permits other nations to undercut domestic fishermen.

Representing New Bedford, Massachusetts for the last 12 years, I have seen the devastating effects of increased foreign imports on this great fishing port.

If the domestic fishing industry is to survive the 70's it is essential that an equalizing quota, based on import levels for 1963 and 1964 be enacted.

Some argue that such action would raise the threat of retaliation by competing nations on other U.S. goods, but I maintain that this threat must be chanced when the possible extinction of the U.S. fishing fleet is at stake.

I urge you to give H.R. 3139 every consideration with a view towards establishing import quotas to protect our fishing industry and help restore the U.S. to a leadership position among fishing nations.

Thank you for your attention to this matter.

Sincerely,

HASTINGS KEITH, *M.C., Massachusetts.*

PAN-AMERICAN COFFEE BUREAU,
New York, N.Y., May 28, 1970.

Hon. WILBUR D. MILLS,
Chairman, Ways and Means Committee,
U.S. House of Representatives, Washington, D.C.

DEAR CHAIRMAN MILLS: Regretfully, I was unable to appear to testify, at the scheduled time, in favor of the International Coffee Agreement legislation pending before your Committee. In lieu of the personal appearance, as per your Committee procedures, I am submitting for your Committee consideration the formal presentation of the Pan-American Coffee Bureau, "Coffee: Economic Impact", prepared by the Bureau's World Coffee Information Center.

I request that you include this presentation, with its supporting documentation, in the printed record of the hearing.

In accordance with Committee instructions, I am transmitting three copies of the formal presentation, together with a summary of comments and recommendations.

Sincerely yours,

WILLIAM C. STRUNING,
Head, Department of Statistics and Economic Research.

Enclosure.

WORLD COFFEE INFORMATION CENTER, WASHINGTON, D.C.

SUMMARY OF "COFFEE: ECONOMIC IMPACT"

The International Coffee Agreement over the past seven years has proved to be an outstanding example of international economic cooperation between developing and industrialized countries of the world.

Established in 1962, the Agreement began operations in 1963. Today the pact embraces 41 producing and 21 consuming countries, which account for 98 percent of the annual exports and imports of coffee, the single largest commodity in world trade (apart from petroleum) measured by dollar value.

1. The International Coffee Agreement benefits the producing (developing) countries:

A. By contributing to the well-being of 20,500,000 people in Latin America, Africa and Asia who earn their livelihood from coffee.

B. By bringing relative stability to the world coffee market, previously plagued by boom-and-bust fluctuations in coffee prices.

C. By stabilizing foreign-exchange earnings of the coffee-producing countries, thereby permitting orderly planning and financing of developmental programs.

2. The International Coffee Agreement benefits the U.S. housewife in that it has helped make coffee the "bargain of the decade":

A. During the 1960s, coffee cost the U.S. housewife less than one and one-half cents a cup. (The average return to the producing countries was less than one cent a cup.)

B. The U.S. Consumer Price Index and the Food Price Index have both risen by 24 percent from 1960 to 1969; the Coffee Price Index only rose by 2 percent.

C. While the U.S. retail price of coffee has increased only slightly, other breakfast staples have gone up to as much as 34 percent.

D. At $0.86 a one-pound can (March 1970), the U.S. housewife pays less for coffee than her counterpart in Europe—as much as $1.12 a pound less.

E. In 1960, it required 21.6 minutes of labor for a U.S. factory worker to buy a pound of coffee; in 1969, only 15.1 minutes.

3. The International Coffee Agreement benefits the U.S. economy:

A. U.S. coffee imports create 624,000 jobs and generate $4.5 billion earnings in the United States. About one-third of the jobs and income is stimulated by the import, processing, packaging, distribution and sale of coffee in the United States.

B. Most of the coffee dollars return to the United States in the purchase of U.S.-made items. In 1968, the balance of trade with the Agreement producing members was favorable to the United States by more than $175,000,000.

C. The import of U.S.-made products by the coffee countries ranked third (16.2 per cent) to the European Economic Community (17.6 per cent) and Canada (23.4 per cent) in 1968.

D. Some 1400 U.S. cities, towns and communities in all the 50 states benefit from the trade with the coffee countries.

E. While the unit value of U.S. exports rose 16.4 percent from 1960 to 1969, the annual coffee import price index dropped by 2.6 per cent. Stated in other terms, this means that in 1960 it required 66 bags of coffee to buy a medium-duty truck and 165 bags to buy a tractor; in 1969, it took 90 bags to buy the same truck and 316 bags to buy the same tractor.

4. The International Coffee Agreement quota system and other mechanisms and controls have proved effective in curbing and restraining the rises and declines of prices, while providing an ample supply of coffee—coffee of the consumer's preference—at prices equitable to both producing and consuming countries.

5. The Agreement proved to be beneficial to the U.S. consumers in the wake of two severe frosts in the main coffee-producing areas of Brazil, the world's largest producing country.

A. Following the 1953 frost, U.S. coffee import prices fluctuated by as much as 28 cents a pound during 1953-54.

B. However, following the 1963 Brazilian freeze, U.S. import prices fluctuated only by some 13 cents a pound in 1963-64, when the Agreement was already in effect.

6. The Agreement moved again to protect the consumers when a third frost hit Brazil in mid-1969 and, as a psychological reaction, roasters and importers stepped up their purchases late in 1969. The Agreement consuming and producing countries arranged for the orderly release of 5.8 million additional bags (132 pounds each) or 12 per cent more, over and above the 1969-70 annual quota of 46 million bags, so as to discourage possible runaway prices as a result of the frost. A Presidential report to Congress in May 1970 stated that these additional supplies had had a moderating influence on the price trend. Meanwhile, the U.S. import price in March 1970 (latest available), in terms of deflated dollars, is below the 1964 and 1965 price levels.

7. The Agreement does not—and cannot—eliminate natural price fluctuations in reaction to day-by-day conditions of supply and demand. However, the producer members are ready to take additional steps, in cooperation with the 21 importing country members, to check the price rise and to hold coffee prices at an equtable level, as they did in 1963-64, despite the fact that the price of coffee had undergone a steady 4½-year decline between 1964 and 1969.

8. The Agreement has improved export controls to the point of having virtually eliminated unauthorized shipments ("tourist" coffee) and other quota violations.

9. The Agreement has set the basis to cope with overproduction, in addition to its efforts to balance annual consumption needs with exports through the quota system. A $150-million fund has been established to carry out long-range diversification and development programs. Production goals are also being set on a country-by-country basis for 1972-73 so as to balacne production as well as exports with annual world consumption.

The International Coffee Agreement has been ratified by the Senate for two five-year terms: the first time from 1963 through 1968; the second, from 1968 through 1973.

The present implementing legislation—essential for the United States to fulfill its obligations under the International Coffee Agreement–1968—was approved by the U.S. Congress for two years which expire September 30, 1970.

Extension of this legislation for three more years—to coincide with the remaining life of the Agreement—is pending before Congress. Renewal of the legislation, as urged by President Nixon in his recent report to Congress, will provide the time needed for the Agreement to demonstrate that it can be utilized for flexible control of coffee production in the future, as it had demonstrated its capacity for flexible control of coffee exports up to now.

Renewal of the implementing legislation will be beneficial to the best interests of both producers and consumers over the next three years.

COFFEE
ECONOMIC IMPACT

(3903)

Three U.S. Presidents Support International

PRESIDENT JOHN F. KENNEDY, September 1962

"The Agreement is a heartening example of international cooperation to resolve a vitally important economic problem. Coffee is the third most traded commodity in the world and is the main source of foreign income in many underdeveloped countries, particularly in Latin America.

"A drop of one cent a pound for green coffee costs Latin American producers $50 million in export proceeds—enough to seriously undercut what we are seeking to accomplish by the Alliance for Progress. . . ."

PRESIDENT LYNDON B. JOHNSON, April 1968

". . . Through the International Coffee Agreement the machinery of economic cooperation is now in place—tested over the years and now improved.

"Without that machinery, we could return to the days of ruinous coffee price swings, disrupting the economies of many friendly nations, impairing world coffee trade, and endangering the continued flow of coffee at reasonable prices to the tables of American families. . . ."

Coffee Agreement

PRESIDENT RICHARD M. NIXON, May 1970

". . . This treaty, which continues in modified form the International Coffee Agreement, 1962, embodies the oft-stated concern of the United States that the developing countries dependent on the export of primary commodities be able to achieve the stability in foreign exchange income essential for economic growth.

"The International Coffee Agreement, which involves the most important agricultural export of the less developed world, has evolved into an effective mechanism for influencing coffee prices toward levels which are equitable for producers and reasonable for consumers.

"While the Agreement is not designed to eliminate reasonable price fluctuations, it has been successful in 1969 as in the previous years of its existence in moderating price movements and preventing prices from reaching levels disastrously low for exporting countries or unacceptably high to the importing countries.

"I am encouraged also by the progress which the Agreement has made in achieving long-term market equilibrium through the setting of production goals for the coffee year 1972-73 and the establishment of the Coffee Diversification Fund designed to bring the supply of coffee in line with demand. . . ."

Text of Message from Secretary of State to Congress Urging Extension of Coffee Pact Implementing Legislation

THE SECRETARY OF STATE
WASHINGTON

April 2, 1970

Dear Mr. President:

The enclosed draft bill is an Amendment to the International Coffee Agreement Act, 1968 which would extend the Act from September 30, 1970 to September 30, 1973. All other provisions of the Act remain the same. The purpose of the amendment is to enable the President to carry out the obligations assumed by the United States under the International Coffee Agreement 1968 which is valid for a period of 5 years, terminating September 30, 1973.

The International Coffee Agreement (ICA) continues to be important to the economic well being of a large number of coffee producing countries, primarily in Latin America. It involves a product which ranks in value second only to petroleum as a source of foreign exchange earnings for the less developed countries. It includes among its signatories 41 producers and 21 consumers and covers 98% of coffee entering international trade.

The main objective of the Agreement is to stabilize coffee prices at levels which are reasonable to consumers and equitable to producers through the establishment of export quotas. From 1965, the date of our implementing legislation for the first International Coffee Agreement, to the present time, the Agreement has met this objective. It has benefitted the consumer countries, which have enjoyed prices considerably lower than the peaks reached prior to the Agreement, and the producer countries, which have enjoyed relatively stable foreign exchange earnings from coffee, a pre-condition for long-term development planning. While there are definite limitations on the extent to which the ICA can affect the price of coffee in times of natural disaster, such as the recent frost and drought in Brazil, even in such cases, the Agreement has exercised a moderating influence on fluctuations of coffee prices. Current import prices are still more than 30 cents

The Honorable
Spiro T. Agnew,
President of the Senate.

per pound below the highs reached in 1954 before the ICA. The average composite import price of coffee since the establishment of the ICA in 1962 has been eight cents below the average for the previous decade.

In our judgment, it is essential that there be no interruption in our participation in the International Coffee Agreement. The statutory authority to carry out our obligations under the Agreement should be renewed by October 1, 1970 in order to avoid a hiatus if not collapse in the international cooperation which has become so essential to the coffee trade. If such a collapse resulted from U.S. withdrawal from the Agreement it would not only adversely affect U.S. consumer interests but also be calamitous for those less developed countries dependent on coffee. This would be damaging to our political and commercial relations with them. I, therefore, strongly recommend that the Congress give this bill favorable consideration prior to the expiration of our present authority.

The Bureau of the Budget advises that enactment of this measure would be in accord with the program of the President.

A similar message is being sent to the Speaker of the House of Representatives.

Sincerely yours,

William P. Rogers

Enclosure:

Draft Bill.

AN ACT

To continue until the close of September 30, 1973, the International Coffee Agreement Act of 1968.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, that section 302 of the International Coffee Agreement Act of 1968 is amended by striking out "October 1, 1970", and inserting in lieu thereof "October 1, 1973".

I COFFEE: ECONOMIC IMPACT

How International Coffee Agreement Has Benefited U.S. Consumers And Developing Countries Over Seven Years of Cooperation

The International Coffee Agreement, over the past seven years, has steadily emerged as an outstanding example of world economic cooperation.

The pact is considered by many to be the most effective single experiment during the sixties leading to mutual benefits for the 62 developing and industrialized member countries.

Established in 1962 and put into force the following year, the Agreement has brought a substantial measure of stability to the world coffee market, providing an ample supply of coffee at prices fair and reasonable to both producers and consumers.

The Agreement has improved the foreign-exchange earnings of the developing countries which depend, to a great extent, on their exports of coffee to finance their development programs.

In addition, the Agreement has helped stimulate U. S. exports, especially to Latin America, which produces two-thirds of world's coffee exports, to the trade balance advantage of the United States.

The economic impact of coffee touches the lives of more people in the underdeveloped and developing countries than any other commodity in world trade. An estimated 20,500,000 persons in Latin America, Africa and other areas earn their livelihood from the cultivation, picking, preparation and transportation of green (raw) coffee.

Before the Agreement, the prices of coffee gyrated crazily, out of control, sky-rocketing in times of scarcity, plunging in times of surplus supply. As a consequence, the economies of the producing countries were alternately shaken by short periods of feast and long periods of famine.

The machinery of the Agreement does not—and cannot—eliminate the natural fluctuations of prices in reaction to day-by-day conditions of supply and demand. However, the export quota controls under the pact have increasingly proved to be effective in curbing and restraining the rises and declines of prices by augmenting or reducing the amount of coffee made available for export to the world market.

Relative stability of world coffee prices through the Agreement has meant relative stabil-

ity of income for the coffee-exporting countries, permitting orderly planning and development of economic and social welfare programs.

Coffee earnings are so vital to Latin America and other producing countries, that in the past the benefits of U. S. aid were at times counterbalanced by the drop in coffee export earnings. A one-cent a pound decline in the price of green coffee amounts to an annual loss of approximately $65 million in foreign-exchange earnings for the coffee countries.

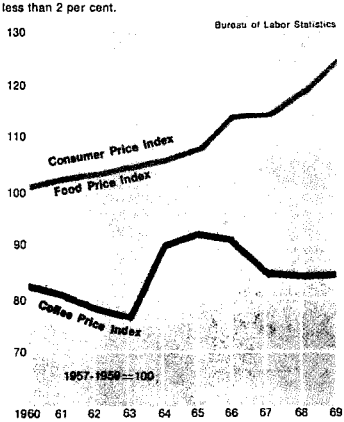
The consumers of the major coffee-importing nations—especially the United States, which takes nearly half of the world's coffee exports—have also benefited under the seven years of the International Coffee Agreement.

The pact has been utilized to assure an abundant supply of coffee—and coffee of the consumer's preference—for the importing countries, and *has helped to make coffee the "bargain of the decade" for the U. S. housewife.*

1 Coffee: Bargain of the Decade

Cost of Living and Food Price Indices vs. Coffee Price Index, 1960-1969

The U. S. cost of living, including food, rose 24 per cent from 1960 to 1969, while the price of coffee increased by less than 2 per cent.



During the sixties, coffee cost the U. S. housewife less than one and one-half cents a cup. (The average return to the producing countries was less than one cent a cup.)

Over this decade, U. S. homemakers saw the cost of living and the cost of their food-market basket rise by 24 per cent. (Chart 1.) For the same period, the price of a one-pound can of coffee on U. S. retail store shelves rose hardly at all, a mere 1.6 per cent. (Chart 2.)

In 1960, it required 21.6 minutes of labor for a U. S. factory worker to buy a pound of coffee. In 1969, only 15.1 minutes of work were needed to buy the same can of coffee.

And when the shopper compares the retail price in the United States against the store price in other major importing countries, the cost of coffee here shows itself to be a worldwide bargain. U. S. housewives pay $1.12 a pound *less* for their coffee than the hausfrauen of West Germany. Coffee prices here are substantially lower than in the coffee-drinking countries of Europe. (Chart 3.)

The Agreement proved itself to be particularly beneficial to the consumers in 1964, only a year after the pact went into operation. Prices for coffee began to rise in response to a severe frost and drought which in 1963 reduced the coffee crop of Brazil, the world's largest producer and exporter of the bean.

As President Johnson later reported to Congress:

> ". . . we moved promptly within the framework of the Agreement to do everything possible to insure that adequate supplies would be available. As a result, the price rise was halted by March, 1964, and the Agreement had met its first serious test —ironically of holding prices down rather than the anticipated necessity of supporting them."

The effectiveness of the Agreement on behalf of the consumers can also be appreciated by a comparison of the behavior of U. S. coffee import prices in the wake of two severe Brazilian frosts. U. S. coffee import prices fluctuated by as much as 28 cents a pound during 1953-54, in the pre-Agreement era; U. S. coffee import prices oscillated only by some 13 cents a pound during 1963-64, when the Agreement was in effect.

A comparison over a longer period shows that in the pre-Agreement years following World War II, U. S. green-coffee import prices registered a range of 41.7 cents between the lowest and highest levels, and a range of only 11 cents in the post-Agreement years beginning in 1963. (Chart 4.)

A third frost and drought—perhaps the worst in its history—struck Brazil on July 9-10, 1969. The freeze had little effect on 1969-70 coffee supply, but dealt a severe blow to the prospective 1970-71 coffee harvest. Importers rushed out to buy coffee—not for current consumption, but to build up inventory for the future.

"In what must be considered as essentially a psychological reaction to the freeze in Brazil, roasters and importers stepped up their purchases in August and early September [1969], and prices . . . moved upward . . . ," according to U. S. Department of Agriculture experts.

Meanwhile, acting together under the Agreement, the producing and consuming countries met in August 1969. They set an initial annual (October 1969-September 1970) export quota of 46 million bags. Then, to discourage possible runaway prices in wake of the frost, they arranged for the orderly release of 5.8 million more bags of coffee (132 pounds each) over succeeding months. Release of the extra coffee—12 per cent more—to world supplies was completed by April 1970.

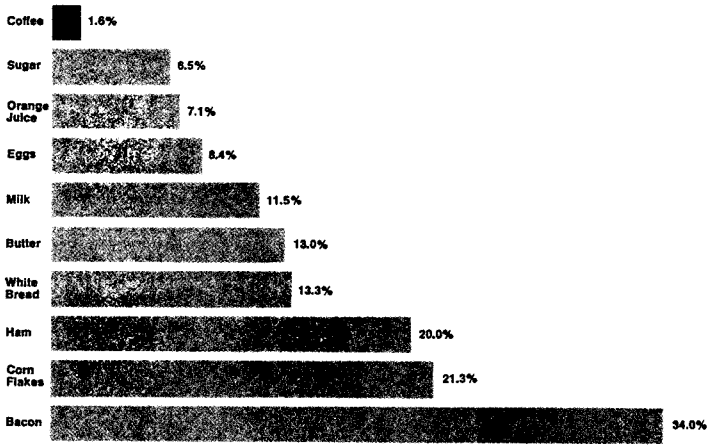
". . . As this would be substantially more coffee than quota markets were capable of consuming, there was every reason to believe that adequate provision had been made to protect the interests of consumers . . .," President Nixon stated in his report to Congress in May 1970.

"Unquestionably the availability of these additional supplies had a moderating influence on the price trend. . . ."

2 Breakfast Bargain

Percentage Increases in U. S. Breakfast Prices, 1960-1969

According to the U. S. Bureau of Labor Statistics, while the price of coffee has risen slightly, the retail prices of other breakfast staples have increased substantially.



Fact is until that frost hit Brazil in mid-1969, U. S. coffee import prices had been undergoing a steady four-and-a-half year decline, from 39.63 cents a pound in 1964 to 31.73 cents in August 1969. Since the frost, the price of green coffee has recovered to 42.34 cents a pound in March 1970 (latest available). In "real" terms of deflated dollars, the March 1970 price is below the level of 1965. (Chart 5.)

The rise in green-coffee prices is being slowly reflected on the U. S. retail store shelves, from 75.8 cents per pound in August 1969 to 86.6 cents in March 1970.

No one can predict with certainty the course of the coffee prices in the suceeding months. The producing countries believe that, with all the additional coffee released to the world market, prices will halt their rise and begin to decline, as occurred following the 1963 frost in Brazil.

If this prospect should fail to take place, the 41 exporting country members, under the Agreement, are ready to take additional steps, in cooperation with the 21 importing country members, to check the price rise and to hold coffee prices at an equitable level.

The producing countries are keenly aware of potential consumer reaction to runaway coffee prices. The steep price rise following the 1953 Brazilian frost—in the pre-Agreement era—led to sharp curtailment of coffee consumption in the United States. The producing countries are prepared to do all they reasonably can do to prevent a repetition of such a calamity.

Policy and action under the pact are even-handed for the consumer and the producer countries alike. Agreement machinery provides an equal vote to the exporting countries as a whole, on one side, and to the importing countries as a group, on the other. A two-thirds vote of both sides is requisite to any substantive step.

Under the weighted voting system, the United States, because of its size as an importer, retains virtual veto power over any measure taken. Thus the United States—and the U. S. consumers—are guaranteed under the Agreement that no action can be taken that would be harmful to their interests.

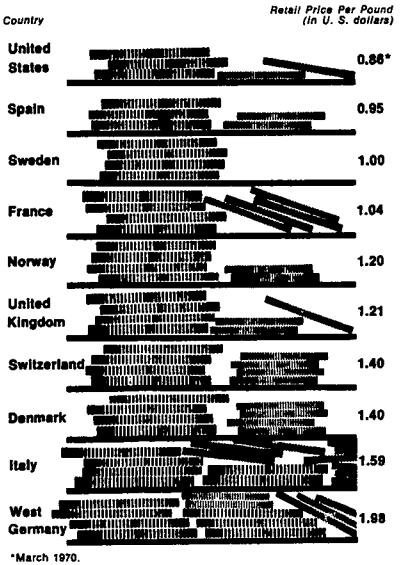
In practice, the Agreement has worked well, increasingly effective in its operations over its seven-year span.

The pact originated from the idea that to cope with rising production and overproduction of coffee, annual consumption needs should be balanced by export control through quotas.

Critics of the pact maintained the export controls wouldn't work, but they were wrong. Each year the export quota system of the Agreement has been improved, to the point of virtually eliminating "tourist" coffee and other violations of quota.

Other opponents insisted the Agreement, if it succeeded in stabilizing the world market, would encourage production of coffee at a time of surfeit; but they, too, were wrong. Brazil, by far the largest grower of coffee, voluntarily reduced its production by 20 per cent through a diversification program. Meanwhile, the producing countries, as projected by the Agreement, have already established a $150-million

3 U. S. Coffee—A Worldwide Bargain



*March 1970.

The U. S. homemaker pays *less* for coffee than housewives in Europe—*as much as $1.12 a pound less.*

fund to carry out a long-range diversification and development program.

Some of these same foes now charge, after the recent Brazilian coffee catastrophe, that policies under the pact have transformed coffee surplus into coffee scarcity. Again, not true.

No one could have foreseen the extent and severity of the 1969 Brazilian frost and drought. Nonetheless, under the Agreement, national coffee production goals are being set. Coffee production will be selectively increased or cut back, on a country-by-country basis, in a global move to balance *production* as well as *exports* with annual world consumption requirements.

Three Presidents—John F. Kennedy, Lyndon B. Johnson, and Richard M. Nixon—have given enthusiastic support to the Agreement. The Senate has twice ratified the Agreement for five-year terms. Both House and Senate have twice approved the implementing legislation essential for the United States to carry out its obligations under the pact.

The present implementing legislation expires September 30, 1970. Extension of the implementation law for three more years—to coincide with the remaining life of the Agreement—awaits action of Congress.

Some critics of the Agreement who in the beginning argued that the pact wouldn't work now insist that it has worked so well, it is no longer needed. These critics say that with the help of the frost and drought in Brazil, a balance has been attained between production and consumption, and that therefore the export controls under the Agreement are now no longer necessary. These critics oppose renewal of the implementing legislation, and in effect, are seeking an end to the Agreement, or to place it on a stand-by basis.

It is true that the pact, aided by nature, has reached a near-balance of supply with demand for coffee for the next two or three years.

However, if the Agreement and its system of controls is abandoned, a tremendous wave of coffee overproduction will surely follow, as it always has in the past, and once again the 20,500,000 people of the underdeveloped and developing areas of the world who live off coffee will undergo a long period of declining prices and economic hardship.

Renewal of the implementing legislation for three years by Congress—as urged by President Nixon—will provide the time needed for the Agreement to demonstrate that it can be utilized for *flexible control of coffee production in the future,* as it had demonstrated its capacity for *flexible control of coffee exports up to now.*

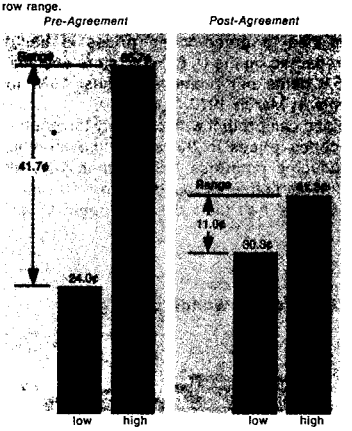
Renewal of the implementing legislation will also assure the consumers of the United States and the world that they will not be helplessly victimized by uncontrollable, runaway coffee prices.

The International Coffee Agreement has clearly proved to be beneficial to the best interests of both producing and consuming countries over the past seven years.

Renewal of the implementing legislation will also be beneficial to the best interests of the coffee consumers and the coffee producers for the next three years.

4 Lowest and Highest Price Levels of U. S. Green-Coffee Import Prices

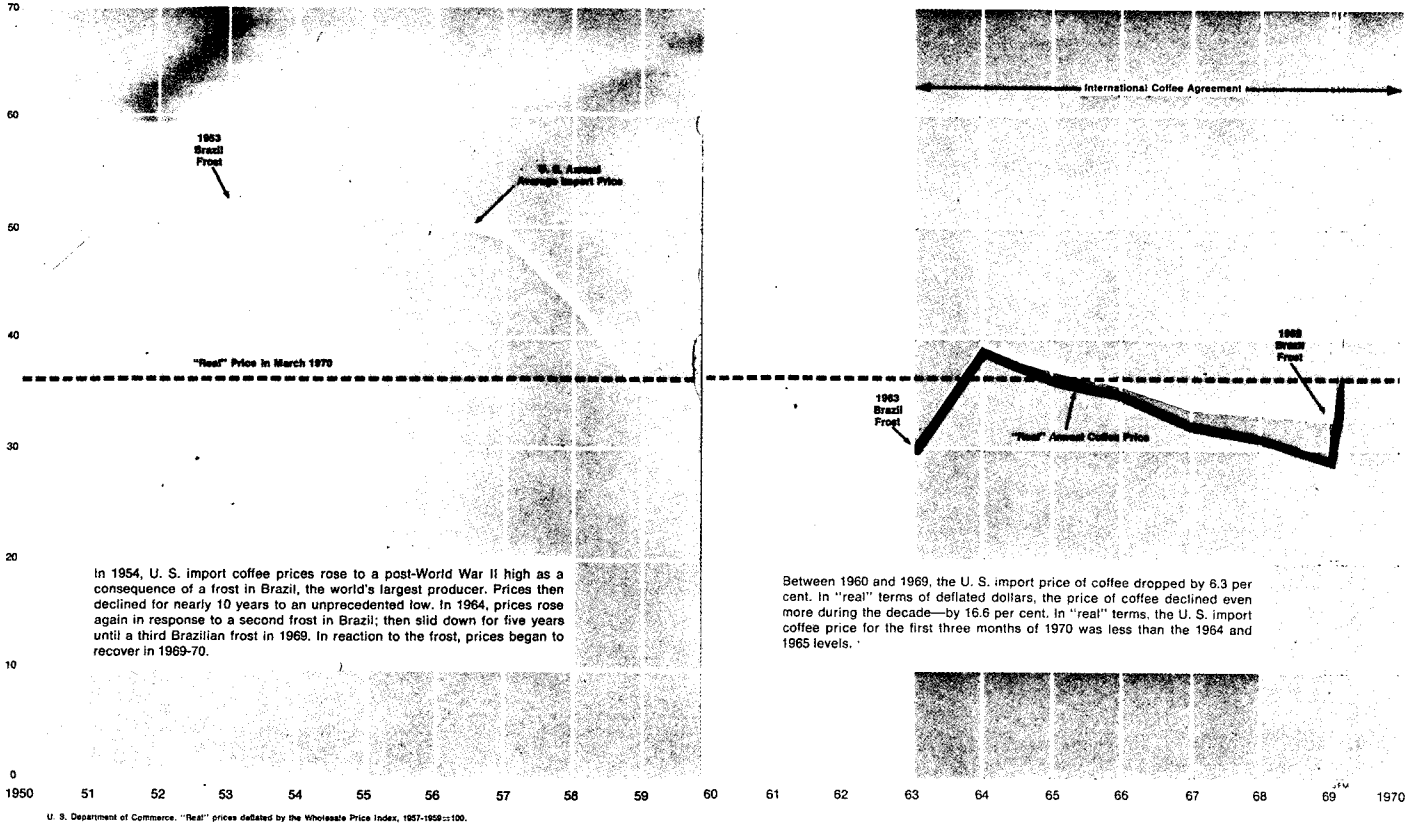
The International Coffee Agreement has served to stabilize prices in the world coffee market. In the past, coffee prices fluctuated wildly; but since the pact began operations, prices have been stabilized within a relatively narrow range.



*January-March 1970.

Pan-American Coffee Bureau

5 U. S. Import Coffee Prices and "Real" Coffee Prices



In 1954, U. S. import coffee prices rose to a post-World War II high as a consequence of a frost in Brazil, the world's largest producer. Prices then declined for nearly 10 years to an unprecedented low. In 1964, prices rose again in response to a second frost in Brazil; then slid down for five years until a third Brazilian frost in 1969. In reaction to the frost, prices began to recover in 1969-70.

Between 1960 and 1969, the U. S. import price of coffee dropped by 6.3 per cent. In "real" terms of deflated dollars, the price of coffee declined even more during the decade—by 16.6 per cent. In "real" terms, the U. S. import coffee price for the first three months of 1970 was less than the 1964 and 1965 levels.

U. S. Department of Commerce. "Real" prices deflated by the Wholesale Price Index, 1957-1959=100.

3913

II ECONOMIC IMPACT

Coffee Generates 624,000 Jobs, $4.5 Billion Earnings in U.S.; Favors U.S. Balance of Trade

The balance of trade with the coffee-producing members of the International Coffee Agreement was favorable to the United States by more than $175,000,000 in 1968.

The coffee countries purchased U. S. staples valued at $5,495,000,000, while the United States bought $5,319,000,000-worth of products from those countries. The major Latin American coffee-producing nations alone imported $4,021,-100,000-worth of industrial and farm goods from the United States.

Thus, in 1968 the coffee-producing countries provided a large market for U. S. exports of machinery ($1,522,000,000); wheat, rice, milk products, other foods and tobacco ($870,000,-000); chemicals and pharmaceuticals ($754,-000,000); vehicles and aircraft ($725,000,000); metals and metal products ($393,000,000); instruments and miscellaneous manufactures ($380,000,000); cotton, other fibers, textiles, apparel and leather ($234,000,000); petroleum, coal, natural gas and other mineral products ($211,-000,000); fats and oils, rubber and other crude materials ($209,000,000); wood, paper and products ($197,000,000).

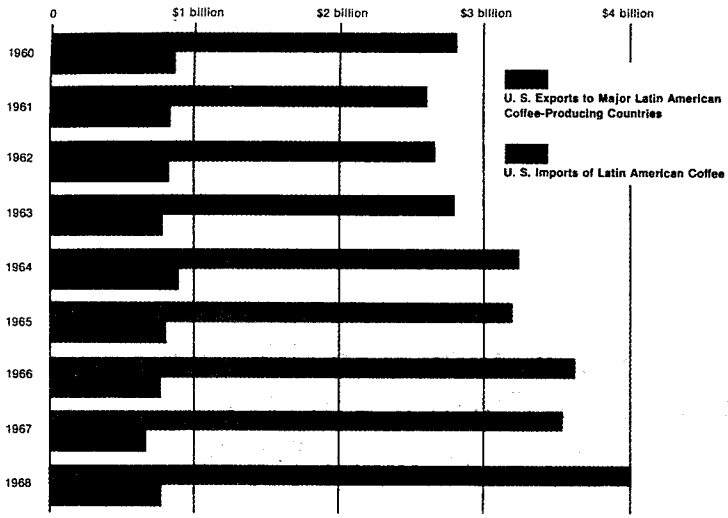
In dollar value, the import of U.S.-made and U.S.-produced items by the coffee countries ranked third (16.2 per cent) to the European Economic Community countries (17.6 per cent) and Canada (23.4 per cent).

The U. S. trade with the 41 coffee-producing countries of the Agreement generated an estimated 624,000 jobs and $4,560,000,000 in wages and farm income in the United States in 1968. About one-third of the jobs and income was stimulated by the import, processing, packaging, distribution and sale of coffee in the United States.

Some 1,400 U. S. cities, towns and communities in all of the 50 states benefited from the contribution of coffee to American prosperity.

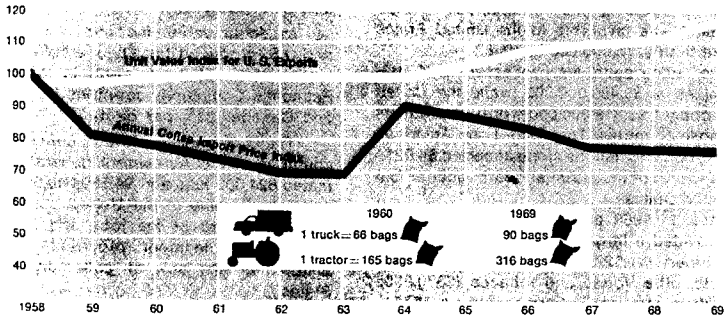
The leading state in origin of 1968 exports to all coffee-producing countries was Illinois, with an estimated $398,000,000, followed by Ohio ($395,000,000), Michigan ($389,000,000),

6 **Relationship of U. S. Coffee Imports to U. S. Exports for Latin America** *In Dollar Terms*



Pan-American Coffee Bureau

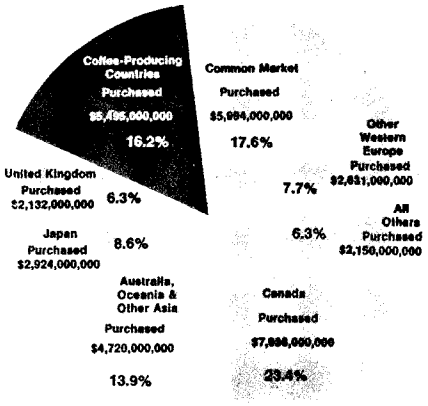
7 **Spread Between U. S. Export Value and Coffee Import Value** 1957-1959 = 100



The unit value index for U. S exports rose 16.4 per cent from 1960 to 1969. In the same period, the annual coffee import price index dropped by 2.6 per cent.

U. S. Department of Commerce

8 Coffee-Producing Countries Purchased 16.2 Per Cent of All U. S. Exports in 1968



U. S. Department of Commerce

New York ($383,000,000) and Texas ($376,-000,000).

Pennsylvania, California, New Jersey, Indiana and Wisconsin rounded out the 10 leading states in exports to the coffee countries. Their exports ranged from $329,000,000 for Pennsylvania and $324,000,000 for California to $211,-000,000 for Indiana and $179,000,000 for Wisconsin. New Jersey's exports were $256,000,000.

The East North Central states—all of which are in the 10 leaders—accounted for the largest portion of exports to the coffee countries—29 per cent.

The Middle Atlantic states—New York, New Jersey and Pennsylvania—shipped 18 per cent of total exports, while the West South Central states—Texas, Louisiana, Oklahoma and Arkansas—had an export share of 11 per cent.

A drop in wheat exports lowered the share of the Mountain states and the West North Central states; however, Iowa's total was up by reason of an increase in farm machinery exports.

Exports from the Pacific states accounted for 9.4 per cent of total exports to the coffee countries.

9 Estimated U. S. Employment and Earnings Generated by Trade with the 41 Coffee-Producing Countries in 1968

U. S. Exports to	Number of Jobs	Amount of Wages And Farm Income
Latin America	339,000	$2,760,000,000
Africa and Asia	110,000	785,000,000
	449,000	$3,545,000,000
U. S. Coffee Industry	175,000	1,015,000,000
Total	624,000	$4,560,000,000

Estimates are based upon a survey by John McKnight Associates

Index to States

38 Alabama
47 Alaska
44 Arizona
40 Arkansas
46 California
43 Colorado
20 Connecticut
34 Delaware
35 District of Columbia
38 Florida
37 Georgia
47 Hawaii
43 Idaho
28 Illinois
27 Indiana
32 Iowa
33 Kansas
40 Kentucky
41 Louisiana
19 Maine
34 Maryland
19 Massachusetts
30 Michigan
32 Minnesota
39 Mississippi
33 Missouri
43 Montana
34 Nebraska
44 Nevada
19 New Hampshire
23 New Jersey
44 New Mexico
21 New York
36 North Carolina
33 North Dakota
26 Ohio
42 Oklahoma
45 Oregon
24 Pennsylvania
20 Rhode Island
36 South Carolina
33 South Dakota
39 Tennessee
41 Texas
44 Utah
19 Vermont
35 Virginia
45 Washington
35 West Virginia
31 Wisconsin
43 Wyoming

NEW ENGLAND STATES

Maine

Exports for 1968 to Coffee Producing Countries:
$11,169,000

For Maine these exports stimulated:
1,143 jobs
$8,961,000 in wages and farm income

Leading Exports:
paper, wood and metal products, spring water

Bath
Bradfords Breakers
Hammermills
Impactors

Biddeford
Capacitors

East Wilton
Wood Specialties

Farmington
Wood Specialties

Kennebunk
Capacitors

Mattawamkeag
Wood Specialties

Pine Point
Clams and Clam Chowder

Poland Spring
Spring Water

Somersworth
Electrical Equipment

South Portland
Pressure Vessels

Woodland
Paper

Other
Eggs
Poultry

New Hampshire

Exports for 1968 to Coffee Producing Countries:
$10,857,000

For New Hampshire these exports stimulated:
987 jobs
$8,363,000 in wages and farm income

Leading Exports:
paper and products, packaging and textile machinery

Berlin
Paper
Wood Pulp

Concord
Leather Belting

Contoocook
Packaging Machinery

Keene
Inks
Marking Machines
Type

Milton
Transformer and Electrical Motor Insulating Papers and Boards

Nashua
Asbestos Products, Insulations
Package-Sealing Machines
Paper and Products
Plastic Film

Peterborough
Ball Bearings

Rochester
Transformer and Electrical Motor Insulating Papers and Boards

Tilton
Construction Paper Insulations

Wilton
Textile Machinery

Vermont

Exports for 1968 to Coffee Producing Countries:
$5,315,000

For Vermont these exports stimulated:
431 jobs
$3,500,000 in wages and farm income

Leading Exports:
machinery, engine parts, paper

Bennington
Batteries

Burlington
Office Equipment

Ludlow
Aircraft Engine Hardware

Rutland
Aircraft Engine Parts

St. Albans
Flashlights

Springfield
Gear Machinery and Equipment

Windsor
Shoe Products

Other
Chemicals and Related Products

Massachusetts

Exports for 1968 to Coffee Producing Countries:
$121,208,000

For Massachusetts these exports stimulated:
10,588 jobs
$88,666,000 in wages and farm income

Leading Exports:
instruments, electronic equipment, machinery, paper, rubber products, tools, metal manufactures

Acton
Chemical Specialties

Amesbury
Dehumidifying Systems

Andover
Roll Coverings
Woolen Piece Goods

Ashland
Motors
Wire and Cable

Attleboro
Costume Jewelry
Electrical Controls
Scholastic Jewelry
Sterling and Plated Holloware

Ayer
Agricultural Chemicals

Bedford
Electronic Systems

Beverly
Shoe Industry Machinery

Bolton
Electronic Instruments

Boston
Pharmaceuticals

Brockton
Shoes

Burlington
Particle Accelerators

Massachusetts, continued

Cambridge
Analytical Instruments
Wire and Cable
Canton
Electrical Tape
Shoe Linings
Upholstery Plastics
Chicopee
Electronic Parts
Chicopee Falls
Tires and Tubes
Clinton
Wire and Cable
Cohasset
Material Handling Equipment
Concord
Electronic Instruments
Danvers
Electric Heating Elements
East Bridgewater
Industrial Control Instruments
Oil Mill Machinery
East Longmeadow
Art Materials
Games, Toys
Packaging and Plastic Processing Machinery
School Supplies
Everett
Fabrics and Finishes
Jet Engine Components
Metal Cases
Fitchburg
Steam Turbine Units
Foxboro
Industrial Control Instruments
Instrumentation
Gloucester
Canned Seafoods
Greenfield
Tools
Griswoldville
Cotton Fabrics
Groton
Paper
Hanson
Cranberries
Holyoke
Compressors
Reproduction Base Papers
Wire Products
Hudson
Elastic Webbing
Indian Orchard
Iron and Bronze Valves

Lawrence
Hardware
Papermill Machinery
Plastic Laminates
Shoe Industry Supplies
Valves
Leominster
Fabrics and Finishes
Men's Shirts
Shoe Industry Supplies
Lowell
Insulated Wire and Cable
Lynn
Shoe Industry Supplies
Malden
Footwear
Paints
Natick
Tools
Needham
Electronic Equipment
Newton
Silver Burnishing Equipment
Newton Upper Falls
Electronic Equipment
N. Billerica
Asbestos Products
Orange
Textile Machinery
Water Control Equipment
Pittsfield
Electrical Apparatus
Quincy
Packaging Machinery
Southbridge
Hand Tools
South Lee
Technical Papers
South Middleton
Adhesives, Box Toes, Finishes
Springfield
Chain
Clocks, Timing Instruments
Stoughton
Elastic Webs
Wakefield
Electrical Equipment
Walpole
Dairy Milk Filters
Graphic Arts Wipes
Waltham
Chemical Feed Pumps
Industrial and Medical Measuring Instruments
Industrial Sewing Machines

Watertown
Rubber Products
Westboro
Abrasive Grinding Wheels
Diamond Abrasive Grinding or Cutoff Wheels
Westfield
Shotguns
West Lynn
Electrical Instruments
Power Transmission Equipment
West Medway
Shoe Industry Supplies

Woburn
Electronic Components
Worcester
Chain
Clocks and Timers
Cloth Finishing Machinery
Sprinkler Systems
Textile Machinery
Bottling and Packaging Machinery
Other
Fabrics and Finishes

Rhode Island

Exports for 1968 to Coffee Producing Countries:
$17,799,000

For Rhode Island these exports stimulated:
1,555 jobs
$12,949,000 in wages and farm income

Leading Exports:
wire and cable, machinery, textiles, plastics

Ashton
Fiberglass and Products
Bradford
Piece Goods
Shirtings
East Greenwich
Staplers
Newport
Wiring Devices
Pawtucket
Plastics
Wire and Cable

Providence
Butterfly Valves
Dry Feeders
Filter Control
Fuses, Lamp Bulb Bases
Metering Equipment
Proportioning Pumps
Sterling Flatware
Sterling and Plated Holloware
Wiring Devices
Westerly
Filter Products
Industrial Felts
Woonsocket
Wire and Cable

Connecticut

Exports for 1968 to Coffee Producing Countries:
$93,373,000

For Connecticut these exports stimulated:
7,815 jobs
$65,241,000 in wages and farm income

Leading Exports:
flatware, machinery, machine tools, optical equipment, brass mill products

Ansonia
Copper and Brass Mill Products
Heavy Machinery

Bantam
Airplane Seats

Connecticut, continued

Branford
Auto Fuel System Parts
Auto Ignition Switch

Bridgeport
Aerosol Valves
Corsets and Brassieres
Dictating and Transcribing Machinery
Electric Housewares
Furniture Hardware
Jig Borers
Wiring Devices

Bristol
Bearings

Canaan
Medical and Surgical Equipment

Clinton
Cosmetics
Hand and Face Creams
Perfumes

Danbury
Medical and Surgical Equipment

Darien
Pollution Control Equipment

Derby
Heavy Machinery
Sponge Rubber Goods

Fairfield
Fabrics and Finishes

Grosvenor Dale
Furniture

Groton
Pharmaceuticals, Chemicals

Hartford
Counting and Controlling Devices and Testing Equipment
Firearms
Hoists
Horseshoe Nails
Industrial Sewing Machines and Parts

Ivoryton
Turbine Blades

Manchester
Plastic Coated Pulpboard

Meriden
Bearings
Stainless Steel
Sterling

Middletown
Rubber Products

Milford
Safety Razors and Blades

Naugatuck
Chemical Products

New Britain
Small Household Appliances

New Haven
Athletic Balls
Rubber Sundries

New Milford
Disposable Paper Products

Norfolk
Fluorescent Lamp Starters

North Haven
Coatings for Meters

Norwalk
Optical Equipment for Industry
Rubber Industry Machines

Plainville
Electrical Apparatus

Rocky Hill
Firearms

Shelton
Refractories Products
Rubber and Plastics Products

Stamford
Airline Ground Support Equipment
Office Equipment
Oil Tools

Stratford
Roll Feeds
Slide Feeds

Torrington
Houseware Gadgets

Wallingford
Cold Rolled Stainless Steel Strip
Silver and Silverplated Holloware
Stainless Steel
Sterling

Waterbury
Copper and Brass Mill Products
Furniture Parts

West Hartford
Cutting Tools
Machine Tools

Windsor
Fuel Injection Equipment

Other
Chemicals and Related Products

MIDDLE ATLANTIC STATES

New York

Exports for 1968 to Coffee Producing Countries:
$382,362,000

For New York these exports stimulated:
32,222 jobs
$264,761,000 in wages and farm income

Leading Exports:
electrical, data processing and office equipment, chemicals, glass products, pharmaceuticals, photographic materials, instruments, machinery

Albany
Fabricated Aluminum Products

Arcade
Whole Powdered Milk

Auburn
Air Conditioners
Rectifiers

Batavia
Electronic Components
Nonferrous Castings
Shovel Loaders

Beaver Falls
Loose Leaf Binders

Bethpage
Spare Parts for Military Planes

Binghamton
Photo Products
Reproduction Products

Brockport
Small Electric Household Appliances

Buffalo
Air Handling Equipment
Automotive Stampings
Can Filling Machinery
Central Air Conditioners
Copper and Brass Mill Products
Electrical Parts
Engines
Flour
Heat Exchangers
Motor Vehicle Parts
Plastics Materials
Refrigerators
Transistors

Canajoharie
Baby Foods
Gums

Clyde
Semiconductor Products

Cohoes
Apparel

Corinth
Men's Shirts

Corning
Glass Envelopes
Glassware

Cuba
Transformers

Depew
Nonferrous Mill Products
Refined Lead

Dunkirk
Lingerie
Steel Bars

East Rochester
Special Textile Machinery

Ellenville
Aluminum Specialties

Elmira
Castings
Oil Filtration Equipment and Supplies
Starter Drives

Elmsford
Hearing Aids and Spare Parts
Welding, Brazing & Soldering Alloys

New York, continued

Endicott
Office Equipment
Fishkill
Office Equipment
Glens Falls
Apparel
Paint Pigments
Gowanda
Animal Glue
Green Island
Automobile Components
Greenwich
Paper
Hancock
Plastic Tubing
Hornell
Ball and Roller Bearings
Power Transmission Equipment
Hudson Falls
Capacitors
Paper Products
Pulp and Papermill Machinery
Huntington
Service Apparel
Hyde Park
Housewares
Ilion
Firearms
Ithaca
Computing Machines
Printed Forms
Jamestown
Furniture
Small Hand Tools
Kingston
Office Equipment
Lackawanna
Springs
Le Roy
Insulators
Lockport
Motor Vehicle Parts and Accessories
Lyons Falls
Paper
Martisco
Dried Beans, Peas, Lentils
Massena
Aluminum Castings
Aluminum Products
Mechanicsville
Fine Papers
Middleport
Agricultural Chemicals
Mineola
Airplane Seats
Incinerators
Mount Vernon
Electrical Equipment
Newburgh
Fabrics and Finishes
New Hyde Park
Fabrics
New York
Automotive Ignition Parts
Chemicals
Children's Wear
Electronic Instruments
Food Products
Fragrances Compounds
Greeting Cards and Gift Wrappings
Liquid Meters and Parts
Paint
Pharmaceuticals
Smoking Pipes and Smokers' Articles
Specialty Sugar Products
Spring Steel Wire
Staplers, Staples, Office Supplies
Textile Machinery
Welding Equipment, Rods and Electrodes
Niagara Falls
Abrasives
Canning Machinery
Carbon and Graphite Products
Chemicals
Ferro Alloys
Industrial Chemicals
Refractories
Titanium Alloy Products
Disposable Paper Products
Olean
Arresters
Fuses
Oneida
Silverware
Palmyra
Mechanical Packings
Pearl River
Pharmaceuticals
Peekskill
Apparel
Plainview
Microwave Test Instruments
Packaging Machines
Plattsburg
Paper Products
Port Chester
Brushes
Port Ewen
Explosives
Port Washington
Bearings
Linear Hardened Shafting
Poughkeepsie
Office Equipment
Rensselaer
Chemicals
Dyestuffs
Rochester
Baby Food—Fruits
Baby Food—Vegetables
Electronic Equipment
Heavy Machinery
Men's Accessories—Leather
Men's Accessories—Metal
Men's Neckwear
Motor Vehicle Parts
Office Equipment, Parts and Supplies
Photographic Materials
Photo Products.
Safety Spectacles
Rye
Lock and Hardware Products
Sanborn
Carbon and Graphite Products
Saratoga Springs
Lingerie
Schenectady
Electronic Equipment
Insulating Materials
Motors and Generators
Turbine Generators
Seneca
Grape Juice
Seneca Falls
Radios and Television
Silver Creek
Women's Apparel
Skaneateles Falls
Surgical Instruments
Stuyvesant Falls
Medical Gas
Sydney
Magnetos and Industrial Connectors
Test Equipment
Syracuse
Automotive Clutches
Electrical Products
Material Handling Equipment
Motor Vehicle Parts
Semiconductor Products
Television Receivers and Parts
Television Tubes
Tarrytown
Batteries
Motor Vehicles
Tonawanda
Abrasive Grains
Chemicals
Chemical catalysts
Chemical Industries Machinery
Hard Vulcanized Fiber
Industrial Plastic Laminates
Motor Vehicle Parts
Troy
Friction Materials
Industrial Papers
Men's Shirts
Tuckahoe
Pharmaceuticals
Utica
Fluid Power Equipment
Radios
Warsaw
Apparel
Waterford
Cotton Cloth
Silicone Molds
Synthetic Cloth
Waterloo
Harvesting Machinery
Watertown
Paper
Watkins Glen
Table Salt
Yonkers
Elevators and Escalators
Other
Boiler Equipment
Chemicals, Fabrics and Finishes
Cotton Cloth
Men's Shirts
Paper, Paper Products
Photo Products
Plastics Materials
Motor Vehicles and Parts
Synthetic Cloth

New Jersey

Exports for 1968 to Coffee Producing Countries:
$255,621,000

For New Jersey these exports stimulated:
19,073 jobs
$162,920,000 in wages and farm income

Leading Exports:
chemicals, petroleum products, pharmaceuticals, electrical equipment, machinery, motor vehicles

Barrington
Fiberglass Products

Bayonne
Cooking Oil
Dressing, Mayonnaise
Greases, Waxes
Lubricating Oils
Margarine
Petroleum Products

Belleville
Covers
Yeast, Bakery

Belvidere
Chemicals

Berkeley Heights
Cleaning A
Power Sup
Acce

Berlin

Bloomfield
Wooden Boxes

Boonton
Lingerie

Bound Brook
Plastics and Resins
Rubber and Textile Chemicals

Bridgeton
Glass Containers
Lingerie

Bridgewater
Baby Products
Surgical Dressings and Supplies

Burlington
Cast Iron Pressure Pipe and Fittings
Oxychemicals

Camden
Mechanical Packings
Paper Working Machinery
Text Books, Reference Books

Carlstadt
Chemical Specialties
Disinfectants
Insecticides
Room Deodorants

Carneys Point
Chemicals

Carteret
Chemicals

Clifton
Control Valves

Dover
Chemicals

East Orange
Compressors
Pumps

East Rutherford
Asphalt Products
Chemicals

Edgewater
Aluminum Products

Elmer
Central and Room Air Conditioners

Elizabeth
Printing Ink

Elizabeth
Sewing Machines

Englewood
Pumps

Englewood Cliffs
Electrical Equipment

Fairlawn
Biscuits
Plastics Products

Gibbstown
Explosives

Glassboro
Closures

Harrison
Bearings for Motor Vehicles
Elevators and Escalators
Pumps

Hawthor
Te

Hi

Kearny
Chemicals

Lodi
Printing Ink

Lyndhurst
Automobile Assembly

Maplewood
Agricultural Chemicals

Newark
Building Products
Insecticides

Metuchen
Automobile Assembly

Milford
Paper

Millville
Glass Bottle-Making Machinery
Glass Containers
Glassware

Morristown
Plastic Containers

Murray Hill
Offset Printing Plates

Newark
Carpeting
Electrical Instruments
Electric Bulbs
Gas Welding Equipment
Industrial Finishes
Paints
Pigments
Plastics Products

New Brunswick
Baby Products
Battery Parts
Metallic Gaskets and Rings
Motor Vehicle Batteries
Surgical Dressing and Supplies

Newton
Photographic Chemicals
Photographic Machinery
Photographic Papers

orth Bergen
Pens and Pencils
Watch Bands

ah Brunswick
aby Products
gical Dressings and
upplies
vale
metics
o and Toiletries

mercial
hwashers
r Distillation
quipment

rics and Finishes
to Products
ymers
pany
crete Pipe Products
ic
Rubber Products

Industrial Cleaning
Chemicals

Organic Chemicals
Transmission Components

Paramus
Hospital and Lab Equipment

Perth Amboy
Chemicals
Foundation Garments
Petroleum Jelly, Hair Tonic
Petroleum Products
Refractories
Storage Battery Separators

Plainfield
Adhesives

Pompton Lakes
Explosives

Port Reading
Specialized Industrial Chemicals

Princeton
Animal Feeds

New Jersey, continued

Rahway
Filters
Ramsey
Air Systems
Raritan
Baby Products
Surgical Dressings and Supplies
Riverside
Miscellaneous Rubber Products
Riverton
Iron Powder
Rockaway
Electronic Measuring and Counting Equipment
Machine Parts
Roseland
Printing Presses
Roselle
Hand Pumps, Jacks
Valves and Fittings
Rutherford
Medical and Surgical Equipment
Sayreville
Titanium Pigment
Somerville
Machinery
Truck Parts
South Amboy
Lead Compounds
South Plainfield
Agricultural Chemicals
Springfield
Electronic Equipment
Summit
Pharmaceuticals
Teterboro
Aerospace Equipment
Trenton
Automobile Body Hardware
Automotive Trim
Ceramic Plumbing Ware
Dishwashers
Domestic Furnaces, Heaters
Plastics Products
Plumbing Fixtures
Rubber Products
Steel Wire Products
Union
Industrial Welding Equipment
Vineland
Laboratory Glassware
Warners
Aerofloat Promoters
Insecticides
Wayne
Plastic Containers
Plastic Film
Weehawken
Textile Machinery
West New York
Smoking Pipes and Smokers' Articles
Whippany
Paints
Woodbridge
Refractories
Other
Baby Products
Chemicals
Explosives
Fabrics and Finishes
Machinery
Motor Vehicles and Parts
Photo Products
Pumps
Surgical Dressings and Supplies

Pennsylvania

Exports for 1968 to Coffee Producing Countries: $329,033,000

For Pennsylvania these exports stimulated: 27,112 jobs
$288,915,000 in wages and farm income

Leading Exports:
steel mill machinery, motor vehicles, aircraft, steel mill and metal products

Aliquippa
Steel Products
Allentown
Heavy Duty Trucks
Housewares
Welding Equipment and Accessories

Pennsylvania, continued

Altoona
Ball and Roller Bearings
Petroleum Dispensing Products
Power Transmission Equipment
Sportswear
Ambler
Chemical Products
Ambridge
Coal Washing Equipment
Electric Conduit and Fittings
Resins
Bangor
Automotive Test Equipment
Beaver Falls
Steel Mill Products
Tubular Products
Birdsboro
Rolling Mill Equipment
Blawnox
Castings
Grating
Valves
Boyertown
Truck Bodies
Brackenridge
Steel Laminations
Steel Sheet
Bradford
Gear Lubricants
Greases
Motor Oils
Bridgeport
Industrial Plastics
Bridgeville
Bulbs
Glass for Lamps
Bristol
Grocery Products
Butler
Steel Abrasives
Canton
Pneumatic Valves
Carbondale
Perforated Metals
Chambersburg
Men's Wear
Chester
Fabricated Aluminum Products
Resins
Safety Helmets
Sanitary Paper
Clairton
Resins
Clarion
Glass Containers
Clearfield
Refractory Producing Equipment
Climax
Refractories
Coatesville
Carbon, Alloy and Clad Plates and Heads
Steel Plate
Collegeville
Aluminum Products
Conshohocken
Pumps
Coraopolis
Castings
Cornwells Heights
Chemicals
Corry
Office Furniture
Cressona
Aluminum and Products
Curwensville
Fireclay Brick
Downingtown
Specialty Bags and Linens
Dresher
Chemical Specialties
Dublin
Aircraft Instruments
Dubois
Gas Meters, Regulators
Rubber Products
East Huntingdon
Railroad Material
Easton
Electric Soldering Tools
East Stroudsburg
Pole Line and Transmission Hardware
Emmaus
Electrical Wiring Devices
Erie
Air Dryers
Brake Drums, Hubs
Electric Motors
Excavators, Cranes
Locomotives and Parts
Magnetic Separators
Meters
Pipe Tools, Machinist Vises
Rubber Goods
Steam Generating Equipment
Wheels and Wheel Parts
Essington
Welding and Cutting Machines
Exeter
Tire Cord and Fabric

Pennsylvania, continued

Exton
- Ferro Alloys
- Lithium Chemicals

Franklin
- Fiberglass Panels
- Plastic Pipe

Greenville
- Fabricated Aluminum Products

Groveton
- Food Processing Machinery
- Gear Drives
- Rolling Mill Machinery

Hanover
- Canning Machinery
- Soluble Fertilizer

Harrisburg
- Cylinders
- Steel Culverts

Hazelton
- Signal Flashers

Hollidaysburg
- Parts

Huntingdon
- Fiberglass and Products
- Men's Shirts

Irvine
- Machined Steel Forgings

Kennett Square
- Plastic Phenolite Sheets
- Plastic Roving Cans
- Plastic Tubes

Kingston
- Processed Synthetic Yarn

Lancaster
- Humidification Equipment
- Padlocks
- Tread Rubber

Lansdale
- Electronic Equipment
- Men's Wear

Latrobe
- Refractories

Leechburg
- Cold Rolled Strip Steel

Lewistown
- Men's Wear
- Rayon Tire Cord and Fabric
- Rayon Yarn

Lock Haven
- Aircraft and Spare Parts

Manheim
- Turbo Mixer Parts

Marcus Hook
- Chemical Products
- Petroleum Products

Meadville
- Bronze Castings
- Synthetic Yarns and Fibers

Midland
- Machinery
- Rolling Mill Equipment

Millville
- Barn Equipment
- Dairy Equipment

Milton
- Mustard, Sauces

Monaca
- Polystyrenes

Montgomeryville
- Electronic Equipment

Moosic
- Explosives

Mount Union
- Silica Brick and Mortar

Mount Vernon
- Firebrick, Silica Brick and Related Refractory Specialties

Muncy
- Processing Machinery

New Kensington
- Aluminum Products

Norristown
- Tubes

North East
- Grape Juice, Jelly, Preserves

North Wales
- Electronic Instruments
- Process Control Systems

Oaks
- Tires and Tubes

Oil City
- Chemicals

Philadelphia
- Artificial Teeth
- Biscuits
- Coke
- Commercial Refrigerators and Freezers
- Dryers and Tobacco Equipment
- Electrical Apparatus
- Electronic Components
- Fabrics and Finishes
- Hospital and Lab Equipment
- Industrial Trucks
- Machine Tools, Hand Tools
- Ozonation Equipment
- Packaging Machinery
- Passenger Railway
- Plastic Film
- Plastics Products
- Power Transmission Equipment
- Radio and Television
- Roller and Ball Bearings
- Rubber Products
- Resins
- Woodworking Machinery

Phoenixville
- Boilers

Pittsburgh
- Food Products
- Lube Oils
- Pickles, Soups, Vinegars
- Processed Oils
- Rolling Mill Machinery and Equipment
- Safety Equipment
- Services
- Steel Mill Products
- Synthetic Resins

Plymouth
- Textiles

Plymouth Meeting
- Commercial Refrigeration

Pottstown
- Nonferrous Castings
- Propellor Shafts
- Universal Joints and Front End Parts
- Tires and Tubes

Prospect Park
- Wire Products

Quakertown
- Women's Apparel

Reading
- Automotive Stampings
- Boilers

St. Charles
- Refractories Products

Scranton
- Core Drill Equipment
- Phonograph Records
- Prerecorded Tapes

Shamokin
- Men's Shirts

Shippensburg
- Ball and Roller Bearings
- Power Transmission Equipment

Somerset
- Ceramic Plumbing Ware

Souderton
- Men's Wear

Spring House
- Industrial Instruments

Tamaqua
- Explosives

Tarentum
- Refractories

Thorndale
- Stainless Steel Plate

Titusville
- Machined Steel Forgings

Towanda
- Electronic Components
- Photo Products

Tyrone
- Fine Papers

Uniontown
- Water Meters

Warminster
- Centrifugal Type Equipment
- Industrial Process Instruments

Warren
- Couplings

Warrington
- Pumps

Washington
- High Speed Sheet Steel Castings

Watsontown
- Radio, Phonograph and Television Cabinets

Waynesboro
- Threading Machinery

West Chester
- Fire Extinguishing Chemicals

West Leechburg
- Steel Rolling Equipment

Wilkes Barre
- Erasers, Rubber Bands
- Pencils, Pens

Williamsport
- Men's Shirts

York
- Electrodes
- Industrial Package Boilers
- Wire Cloth

Zelienople
- Refractories

Other
- Chemicals and Related Products
- Coal
- Explosives
- Fabrics and Finishes
- Heavy Duty Industrial Equipment
- Furnace Components
- Inks
- Men's Wear
- Photo Products
- Rubber Products
- Radio and Television
- Tire Cord and Fabric

EAST NORTH CENTRAL STATES

Ohio

Exports for 1968 to Coffee Producing Countries:
$394,967,000

For Ohio these exports stimulated:
30,813 jobs
$260,240,000 in wages and farm income

Leading Exports:
machinery, motor vehicles, steel mill products, tires and tubes, chemicals, metal and farm products

Akron
- Aviation Products
- Chemical Products
- Conveyors
- Industrial Products
- Layout Machines
- Pneumatic Valves
- Rim Assemblies, Spacers
- Rubber Products
- Rubber Working Machinery
- Tires and Tubes
- V-Belts

Alliance
- Steel Plumbing Fixtures

Andover
- Miniature Electric Bulbs

Ashland
- Rubber Goods
- Water Pumps and Power Sprayers

Ashtabula
- Ferro Alloys
- Industrial Chemicals

Avery
- Asbestos Paper
- Construction Paper

Avon Lake
- Chemicals
- Plastic Materials
- Rubber Materials
- Synthetic Rubber

Barberton
- Boilers
- Insulators
- Tires and Tubes

Bedford
- Automotive Stampings

Bellevue
- Photoflash Lamps

Brilliant
- Ferro Alloys

Bryan
- Transit Mixers

Bucyrus
- Fluorescent Lamps and Tubing

Canton
- Automotive Transmissions
- Ferro Alloys
- Grinding Machines
- Lathes
- Metal Forming Presses
- Steel Mill Products

Chillicothe
- Floor Tile
- Printing and Writing Papers

Cincinnati
- Aircraft Engine Parts
- Automotive Transmissions
- Cotton Wadding
- Electrical Household Appliances
- Fatty Acids and Derivatives
- Formica
- Greeting Cards and Gift Wrappings
- Motor Controls
- Pumps
- Time Recorders
- Valves
- Machine Tools

Circleville
- Fluorescent Lamps
- Plastics Materials

Cleveland
- Addressing Machines, Duplicating Machines, Parts and Supplies
- Asphalt Building Products
- Automatic Lathes
- Automatic Transmissions
- Automobile Components
- Axles
- Batteries
- Carbon and Graphite Products
- Chemicals
- Closed Impression Die Forgings
- Couplings
- Fiberglass, Tanks
- Fluid Power Products
- Fluorescent Lamps
- Friction Materials
- Grip Lug Grouser Bar
- Ion Exchange Resin
- Lamp Components
- Machinery Parts
- Machine Tools
- Metal Working Machinery
- Motor Vehicle Parts
- Plastic Injector Molding Machines
- Plastic Ventilation Equipment
- Poultry Incubators
- Printing Machinery
- Special Plating Solutions
- Steel Mill Products
- Textile Machinery
- Vacuum Cleaners
- Vegetable Oil Extractor Machines
- Welders and Associated Products

Clyde
- Wringer Washers

Columbus
- Automobile Trim
- Farm Machinery
- Hydraulic Products
- Motor Vehicle Parts
- Process Controls
- Slippers
- Television Bulbs

Conneaut
- Lamp Components

Coshocton
- Laminated Products

Cuyahoga Falls
- Wire Drawing Machinery

Dayton
- Air Conditioning Equipment
- Brake Drum, Hubs
- Electric Household Appliances
- Heating Equipment
- Mechanical Forms, Feeding and Handling Equipment
- Motor Vehicle Components
- Office Equipment
- Wheels and Wheel Parts

Defiance
- Automotive Castings
- Insulations

Dover
- Lamp Components

East Toledo
- Plate Glass
- Safety Glass

Elyria
- Air Conditioning
- Automotive Body Trim
- Cast Metal Products
- Plastic Pipe
- Steel Pipe

Euclid
- Construction Equipment

Findlay
- Dishwashers

Fostoria
- Auto Parts
- Carbon and Graphite Products

Fremont
- Batteries

Galena
- Pumps

Hamilton
- Machinery
- Safes and Vaults
- Sugar Centrifugals, Accessories

Harrison
- Compressors

Hayesville
- Pumps

Hudson
- Construction Equipment

Huron
- Chemicals

Irondale
- Refractories Products

Jackson
- Refractories

Lancaster
- Boiler Cleaning Systems
- Water Level Gauges

Lima
- Automobile Components
- Chemicals

Ohio, continued

Logan
Abrasives
Glass Tubing

Lorain
Automobile Assembly

Mansfield
Automotive Stampings
Domestic [illegible]
[illegible]

[illegible]
[illegible]

Massillon
[illegible]
Steel Mill [illegible]

Medina
Heating and Cooling Machinery

Middletown
Steel Pipe

Mount Gilead
Plastic Molding Equipment

Mount Vernon
Glass

Newark
Fiberglass Products

New Bremen
Culvert Equipment
Corrugating Equipment
Shear Lines, Slitting Lines

New Philadelphia
Excavators

Niles
Fabricated Steel Products
Glass for Lamps
Steel Barrels and Drums

North Bend
Chemicals

Norwood
Motor Vehicles

Oak Hill
Refractories

Orrville
Water Well Drilling Machines and Tools

Painesville
Lubricant Chemicals

Ravenna
Rubber Goods

Riverside
Chemicals, Plastics

Rossford
Plate Glass

Salem
Heat Treating Equipment
Presses
Pumps
Rolling Mill Equipment

[illegible]
[illegible] Bearings
[illegible]
[illegible] Components
[illegible]
[illegible] Graphite Products
[illegible]
[illegible] Transmissions
Automatic Weighing Equipment
[illegible]
Fabrics and Finishes
[illegible]
Fans and Blowers
Lamps
Wiring and Cable Products

Waterville
Fiberglass

Wauseon
Gaskets

Wellsville
Refractories Products

Wickliffe
Lubricant Chemicals
Metal Working Machinery
Meters
Steel Mill Products

Wilmington
Machine Tools

[illegible]

Yorkville
Tin Mill Products

Youngstown
[illegible]

Zanesville
Transformers

Other
Cereal Grains
Chemicals, Related Products
Fabrics and Finishes
Motor Vehicles and Parts
Plastics Materials
Rubber Products
Steel Mill Products
Tires and Tubes
Wheat

Indiana

[illegible] Producing Countries:
[illegible]

For Indiana [illegible] exports stimulated:
[illegible]
[illegible] in wages and [illegible]

Leading Exports:
[illegible] ap-
pliances, [illegible] products

[illegible]
Motor Vehicle Equipment

[illegible]
[illegible]

[illegible]
[illegible]

Bloomington
Elevators and Escalators

[illegible]
Motors
Rubber Products

Columbus
Household Furniture

Connersville
Household Appliances

Crawfordsville
Books
Electrical Components

Decatur
Small Motors

East Chicago
Chemicals
Steel Mill Products

[illegible]
[illegible]
[illegible] Excavators, [illegible]
Well Drills

Fortville
Chemicals

Fort Wayne
Electrical Measuring Instruments
Motors, Transformers
Motor Vehicle Parts, Accessories
Ore Concentrating Tables, Vibrating Screens and Parts
Service Station Pumps
Tires and Tubes

Frankfort
Electrical Components
Soybean Oil

Indiana, continued

Gary
Automotive Windshield Wipers
Steel Mill Products
Gas City
Glass Containers
Goshen
Gaskets
Hagerstown
Gray-Iron Castings
Piston Rings
Hammond
Metal Forming Machinery
Railroad Freight Car Parts
Steel Culverts
Huntington
Asbestos Products
Steel Chain
Indianapolis
Auto Parts and Accessories
Capacitors, Electrical Components
Castings
Class Ring Jewelry
Containers for Liquified Gases
Electrostatic Painting Equipment
Engines and Parts
Grain Drying and Handling Equipment
Hardware
Metal Cans
Paper Products
Pumps, Water Systems
Textbooks
Asphalt and Concrete Batching Plants
Jeffersonville
Chemicals
Kendallville
Water Pumping Equipment
Water Softeners
Kokomo
Automobile Radios
Automotive Castings
Automotive Transmissions
Motor Vehicle Equipment
Nonferrous Metal Products
Lafayette
Electronic Components
La Porte
Meat Slicing Equipment
Linton
Fractional-Horsepower Motors
Madison
Construction Machinery
Marion
Propellor Shafts
Universal Joints
Michigan City
Pressure Sensitive Adhesive Tape
Mishawaka
Abrasives
Blast Cleaning and Finishing Equipment and Parts
Coated Fabrics
Dust and Fume Control Equipment
Rubber Products
Mount Vernon
Plastics Products
Resins
Muncie
Laboratory Glassware
Motor Vehicle Parts and Accessories
Smoked Hams, Bacon, Canned Hams and Sausage
Nappanee
Storage Components
New Castle
Auto Parts
Gray-Iron Castings
Richmond
Automotive Gears
Gray-Iron Castings
Insulation
Rushville
Gray-Iron Castings
Salem
Gaskets
Seymour
Filters for Internal Combustion Engines
Shelbyville
Hand Pumps
Heaters, Heating Devices
Industrial Furnaces
South Bend
Automotive Equipment
Tell City
Receiving Tubes
Terre Haute
Pre-Engineered Steel Buildings
Agricultural and Animal Health Products
Tipton
Barnyard Equipment, Poultry Equipment
Piston Rings, Valve Seals
Valparaiso
Ball Bearings
Roller Bearings
Wabash
Meter Testers
Water Meter Boxes
Warsaw
Presses
Whiting
Chemicals
Resins
Winchester
Moulding Equipment for Glass Containers
Other
Cereal Grains
Chemicals, Related Products
Electrical Household Appliances
Explosives
Furnace Components
Plastics Products
Rubber Products
Tires and Tubes

Illinois

Exports for 1968 to Coffee Producing Countries:
$397,914,000

For Illinois these exports stimulated:
32,780 jobs
$265,956,000 in wages and farm income

Leading Exports:
farm machinery and equipment, construction equipment, industrial machinery, electrical equipment, chemicals, pharmaceuticals, wheat, cattle

Alton
Glass Containers
Argo
Dextrose
Syrups
Aurora
Ball Bearing Units
Barrington
Swivel Joints
Bartlett
Plastic Containers
Belvidere
Frozen Vegetables
Machine Tools
Bensenville
Locks, Hardware
Bloomington
Electrical Controls
Machinery
Tires and Tubes
Blue Island
Bells, Horns and Sirens
Revolving Lights
Bridgeview
Steel Strapping
Canton
Farm Equipment
Carol Stream
Decalcomania Transfers
Champaign
Concrete Batch Plants
Soybean Oil and Products
Chicago
Adhesives, Tapes
Ball Joints
Biscuits
Candy
Can Machinery
Carbonating Machinery Parts
Check Writers and Signers
Coin Operated Music Machines
Commercial Lawnmowers
Cleaning Equipment
Construction Equipment
Cosmetics
Drafting Supplies
Electronic Organs
Extruded Shapes and Forms
Fabrics and Finishes
Fans
Farm Equipment
Fasteners
Fluid Power Cylinders
Food Products
Industrial Trucks
Laundry Equipment
Locomotive Parts
Meat Casings
Metal Cans
Organic Chemicals
Organs
Paint and Varnish
Paint Sprayers

Illinois, continued

Paperboard
Paper Working Machinery
Perforators
Pole-Line Hardware
Pumps
Printing Ink
Radio, Phonograph and Television
Range Hoods
Scientific Instruments
Small Household Appliances
Steel Angles
Steel Mill Products
Steel Valves
Sutures
Switchgear
Towel Cabinets
Textile Products
Washers and Dryers
Welding and Cutting Equipment
Wiring Devices

Chicago Heights
Automotive Stampings
Cast Metal Products
Floor Tile
Food Service Equipment
Transportation Equipment
Water Coolers

Cicero
Electric Household Appliances

Danville
Automotive Castings
Parts for Crushing Machinery
Lamp Ballasts
Lift Trucks

Decatur
Corn Products
Pharmaceuticals
Soybean Products
Stereophonic Equipment
Tires and Tubes

De Kalb
Appliance Motors
Farm Products

Des Plaines
Chemicals
Concrete Forming Equipment
Fuses
Instruments

Dixon
Dry Milk Products

Dolton
Chain

Downers Grove
Bearings

Du Quoin
Electronic Components

East Chicago
Railroad Equipment

East Moline
Farm Implements

East St. Louis
Agricultural Chemicals
Inorganic Chemicals
Organic Chemicals

Effingham
Commercial Laundry Equipment
Gas and Electric Ranges
Refrigerators

Elgin
Prescription Products

Elk Grove Village
Electrical Equipment

Evanston
Testing Equipment for Soil, Rock, Asphalt and Concrete

Fairfield
Automotive Truck and Tractor Replacement Parts

Forrest
Poultry

Franklin Park
Electrical Apparatus

Galesburg
Outboard Motor Parts
Power Mowers
Pre-Engineered Metal Buildings

Genoa
Switching Equipment
Telephone Apparatus

Glenview
Seals
Tools and Machines

Granite City
Galvanized Steel Sheets
Railroad Castings

Grayslake
Electronic Scales
Traffic Counters

Harvey
Heavy Industrial Equipment

Henry
Chemicals

Herrin
Automatic Washers and Clothes Dryers

Hoopeston
Canning Machinery
Commercial Kitchen Equipment

Jacksonville
Phonograph Records
Prerecorded Tapes

Joliet
Electron Tubes
Flooring Materials
Insulations

Kankakee
Harvestores
Water Heaters

Kewanee
Boilers
Compaction Equipment

La Grange
Diesel Locomotives
Industrial Type Lawn Mowers

Lanark
Canned Vegetables

La Salle
Hydrostatic Transmissions
Zinc Slugs

Libertyville
Construction Equipment
Hydraulic Hose Assemblies

Lincolnwood
Electronic Sound Organs

Lyons
Vacuum Cleaners

Madison
Asphalt Building Products

Mattoon
Copper and Brass Mill Products
Photoflash Lamps

Maywood
Optical Equipment for Industry

McCook
Fabricated Aluminum Products

McHenry
Brake Parts

Melrose Park
Construction Equipment
Cosmetics

Meredosia
Chemical Products

Moline
Farm Implements
Signal Equipment

Morrison
Appliance Controls

Morton
Farm Building and Mechanical Plowing Equipment

Morton Grove
Motion Picture Screens
Valves, Controls

Mount Carmel
Tools

Mundelein
Valves

North Aurora
Filtration Equipment

Northbrook
Air Systems

Northlake
Switching Equipment
Telephone Appliances

Oregon
Road Making Equipment

Ottawa
Plastics Materials

Pekin
Dextrose
Syrups

Peoria
Drying Equipment
Farm Machinery Replacement Parts
Lift Truck Attachments
Steel Billets

Princeton
Gas Range Components

Quincy
Compressors and Pumps

Rockford
Aircraft Accessories
Air Distribution Products
Engine and Turbine Controls
Gear Cutting Machinery and Cutting Tools
Hydraulic Torque Converters and Parts
Ice Cream Packaging Machines
Locks, Hardware
Machine Tool Repairs
Machine Tools
Oil Burner Pumps
Paint and Varnish
Steel Forgings
Television Cabinets
Textile Machinery

Rock Island
Farm Equipment

Sandwich
Quartz Crystals

Skokie
Automatic Temperature Controls

Spring Valley
Furniture Hardware

Sterling
Garage Doors

Illinois, continued

Streator
Portable Hardness Testing Equipment
Tuscola
Polyethylene Resin
Waukegan
Asbestos Products
Asphalt Products
Outboard Motors
Wyoming
Agricultural Chemicals
Other
Cereal Grains
Chemicals and Related Products
Industrial Electronics
Wheat

Michigan

Exports for 1968 to Coffee Producing Countries: $388,733,000

For Michigan these exports stimulated:
26,878 jobs
$227,445,000 in wages and farm income

Leading Exports:
passenger cars, trucks, vehicle parts, metal working machinery, chemicals, pharmaceuticals, metal products

Albion
Glass Products
Alpena
Concrete Block Machinery and Parts
Baraga
Cary-Lift
Speed Skidders
Battle Creek
Industrial Trucks
Valves
Bay City
Motor Vehicle Parts
Benton Harbor
Construction Machinery
Big Rapids
Knife Grinders
Sawmill Tools
Saw Sharpeners
Birmingham
Electrodes
Brooklyn
Auto Parts
Buchanan
Industrial Truck Components
Chelsea
Motor Vehicle Parts
Dearborn
Automobiles
Auto Parts, Accessories
Deerfield
Freezers
Refrigerators
Detroit
Automobiles
Automotive Products
Brake Drums, Hubs
Chemicals
Coatings
Copper and Brass Mill Products
Fans
Fluid Drives
Grinding and Polishing Machines
Material Handling Equipment
Motor Vehicles and Parts
Office Equipment, Parts and Supplies
Pharmaceuticals
Tools and Gauges
Universal Joints
Wheels and Wheel Parts
Dowagiac
Fishing Tackle
Ecorse
Automotive Stampings
Chemicals
Edmore
Electronic Components
Magnets
Farmington
Hobs (Cutting Tools)
Ferndale
Steel Pipe and Conduit
Flint
Fabrics and Finishes
Hardware
Motor Vehicles and Parts

Michigan, continued

Gibralter
Sheet Steel
Grand Haven
Industrial Tools
Grand Rapids
Diesel Equipment
Materials Handling Equipment
Wood Working Machinery
Grandville
Mufflers and Pipes
Hamtramck
Automobiles
Auto Parts and Accessories
Hastings
Can Machinery, Presses
Highland Park
Auto Parts
Tractors
Hillsdale
Auto Parts
Holland
Hermetic Motors
Pharmaceuticals
Jackson
Aircraft Fluid Carrying Devices
Industrial Truck Components
Surgical Supports and Appliances
Tires and Tubes
Kalamazoo
Adhesives
Fretted Instruments and Amplifiers
Presses
Transmissions
Lansing
Forgings
Fruit Harvesters, Sprayers and Dusters
Motor Vehicles and Parts
Wheels and Wheel Parts
Livonia
Automobile Components
Industrial Coolant
Filtration Equipment
Ludington
Printing Plant Equipment
Lyons
Auto Parts
Madison Heights
Automotive and Industrial Fuel Filters
Marshall
Automotive Parts
Marysville
Marine and Industrial Engines
Mason
Infant Nutritionals
Midland
Chemicals, Plastics
Monroe
Automotive Stampings
Solid Fiber Boxes
Montague
Chemicals
Mount Clemens
Vinyl Products
Muskegon
Auto Parts, Trailer Suspensions
Industrial Cutting Tools
Niles
Refrigeration Products
Northville
Automobile Components
Oak Park
Machine Tool Accessories
Owosso
Auto Parts
Plymouth
Office Equipment, Parts and Supplies
Pontiac
Motor Vehicles and Parts
Port Huron
Brass and Copper Products
Rawsonville
Auto Parts
Rockford
Leather
Royal Oak
Machine Tools
Tractors
Romulus
Automotive Truck and Tractor Replacement Parts
Saginaw
Automotive Parts
Baking Machinery
St. Joseph
Automatic Washers
South Haven
Agricultural Chemicals
Trenton
Auto Parts
Bearings
Engines
Troy
Hydraulics
Utica
Automobile Assembly

Michigan, continued

Warren
Tracks
Transmissions
Motor Vehicle Parts

Wayne
Automobile Assembly

White Pine
Refined Copper

Winn
Log Debarkers

Wixom
Automobile Assembly

Wyandotte
Organic Chemicals

Ypsilanti
Motor Vehicles Parts

Other
Boiler Equipment
Cereal Grains
Chemicals
Fabrics and Finishes
Motor Vehicles and Parts
Wheat

Wisconsin

Exports for 1968 to Coffee Producing Countries: $179,485,000

For Wisconsin these exports stimulated: 14,454 jobs $122,076,000 in wages and farm income

Leading Exports: machinery, farm equipment, motor vehicles, dairy and paper products

Appleton
Battery Liner Paper
Welding Machines

Baraboo
Measuring Instruments
Scientific Instruments

Barksdale
Chemicals

Biron
Enamel Book Paper

Columbus
Harvesting Machinery

Delavan
Dairy and Food Equipment
Water Equipment

De Pere
Specialty Bags and Linens

Fond du Lac
Finished Shoe Leather
Horizontal Boring Machines
Milling Machines

Fort Atkinson
Poultry Incubators

Fox Lake
Canned Vegetables

Glenbeulah
Farm Wagons and Trailers

Crafton
Veterinary Pharmaceuticals

Green Bay
Fertilizer Manufacturing Equipment
Machinery

Horicon
Farm Implements

Janesville
Washing and Sterilizing Equipment for Food and Dairy Industry

Kaukauna
Radial Drills

Kenosha
Automobiles
Copper and Brass Mill Products
Tools
Transmission Equipment

Kohler
Electrical Plants and Parts
Engines and Engine Parts
Plumbing Fixtures and Fittings

La Crosse
Commercial Equipment

Lake Mills
Food Processing Equipment

Madison
Meat and Meat Products
Medical and Surgical Equipment

Wisconsin, continued

Marinette
Fire Protection Products

Menasha
Printing and Writing

Milwaukee
Automobiles
Beer
Blowers
Bulk Materials Equipment
Casing
Chain
Construction Machinery
Conveyors
Electronic Components
Flexible Shaft Couplings
Gasoline Engines and Parts
Gears, Speed Reducers
Kitchen Appliances
Malt Beverages
Outboard Motors
Power Transmission Equipment
Small Household Appliances
Specialty Bags and Linens
Temperature Control Equipment
X-Ray Supplies
Yeast, Bakery Supplies

Neenah
Napkins
Paperboard
Towels and Tissues
Waxed Paper

Oshkosh
Engine Generator Sets

Plymouth
Cheese Products

Port Washington
Farm Machinery

Racine
Engine Units and Parts
Friction Clutches and Parts
Hydraulic Pumps, Valves
Marine Reverse Gear Units and Parts

Rhinelander
Coated Paper

Ripon
Canned Vegetables

Rosendale
Canned Vegetables

Sheboygan
Children's Wheel Goods
Packaging Machinery
Paint Sprayers, Air Compressors

South Milwaukee
Quarry and Mine Machinery
Well Drills

Stoughton
Coated Fabrics

Sun Prairie
Porcelain Products

Two Rivers
Marine Equipment

Watertown
Furnaces

Waukesha
Malted Milk Products

West Bend
Agricultural Machinery
Fiber Products

Winneconne
Farm Equipment

Wisconsin Dells
Cleaning Equipment
Commercial Lawnmowers
Fork Lift Trucks

WEST NORTH CENTRAL STATES

Minnesota

Exports for 1968 to Coffee Producing Countries:
$83,765,000

For Minnesota these exports stimulated:
7,407 jobs
$53,722,000 in wages and farm income

Leading Exports:
wheat, dairy products, flour, construction and mining machinery, data processing equipment

Anoka
Beverage Dispensing Equipment
Faucets
Regulating Valves

Austin
Canned Meats

Cloquet
Acoustical Products

Eveleth
Men's Wear

Fairmont
Railway Equipment

Faribault
Air Conditioning
Refrigeration Unit Coolers

Gilbert
Men's Wear

Glencoe
Canned Vegetables

Hopkins
Farm Machinery

Lakeville
Heat Processing Equipment

Le Sueur
Canned Vegetables

Marshall
Poultry

Minneapolis
Cereal
Cleaning and Grading Equipment
Engine Driven Electric Generating Plants and Parts
Flour Grinders and Polishers
Flour Maintenance Machinery
Heat Processing Equipment
Hydraulic Derricks, Earth Boring Machinery
Mining Exploration Machinery
Molded Rubber Goods
Power Units
Rock Crushing Equipment
Transport Refrigeration

Montgomery
Canned Vegetables

Mound
Toys

New Prague
Flour

New Ulm
Gaskets

Owatonna
Scholastic Jewelry
Tools

Red Wing
Shoes (Safety)

Rochester
Office Equipment

Minnesota, continued

St. Louis Park
Nonferrous Mill Products
Refined Lead

St. Paul
Conveyor Specialties
Data Processing
Freezers
Water Well Screens

Virginia
Men's Wear

Winona
Household Specialties
Plastic Molding Compound
Toiletries

Other
Men's Wear
Wheat, Cereal Grains
Cattle
Eggs, Poultry
Soybean Oil

Iowa

Exports for 1968 to Coffee Producing Countries:
$101,437,000

For Iowa these exports stimulated:
8,288 jobs
$65,124,000 in wages and farm income

Leading Exports:
farm machinery, corn, hides and skins, fats and oils, cattle

Algona
Tools

Bettendorf
Farm Machinery and Equipment

Burlington
Switch Gear

Cedar Falls
Farm Building and Mechanical Plowing Equipment
Rotary Pumps

Cedar Rapids
Process Equipment

Centerville
Meat Packaging Materials

Charles City
Veterinary Pharmaceuticals

Clinton
Plastics Materials

Davenport
Meat and Meat Products
Signal Equipment, Timers

Des Moines
Farm Implements
Tractors
Tires and Tubes

Dubuque
Industrial Tractors

Fairfield
Household Appliances

Fort Dodge
Electronic Components

Fort Madison
Fabrics and Finishes

Keokuk
Corn Syrup

Marshalltown
Pressure Gauges
Thermometers

Newton
Generators and Parts
Laundry Appliances

Ottumwa
Farm Implements

Port Neal
Urea Fertilizer

Sioux City
Meat Products

Washington
Iron Valves

Waterloo
Farm and Industrial Tractors

Waverly
Cranes

Other
Cattle, Hides and Skins
Corn
Soybeans, Soybean Oil

Missouri

Exports for 1968 to Coffee Producing Countries:
$112,607,000

For Missouri these exports stimulated:
8,726 jobs
$67,235,000 in wages and farm income

Leading Exports:
chemicals, machinery, transportation equipment, steel products, hides and skins, flour, refractory products, wheat

Carthage
Clothing
Centralia
Electrical Transmission and Distribution Line Products
Chillicothe
Gloves
Dexter
Poultry
Farber
Fireclay Brick
Grandview
Electrical Transmission and Distribution Line Products
Jefferson City
Cosmetics
Cotton Swabs and Balls
Joplin
Chemicals
Explosives
Kansas City
Agricultural Chemicals
Grinding Balls, Wire Products
Housewares, Appliances
Oxygen Therapy Equipment
Portable Conveyors
Louisiana
Oxychemicals
Mexico
Refractories
New Haven
Fur Felt Hats
North Kansas City
Flour
Syrups
Pleasant Hill
Live Poultry
Portageville
Cottonseed Oil
Potosi
Oil Well Drilling Materials
St. Elizabeth
Straw Hats
St. Joseph
Animal Health Products
Fertilizer
Flour
Meat Products
St. Louis
Agricultural Chemicals
Bearings
Boiler Equipment
Building Products
Distilled Liquor
Fabricated Aluminum Products
Flour Mill Machinery
Footwear, Shoes
Inorganic Chemicals
Lead Compounds
Medical Equipment
Motor Vehicles
Organic Chemicals
Pipe Fittings
Titanium Compounds
Sedalia
Appliances
Housewares
Seneca
Abrasives
Springfield
Brake Drums, Hubs
Valley Park
Coating Resins
Vandalia
Furnace Components
Other
Cereal Grains
Chemicals, Related Products
Electro-Plating Chemicals
Steel Scrap
Wheat

North Dakota

Exports for 1968 to Coffee Producing Countries:
$48,469,000

For North Dakota these exports stimulated:
5,195 jobs
$27,865,000 in wages and farm income

Leading Exports:
wheat, barley, cattle, animal feeds

Grand Forks
Flour
Other
Wheat, Cereal Grains

South Dakota

Exports for 1968 to Coffee Producing Countries:
$17,076,000

For South Dakota these exports stimulated:
1,781 jobs
$9,863,000 in wages and farm income

Leading Exports:
wheat, meat products, animal feeds, clay

Belle Fourche
Bentonite
Ground Clay
Custer
Feldspar
Ground Minerals
Other
Bentonite
Cereal Grains
Wheat
Cattle

Kansas

Exports for 1968 to Coffee Producing Countries:
$128,541,000

For Kansas these exports stimulated:
11,909 jobs
$71,676,000 in wages and farm income

Leading Exports:
wheat, grain sorghums, flour, machinery, aircraft

Abilene
Flour
Buhler
Flour
Chanute
Rubber Hose, Tubing
Edson
Journal Bearings
Hesston
Corn Harvesters
Hutchinson
Flour
Independence
Regulators, Solenoids
Kansas City
Baking Ingredients
Flour
Lawrence
Chemicals
McPherson
Flour
Newton
Flour
Olathe
Industrial Water Cooling Equipment
Salina
Farm Implements

Kansas, continued

Topeka
Plastics Materials
Tires and Tubes
Ulysses
Carbon Black
Wichita
Aircraft
Chemicals
Oilfield Machinery
Trenchers and Backhoes
Other
Wheat, Cereal Grains

Nebraska

Exports for 1968 to Coffee Producing Countries:
$48,647,000
For Nebraska these exports stimulated:
4,811 jobs
$28,295,000 in wages and farm income
Leading Exports:
wheat, grain sorghums, meat products, animal feeds, machinery, farm implements

Beatrice
Farm Implements
Pump Jacks
Pumps and Cylinders
Water Systems
Windmills
Broken Bow
Surgical and Medical Equipment
Columbus
Electronic Components
Surgical and Medical Equipment
Hastings
Oil Cans
Tire Pumps
Kearney
Pipeline Valves
Lyman
Steel and Iron Pipe
Omaha
Lawn Mowers, Riders and Tractors
Mini-Bikes
Paper and Paper Products
Plastic Film Package-Sealing Machines
York
Materials Handling Equipment
Other
Wheat, Cereal Grains

SOUTH ATLANTIC STATES

Delaware

Exports for 1968 to Coffee Producing Countries:
$18,240,000
For Delaware these exports stimulated:
1,135 jobs
$9,642,000 in wages and farm income
Leading Exports:
chemicals, plastics, textile fibers, food products

Dover
Cocoa Products
Desserts
Maple Syrup
Edge Moor
Pigments
Newark
Cellulose
Industrial Plastics
Plastic Products
New Castle
Castings
Welding Products
Newport
Pigments
Seaford
Textile Fibers
Wilmington
Chemicals
Men's Apparel
Woodside
Canned Vegetables
Other
Pigments
Textile Fibers

Maryland

Exports for 1968 to Coffee Producing Countries:
$60,128,000
For Maryland these exports stimulated:
5,145 jobs
$42,350,000 in wages and farm income
Leading Exports:
metals and metal products, tools, truck engines, chemicals, tires and tubes

Baltimore
Canning Machinery
Chemicals
Lab Supplies
Laminates
Law Enforcement Products
Mayonnaise and Salad Dressing
Medical Gases
Men's Wear
Metal Cans
Pigments
Plumbing Fixtures
Porcelain Insulators
Refined Copper
Spices and Extracts
Steel Strapping and Seals
Sterling Silverware
Bethesda
Biochemicals
Cambridge
Wire Cloth

Maryland, continued

Cockeysville
Law Enforcement Equipment
Cumberland
Fibers
Tires and Tubes
Elkton
Chemicals
Hagerstown
Insulated Doors
Truck Engines
Hampstead
Portable Electric Tools
Luke
Fine Papers
Sparrows Point
Industrial Welding Equipment
Westminster
Canning Machinery
Commercial Kitchen Equipment
Other
Eggs
Poultry

Virginia, continued

Salem
Control Equipment
Locks, Hardware
Tires and Tubes
Smithfield
Meat Products
Staunton
Air Conditioning and Cooling Equipment
Heating Equipment
Suffolk
Paper Printing Equipment
Waynesboro
Electrical Controls
Textile Fibers
Winchester
Friction Materials
Woodstock
Fruit Packinghouse Equipment
Other
Chemicals
Textile Fibers
Apples
Coal
Leaf Tobacco
Peanuts

Virginia

Exports for 1968 to Coffee Producing Countries:
$63,464,000
For Virginia these exports stimulated:
5,195 jobs
$40,053,000 in wages and farm income
Leading Exports:
chemicals, tobacco, cigarettes, paper, textile fibers, coal, fruit, aluminum products

Altavista
Textiles
Bedford
Textile Fabrics
Bellwood
Fabricated Aluminum Products
Blackstone
Trousers
Bridgewater
Fibers
Bristol
Women's Apparel
Charlottesville
Marine Navigation Equipment
Clarksville
Textiles
Covington
Bleached Board
Culpeper
Wire Rope and Cable
Danville
Hand Tools, Saws
Fieldale
Towels
Franklin
Bleached Paper
Fredericksburg
Plastics
Front Royal
Rayon Staple, Tire Cord
Grottoes
Plastics Products
Hopewell
Cellulose
Kraftliner
Protein Products
Jarratt
Insulating Board
Lynchburg
Rectifiers
Transformers, Fuses
Wiring Devices
Martinsville
Textile Fibers
Middleburg
Women's Apparel
Narrows
Fibers
Norfolk
Automotive Assembly
Petersburg
Cigarettes
Portsmouth
Bronze Bearings
Transportation Equipment
Richmond
Chemicals
Fabricated Aluminum Products
Pharmaceuticals
Synthetic Fiber Machinery
Textile Fibers

District Of Columbia

Exports for 1968 to Coffee Producing Countries:
$1,369,000
For District of Columbia these exports stimulated:
140 jobs
$1,047,000 in wages and farm income
Leading Exports:
magazines, government publications

WASHINGTON, D.C.
Magazines
Government Publications

West Virginia

Exports for 1968 to Coffee Producing Countries:
$60,308,000
For West Virginia these exports stimulated:
4,007 jobs
$34,758,000 in wages and farm income
Leading Exports:
organic chemicals, agricultural chemicals, coal, glass products

Alloy
Ferro Alloys
Amherstdale
Coal
Bartley
Coal
Belle
Chemicals
Beckley
Coal
Charleston
Sheet Glass
Clarksburg
Carbon Products
Glass Containers
Paper Products
Coal Mountain
Coal
Diamond
Hydrocarbons
Fairmont
Glass Containers
Graham
Ferro Alloys

West Virginia, continued

Hastings
Hydrocarbons
Holden
Coal
Huntington
Glass Containers
Lumber and Veneer
Institute
Organic Chemicals
Kopperston
Coal
Long Reach
Silicone Products
Martinsburg
Explosives
McComas
Coal
Moundsville
Glassware
Nitro
Agricultural Chemicals
Organic Chemicals
Rayon Staple Fiber
Northfork
Coal
Parkersburg
Plastics Materials
Shovels, Spades and Scoops
Ragland
Coal
Red Jacket
Coal
Richwood
Lumber
South Charleston
Inorganic Chemicals
Organic Chemicals
Vienna
Fiberglass Products
Weirton
Steel Strapping
Wharton
Coal
Wheeling
Cigarette Tobacco
Other
Chemicals and Related Products
Coal
Explosives
Plastics Materials

North Carolina

Exports for 1968 to Coffee Producing Countries:
$98,763,000

For North Carolina these exports stimulated:
9,131 jobs
$68,751,000 in wages and farm income

Leading Exports:
textiles, tobacco, cigarettes, pulp and paper, apparel

Asheboro
Batteries
Housewares
Asheville
Ball and Roller Bearings
Power Transmission Equipment
Ayden
Agricultural Chemicals
Balfour
Textiles
Brevard
Photo Products
Burlington
Textiles
Canton
Paper
Charlotte
Asbestos Products
Batteries
Coatings for Meters
Plastic Containers
Cramerton
Textiles
Denmark
Small Household Appliances
Draper
Bedspreads, Blankets, Sheets,
Rugs, Carpets
Durham
Cotton Bags
Gastonia
Mechanical Packings
Textile Machinery

North Carolina, continued

Goldsboro
Lamp Components
Greensboro
Cigarettes
Greenville
Batteries
Grover
Bedspreads, Textiles
Upholstery Fabrics
Hendersonville
Lighting Equipment
Hickory
Electrical Equipment
Furniture
High Point
Textile Machinery, Textiles
Furniture
Hillsboro
Furniture
Kinston
Textile Fibers
Kona
Feldspar
Laurinburg
Magnet Wire
Leaksville
Bedspreads, Sheets
Blankets
Rugs, Carpets
Lexington
Dryers
Marshville
Asbestos Products
Mebane
Furniture
Monroe
Builders' Hardware
Locks, Hardware
Mooresville
Textiles
Neuse
Textiles
Newton
Work Gloves
North Wilkesboro
Grist Mills
Hammer Mills, Saw Mills
Raeford
Frozen Poultry
Raleigh
Communications and Office Equipment
Red Springs
Fabrics
Roanoke Rapids
Consumer Products
Linerboard
Shelby
Elastic Webs
Nylon Fiber
Spray
Bedspreads, Sheets
Blankets
Rugs, Carpets
Spruce Pine
Feldspar
Waynesville
Hose, V-Belts
Printers' Blankets
Textile Machinery Parts
Wilmington
Boilers
Paperboard, Pulp
Winston-Salem
Processed Synthetic Yarn
Knitwear
Hosiery
Other
Chemicals and Related Products
Feldspar
Photo Products
Textile Fibers
Leaf Tobacco
Peanuts

South Carolina

Exports for 1968 to Coffee Producing Countries:
$50,807,000

For South Carolina these exports stimulated:
4,632 jobs
$37,848,000 in wages and farm income

Leading Exports:
textiles, textile fibers, apparel, paper, chemicals, tobacco

Aiken
Brassieres
Girdles
Anderson
Fiberglass and Products

South Carolina, continued

Bath
Cotton Goods
Bethune
Baby Diapers
Lingerie
Camden
Cotton Fabrics
Textile Fibers
Charleston
Chemicals
Kraft Paper and Paperboard
Clearwater
Textile Fabrics
Clemson
Consumer Products
Clinton
Bearings
Columbia
Educational Equipment
Electric Signs
Metal Letters
Recording Equipment
Conway
Wood Products
Denmark
Fifth Wheels
Landing Gear
Edgefield
Cotton Goods
Florence
Plastics Materials
Greenville
Capacitors
Nylon Fiber
Greenwood
Surgical Dressing Products
Hampton
Electrical Equipment, Materials and Components
Hartsville
Fertilizer
Hemingway
Lingerie
Irmo
Capacitors
Langley
Textile Chemicals
Laurens
Ceramic Thread Guides
Newberry
Baby Diapers
Cotton Fabrics
Pelzer
Cotton Goods
Rock Hill
Denims
Fibers
Textile Finishing Equipment
Seneca
Elastic Stockings
Sportswear
Underwear
Slater
Fiberglass (Decorative)
Spartanburg
Fertilizer
Union
Cotton Goods
Walhalla
Industrial Sewing and Knitting Needles
Wallace
Piece Goods
Suitings
Other
Chemicals and Related Products
Fertilizer
Plastics Materials
Textile Fibers
Cotton
Leaf Tobacco

Georgia

Exports for 1968 to Coffee Producing Countries:
$107,741,000

For Georgia these exports stimulated:
8,472 jobs
$69,809,000 in wages and farm income

Leading Exports:
paperboard, wood pulp, textiles, chemicals, aircraft, tire cord, apparel, machinery

Albany
Tires and Tubes
Americus
Fertilizer

Georgia, continued

Athens
Apparel
Atlanta
Air Systems
Commercial Refrigerators, Food Shelving
Educational Products
Glass Containers
Men's Shirts
Shoemaking Machines
Attapulgus
Clay
Augusta
Carpet Yarns
Chemicals
Embossing Tools and Tapes
TV Picture Tubes
Blue Ridge
Trousers
Women's Apparel
Bremen
Men's Shirts
Brunswick
Agrichemicals
Boilers
Pine and Paper Chemicals
Woodpulp
Buchanan
Men's Shirts
Calhoun
Carpeting
Carrollton
Aluminum Conductors
Cartersville
Polyethylene
Cedar Springs
Kraftliner Board
Cedartown
Agricultural Equipment
Men's Shirts
Chamblee
Telephone Apparatus
Clarksville
Synthetic Fabrics
Columbus
Cotton Ginning Machinery
Hydraulic Presses
East Point
Fertilizer
Trace Elements
Gainesville
Poultry
Jesup
Chemical Cellulose
Paper Pulp
Lavonia
Industrial Sewing Machines and Parts
Leesburg
Service Apparel
Louisville
Transport Refrigeration
Macon
Paperboard
Marietta
Airplanes and Parts
McRae
Small Household Appliances
Moultrie
Brassiers, Girdles
Industrial Uniforms
Porterdale
Tire Cord
Port Wentworth
Kraftliner
Ringgold
Chemical Fiber Yarns
Cotton Yarns
Rome
Fibers
Paperboard
Transformers
Rossville
Cotton Thread, Yarn
Savannah
Asphalt Building Products
Chemical Products
Plywood Products
Unbleached Pulp and Paper
Statesboro
Liquid Meters
Thomaston
Piece Goods, Shirtings
Textile Products
Thomasville
Brassieres, Girdles
Tifton
Fertilizer
Tucker
Fabrics and Finishes
Waycross
Cigars
Other
Chemicals and Related Products
Fabrics and Finishes
Fertilizer
Men's Shirts
Cotton, Cottonseed Oil
Leaf Tobacco
Peanuts
Poultry

Florida

Exports for 1968 to Coffee Producing Countries:
$70,495,000

For Florida these exports stimulated:
6,042 jobs
$47,500,000 in wages and farm income

Leading Exports:
chemicals, wood pulp, paper, phosphate rock, aircraft, citrus fruit and concentrate

Auburndale
Agricultural Implements

Bartow
Phosphate Rock
Poultry Feed Supplements

Boca Raton
Office Equipment

Brewster
Nitrogen
Phosphorus

Coral Gables
Radio Communications Equipment

East Tampa
Synthetic Fertilizers

Fernandina Beach
Chemical Cellulose

Fort Lauderdale
Aerospace Equipment

Gainesville
Batteries

Jacksonville
Agricultural Chemicals
Fertilizer
Kraft Paper

Lakeland
Agricultural Equipment
Packinghouse Equipment

Lawtey
Pigments

Miami
Plastic Pipe and Fittings
Shipping Containers

Mims
Chemicals

Mulberry
Fertilizer

Ocala
Mobile Homes

Orlando
Sprayers and Dusters

Palatka
Tissue Paper

Pensacola
Coating Resins
Kraft Paper

Pompano Beach
Agricultural Chemicals

Santa Rosa
Fibers

Sarasota
Valves

Starke
Pigments

Tampa
Agricultural Chemicals

Vero Beach
Aircraft and Parts

Other
Chemicals and Related Products
Phosphate Rock
Pigments
Citrus Fruit

EAST SOUTH CENTRAL STATES

Alabama

Exports for 1968 to Coffee Producing Countries:
$63,286,000

For Alabama these exports stimulated:
5,530 jobs
$43,963,000 in wages and farm income

Leading Exports:
steel products, textiles, paper, automobile components, tires and tubes

Abbeville
Textile Products

Albertville
Cotton Fabrics

Anniston
Bronze Fittings, Valves
Cast Iron Soil Pipe and Fittings
Organic Chemicals

Attalla
Fertilizer

Axis
Chemicals

Bessemer
Cast Iron Pressure Pipe and Fittings
Explosives
Refractories Products

Birmingham
Cast Iron and Ductile Iron Pressure Pipe and Fittings
Chemicals
Coke By-Products
Steel Products

Brewton
Kiln Dried Lumber

Calera
Transportation Equipment

Carbon Hill
Men's Shirts

Cullman
Cigars

Dothan
Agricultural Chemicals
Brassieres, Girdles

Fairfax
Textile Products

Fairfield
Steel Products

Florence
Fertilizer

Gadsden
Tires and Tubes

Guntersville
Tread Rubber

Huntsville
Capacitors
Industrial Chemicals

Jasper
Men's Shirts

Kimberly
Refractories

Mobile
Sanitary Paper

Montgomery
Trailer Axles

Opelika
Textile Products

Piedmont
Cotton Thread and Yarn

Prattville
Cotton Gin Machinery and Parts

Selma
Cottonseed Oil

Sheffield
Automobile Components
Fabricated Aluminum Products
Ferro Alloys

Alabama, continued

Steelwood
Lumber

Tuscaloosa
Screening
Tires and Tubes

Watson
Explosives

Other
Chemicals and Related Products
Men's Shirts
Cotton
Cottonseed
Cottonseed Oil

Mississippi

Exports for 1968 to Coffee Producing Countries:
$49,631,000

For Mississippi these exports stimulated:
4,209 jobs
$31,238,000 in wages

Leading Exports:
fertilizer, cotton, [illegible] chemicals, com[illegible] tonseed, vegeta[illegible]

Aberdeen
Ground Clay

Clarksdale
Belt Conveyor Parts

Coffeeville
Apparel

Columbus
Automotive Electrical Equipment
Chemicals

Corinth
Communications Equipment

Forest
Small Household Appliances

Fulton
Footwear

Greenville
Agricultural Chemicals

Grenada
Air Conditioning Refrigeration Unit Coolers

Hattiesburg
Pipe and Paper Chemicals

Hazelhurst
Poultry

Jackson
Fluorescent Lamps and Tubing
Pine Sol

Kosciusko
Box Cartons

Meridian
Chemicals

Natchez
Instruments

New Albany
Commercial Refrigeration

New Hebron
Service Apparel

Pascagoula
Mixed Fertilizers
Petroleum Products
Refractories Products

Ripley
Footwear

Southaven
Bentonite

Tupelo
Fertilizer

Vicksburg
Electrical Equipment

Winona
Flour

Yazoo City
Urea Fertilizer

Other
Cotton
Cottonseed
Cottonseed Oil

Tennessee

Exports for 1968 to Coffee Producing Countries:
$92,076,000

For Tennessee these exports stimulated:
7,199 jobs
$57[illegible] in income

Leading Exports:
chemicals, [illegible] products, farm equipment and [illegible], automotive [illegible], feed supplements, vegetable oils

[illegible]
Hardware
Aluminum Ingot
Aluminum Plates and Sheets

[illegible]
Textiles

[illegible]
Aircraft Engines

[illegible]
Gas Turbine Generators
Electric Motors
Electrical Power Plant Equipment
Electrical Soil Pipe and Fittings
Industrial Fiber Yarns
Cotton Yarns
Electrical Solutions and Sets
Steam Generators
Textile Fibers
Textile Machinery

Clarksville
Rubber Products

Cleveland
Batteries

Columbia
Carbon and Graphite Products
Fabrics and Finishes

Copperhill
Chemicals
Fungicides

Dyer
Apparel

Gallatin
Footwear
Locks and Builders' Hardware

Greeneville
Fertilizer
Television Sets

Johnson City
Paint Rollers

Knoxville
Camping Trailers
Refuse-Handling Systems
Tents

[illegible]
Apparel

Lawrenceburg
Industrial Carbons

[illegible]
Valves and Fittings
Hardware

Loudon
Wax Casings

Lynchburg
Distilled Spirits

McMinnville
Apparel

Memphis
Chemicals
Farm Equipment
Feed Supplements
Miniature Lamps
Tires and Tubes

Milan
Communications Equipment

Murfreesboro
Appliance Motors
Motor Parts

Nashville
Automotive Glass
Lunch Kits, Vacuum Bottles
Wearing Apparel

New Johnsonville
Pigments

Newport
Chemicals

Old Hickory
Explosives
Fabrics and Finishes
Textile Fibers

Rockwood
Oil Well Drilling Materials

Starkville
Condensed Milk

Tullahoma
Footwear

Whitehaven
Textiles

Tennessee, continued

Other
Chemicals and Related Products
Cottonseed Oil, Soybean Oil
Explosives
Fabrics and Finishes
Pigments
Cotton
Cottonseed Oil
Leaf Tobacco

WEST SOUTH CENTRAL STATES

Kentucky

Exports for 1968 to Coffee Producing Countries:
$69,891,000
For Kentucky these exports stimulated:
5,585 jobs
$43,825,000 in wages and farm income
Leading Exports:
tobacco, cigarettes, household appliances, chemicals, coal, farm machinery

Ashland
Steel Sheet and Strip
Calvert City
Chemicals
Campbellsville
Tapping Screws
Catlettsburg
Lubricants
Oil Additives
Ferguson
Ceramic Plumbing Ware
Frankfort
Fabricated Metal Products
Franklin
Adhesive Tape
Finger Bandages
Foot Care Products
Pipeline Coating
Glasgow
Capacitors
Henderson
Plastic Toys
Hopkinsville
Residential Lighting Fixtures
Lexington
Glass Bulbs, Lamps
Office Equipment
Louisville
Air Conditioners
Automatic Washers
Automobile Assembly
Axles
Baseball Bats, Golf Clubs
Bulk Products Handling and Processing Equipment
Catalysts
Chemicals
Coatings
Cutting Machines
Dishwashers, Dryers
Distilled Spirits
Electric Ranges
Fabricated Aluminum Products
Farm Equipment
Household Refrigerators
Heat Exchangers
Industrial Water Cooling Equipment
Machinery
Plumbing Fixtures, Pipe Valves
Refractories
Steam Generators
Tube Ice Machines
Veneer and Lumber
Vibrating Conveyors
Marion
Electrical Equipment
Owensboro
Radio and TV Tubes
Richmond
Fluorescent Lamps
Incandescent Lamps
Scottsville
Wearing Apparel
Somerset
Glass for Lamps
Versailles
Electrical Controls
Wurtland
Chemicals
Other
Chemicals
Coal
Leaf Tobacco

Arkansas

Exports for 1968 to Coffee Producing Countries:
$57,255,000
For Arkansas these exports stimulated:
5,696 jobs
$36,944,000 in wages and farm income
Leading Exports:
rice, cotton, cottonseed oil, aluminum ingot, chemicals, seed

Arkadelphia
Aluminum Ingot
Bauxite
Alumina
Bloomer
Poultry
Blytheville
Cottonseed Oil
Camden
Beverage Concentrate
Crossett
Paper Products
Wood Pulp
Dumas
Small Household Appliances
El Dorado
Carbon Black
Eudora
Service Apparel
Forrest City
Hoists
Fort Smith
Furniture
Housewares
Refrigerators
Helena
Tires and Tubes
Jonesboro
Fractional-Horsepower Motors
Material Handling
Plumbers' Brass Goods
Little Rock
Fiberglass Pipe
Magnolia
Plastic Pipe
Malvern
Fabricated Aluminum Products
Newport
Aluminum and Lead Slugs
Pine Bluff
Agricultural Chemicals
Rogers
Pumps
Russellville
Parking Meters
Tires and Tubes
Sheridan
Gas Meters and Regulators
Siloam Springs
Motors
Stuttgart
Seed
Texarkana
Fertilizer
Trumann
Wood Cabinets
West Memphis
Pneumatic Valves
Other
Cotton, Cottonseed
Cottonseed Oil
Eggs
Poultry
Soybeans

Louisiana

Exports for 1968 to Coffee Producing Countries:
$105,900,000

For Louisiana these exports stimulated:
8,664 jobs
$62,952,000 in wages and farm income

Leading Exports:
petroleum products, chemicals, sulphur, rice, vegetable oils, paper products

Alexandria
Insulations

Avery Island
Table Salt

Baton Rouge
Chemical Products
Construction Equipment
Petroleum Specialty Products

Belle Chasse
Agricultural Chemicals

Eola
Carbon Black

Franklin
Carbon Black

Geismar
Chemical Products
Organic Chemicals
Urea Fertilizer

Grand Isle
Crude Sulphur

Lafayette
Drill Bits

Lake Charles
Polymers

Laplace
Plastics Materials

Luling
Chemicals

Mansfield
Truck Trailers

Marrero
Building Products

New Iberia
Carbon Black

New Orleans
Chemicals
Construction Paper
Cottonseed Oil
Floor Tile
Glass Containers
Lubricants
Oil Additives
Plumbing Fixtures
Soybean Oil
Yeast, Bakery Supplies

Norco
Organic Chemicals

Oak Point
Chemicals
Petroleum Products

Opelousas
Agricultural Chemicals

Plaquemine
Chemicals
Plastics
Sugar Machinery

Port Sulphur
Crude Sulphur

Shreveport
Commercial Cooking Equipment
Compressor Parts
Heat Exchangers
LPG Systems
Maxim Silencers
Petroleum and Petrochemical Equipment and Miscellaneous Contract Work
Plant Storage

Springhill
Chemicals

Taft
Chemicals

Thibodaux
Baling Presses

Westlake
Carbon Black

West Monroe
Kraft Linerboard

Other
Cotton
Cottonseed Oil
Rice
Sulphur

Texas

Exports for 1968 to Coffee Producing Countries:
$375,575,000

For Texas these exports stimulated:
30,897 jobs
$232,664,000 in wages and farm income

Leading Exports:
wheat, grain sorghums, rice, sulphur, cotton, petroleum products, natural gas, chemicals, oil field equipment, aluminum ingot, steel scrap

Alvin
Chemicals

Amarillo
Irrigation Equipment

Aransas Pass
Carbon Black

Austin
Office Equipment

Bay City
Chemicals

Baytown
Petroleum Specialty Products

Beaumont
Chemicals

Big Spring
Petrochemicals

Bishop
Chemicals

Borger
Carbon Black
Synthetic Rubber

Brownsville
Chemicals and Products

Brownwood
Livestock and Poultry
Poultry Feed

Cleburne
Fiberglass Insulations

Conroe
Liquid Filtration Systems and Parts

Corpus Christi
Aluminum Ingot

Dallas
Air Conditioning Units
Automobile Assembly
Beef Livers, Ox Tails and Kidneys
Chemical Coatings
Coil Metal
Cotton Ginning Machinery
Food Products
Oilfield Equipment
Road Sweepers and Rollers

Deer Park
Lubricant Chemica's
Nitrogen
Oxygen

Denison
Building Materials
Trousers

Denton
Rice

El Paso
Apparel
Work Clothing

Ennis
Agricultural Chemicals

Fort Worth
Building Products
Catalysts

Freeport
Chemicals
Plastics

Gainesville
Oilfield Equipment

Galveston
Chemicals

Garland
Gas Lift Valves

Grand Prairie
Auto Air Conditioners

Harlingen
Agricultural Chemicals

Hereford
Fertilizer

Houston
Building Materials
Cables
Chemical Products
Downhole Drilling Equipment for Oil Industry
Geophones
Industrial Water Cooling Equipment
Lubricants, Oil Additives
Mowers
Oilfield Equipment
Oil Well Tools and Apparatus
Paints
Petrochemicals

Texas, continued

Pre-Engineered Steel Buildings
Polyethylene Resin
Seismic Data Processors
Seismic Instruments, Plotters
Steel Bar and Rod Products, Metal Cans
Switchboards

Jacksonville
Metal Toys

Kerrville
Single Engine Aircraft

La Porte
Chemicals

Laredo
Antimony and Compounds

Liberty
Crude Sulphur

Long Point
Crude Sulphur

Los Fresnos
Fertilizers

Lubbock
Beef Livers, Ox Tails and Kidneys

Marshall
Chemicals

Midland
Tools for Industrial Operations

New Braunfels
Rice

Odessa
Fabricated Aluminum Products
Oilwell Drilling Equipment

Orange
Plastics Materials

Orchard
Crude Sulphur

Pampa
Chemicals

Paris
Boiler Equipment

Pasadena
Anhydrous Ammonia
Urea Fertilizer
Vinyl Chloride Monomer
Paper

Plainview
Fertilizer

Point Comfort
Aluminum Ingot

Port Arthur
Ethylbenzene
Plastics

Quanah
Gypsum Products

San Antonio
Cottonseed Oil
Metal Cans and Components
Rice

San Patricio
Aluminum Ingot

Seadrift
Chemicals
Resins

Seagraves
Carbon Black

Seminole
Chemicals

Shamrock
Carbon Black

Silsbee
Paperboard

Sulphur Springs
Lubricated Plug and Forged Steel Valves

Sun Station
Petroleum Products

Sweetwater
Gypsum Products
Oilwell Weight Materials

Terrell
Chromium Plating

Texas City
Chemicals and Resins

Tyler
Air Conditioning Equipment

Van Horn
Crude Talc

Victoria
Chemicals
Resins

Waco
Glass Containers

Waxahachie
Fiberglass Products

Weslaco
Metal Cans

Wichita Falls
Oilfield Equipment

Other
Chemicals and Related Products
Plastics Materials
Resins
Steel Scrap
Cattle
Cotton and Cottonseed
Cottonseed Oil
Grain Sorghums
Lignite
Rice
Sulphur
Wheat

Oklahoma

Exports for 1968 to Coffee Producing Countries:
$64,208,000

For Oklahoma these exports stimulated:
6,203 jobs
$38,878,000 in wages and farm income

Leading Exports:
wheat, petroleum products, oil field machinery, flour

Anadarko
Carpet

Blackwell
Flour

Broken Arrow
Winches

Duncan
Petroleum Coke

Enid
Rotary Drilling Units and Equipment

Henryetta
Glass

Miami
Tires and Tubes

Oklahoma City
Building Specialties

Pryor
Carbide

Shawnee
Flour

Southard
Casting Plasters

Tulsa
Burners and Waste Disposal Units
Heat Transfer Equipment
Natural Gas Agents
Paints, Industrial Finishes
Plastic Pipe
Vertical Pumps

Yukon
Wheat Flour

Other
Hi-Fi and Sound Products
Cattle
Cotton
Wheat

MOUNTAIN STATES

Montana

Exports for 1968 to Coffee Producing Countries:
$39,420,000

For Montana these exports stimulated:
4,203 jobs
$24,167,000 in wages and farm income

Leading Exports:
wheat, barley, flour, copper

Butte
Chemicals

Melrose
Phosphate Rock

Other
Barley
Wheat

Idaho

Exports for 1968 to Coffee Producing Countries:
$22,916,000

For Idaho these exports stimulated:
2,266 jobs
$13,386,000 in wages and farm income

Leading Exports:
wheat, barley, phosphate rock, chemicals, fruit

Boise
Lumber and Products

Buhl
Canned Vegetables

Emmett
Apples, Pears, Plums

Payette
Apples, Pears, Plums

Pocatello
Chemicals

Wallace
Mining Products

Other
Barley
Wheat

Wyoming

Exports for 1968 to Coffee Producing Countries:
$2,406,000

For Wyoming these exports stimulated:
187 jobs
$1,445,000 in wages and farm income

Leading Exports:
petroleum products, clay

Green River
Inorganic Chemicals

Greybull
Oilwell Drilling Products

Lovell
Ground Clay

Sunrise
Iron Ore

Upton
Ground Clay

Other
Chemicals, Related Products

Colorado

Exports for 1968 to Coffee Producing Countries:
$37,202,000

For Colorado these exports stimulated:
3,201 jobs
$23,348,000 in wages and farm income

Leading Exports:
wheat, flour, mining equipment, steel products, electronic and electric instruments

Antonito
Asbestos

Boulder
Office Equipment

Canon City
Dolomite

Colorado Springs
Electronic Test Equipment

Denver
Agricultural Chemicals
Concrete Vibrators
Conveyors
Drills
Luggage and Parts
Mine Cars, Mining Equipment
Pneumatic Tube Systems
Pumps
Scientific Instruments
Steering and Suspension Parts

Fort Collins
Engine and Turbine Controls

Greeley
Agricultural Chemicals

Littleton
Pneumatic Valves

Loveland
Electric Measuring Instruments

Pueblo
Steel Products
Trackwork

Salida
Limestone

Other
Chemicals and Related Products
Hides and Skins

New Mexico

Exports for 1968 to Coffee Producing Countries:
$9,916,000

For New Mexico these exports stimulated:
918 jobs
$6,545,000 in wages and farm income

Leading Exports:
grain sorghums, cotton, copper, metallic ores, potash, carbon black

Carlsbad
Potassium Chloride

Eunice
Carbon Black

Other
Cereal Grains

Arizona

Exports for 1968 to Coffee Producing Countries:
$20,433,000

For Arizona these exports stimulated:
1,888 jobs
$14,131,000 in wages and farm income

Leading Exports:
grain sorghums, cotton, copper, machinery, natural gas

Glendale
Agricultural Chemicals

Kingman
Feldspar

Phoenix
Electronic Computers
Fabricated Aluminum Products
Food Products Machinery

Other
Barley
Cereal Grains
Cotton
Cottonseed
Cottonseed Oil

Utah

Exports for 1968 to Coffee Producing Countries:
$20,931,000

For Utah these exports stimulated:
1,911 jobs
$15,025,000 in wages and farm income

Leading Exports:
copper, machinery, wheat

Cedar City
Iron Ore

Salt Lake City
Diamonds, Bits, Equipment

Vernal
Gilsonite
Natural Asphatum

Other
Wheat, Wheat Flour

Nevada

Exports for 1968 to Coffee Producing Countries:
$3,311,000

For Nevada these exports stimulated:
317 jobs
$2,340,000 in wages and farm income

Leading Exports:
minerals, chemicals

Henderson
Titanium Sponge Metal

PACIFIC STATES

Washington

Exports for 1968 to Coffee Producing Countries:
$141,587,000

For Washington these exports stimulated:
11,586 jobs
$85,651,000 in wages and farm income

Leading Exports:
wheat, forest products, wood pulp, paper, aircraft, non-ferrous metals, fruits and vegetables

Bellingham
Lumber Products
Paper Products

Dayton
Canned Vegetables

Edmonds
Rotary Tillers
Rotors and Attachments

Garfield
Dried Beans, Peas, Lentils

Hoquiam
Chemical Cellulose
Paper Machinery Parts
Paper Pulp

Longview
Air Systems
Aluminum Ingot
Container Board

McCleary
Lumber Products

Mount Lake Terrace
Electronic Measuring Instruments

Olympia
Lumber Products
Paper Products

Omak
Apples

Oroville
Apples, Pears, Plums

Port Angeles
Chemical Cellulose
Paper Pulp

Renton
Aircraft and Related Products

Seattle
Agitators and Parts for Pulp and Paper Mills
Aircraft and Related Products
Apparel
Canned Fish
Doughnut-Making Equipment
Pulp and Papermill Machinery

Sedro Woolley
Logging Machinery

Shelton
Lumber Products

Spokane
Dry Peas and Lentils

Tacoma
Ferry Alloys
Food Products
Kraft Paper
Refined Copper

Vancouver
Abrasives
Chemicals
Sportswear

Waitsburg
Canned and Frozen Vegetables

Wenatchee
Apples

Yakima
Agricultural Chemicals
Apples, Pears, Plums
Fruit Warehouse Equipment
Packinghouse Equipment

Washington, continued

Zillah
Apples
Pears
Plums

Other
Wheat
Wheat Flour

Oregon

Exports for 1968 to Coffee Producing Countries:
$33,429,000

For Oregon these exports stimulated:
3,383 jobs
$23,705,000 in wages and farm income

Leading Exports:
wheat, fruits and vegetables, paper and paper board, flour

Brooks
Seed

Coos Bay
Lumber Products
Timber and Logs

Coquille
Lumber Products

Cottage Grove
Panel Sanding Machines

Culp Creek
Lumber

Eugene
Plywood

Hood River
Apples
Pears
Plums

Ontario
Food Products

Portland
Building Products
Canning Machinery
Commercial Kitchen Equipment
Irrigation Pipe
Parts and Attachments for Earthmoving Machinery
Pulp and Papermill Machinery
Pump Parts
Winches

St. Helens
Insulating Products

Toledo
Lumber Products

Troutdale
Aluminum Ingot

Other
Chemicals and Related Products
Barley
Flour
Wheat
Other Cereal Grains

California

Exports for 1968 to Coffee Producing Countries: $323,747,000

For California these exports stimulated: 26,118 jobs $209,224,000 in wages and farm income

Leading Exports: office machines, aircraft, electrical equipment, chemicals, fruits and vegetables, petroleum products, oil well tools

Anaheim
Greeting Cards and Gift Wrappings
Locks, Hardware
Plastics

Antioch
Chemicals

Atwater
Peach Concentrate

Bakersfield
Grapes

Bell
Oil Well Tools

Belmont
Transformers

Berkeley
Paint Colorants
Plasma Products
Printing Inks

Boron
Bulk Borax Products

Brea
Anhydrous Ammonia
Loading Equipment
Plastic Pipe and Fittings
Urea

Burbank
Aluminum Containers

Chatsworth
Bearings

Chico
Conveyors

Chula Vista
Chemicals

City of Industry
Bottom-Dump Wagons
Concrete Pumps
Fruit Nectars
Industrial Cleaning Chemicals
Laundry Dryers
Tomato Catsup
Transit Mixers

Coalinga
Asbestos

Colton
Ceramic Plumbing Ware

Contra Costa
Calcined Petroleum Coke

Corona
Insulations

Culver City
Rubber Seals

El Centro
Seed

El Monte
Automotive Testing Equipment
Navigation Equipment
Steam Cleaners and Parts
Steam Generators and Parts

El Segundo
Communications Systems
Petrochemicals
Petroleum Products

Emeryville
Embossing Tools and Tapes
Prunes, Apricots

Eureka
Lumber Products

Feather Falls
Lumber

Fontana
Hyrogen
Tinplate

Fresno
Agricultural Chemicals
Carpets, Rugs
Pumps, Water Systems

Fullerton
Band Instruments
Communications Systems

Glendale
Watering Systems for Poultry

Hawthorne
Accounting Machines
Cash Registers
Computing Machines

Hayward
Canned Goods

Hollister
Dolomite

Indio
Dates

California, continued

Irvine
Electronic Instruments

Irwindale
Construction Equipment

King City
Asbestos

Kingsburg
Raisins

Korbel
Lumber Products

Lindsay
Packinghouse Equipment

Lompoc
Diatomite

Long Beach
Building Products

Los Angeles
Architectural Aluminum Products
Asphalt Products
Chemicals
Concrete Mixers
Domestic Cooking Appliances
Earth Communication Station
Electro-Medical Equipment
Electronic Components
Elevators and Feeders
Engines
Fans and Blowers
Farm Equipment
Food Products
Grocery Products
Horizontal Pumps
Hospital Disposables
Lighting Fixtures
Machinery
Men's Neckwear
Metal Cans
Oil Well Tools
Paints
Paper Products
Personal and Household Effects
Power Transmission Equipment
Pumps, Water Systems
Seat Belts, Seat Belt Hardware
Tires and Tubes
Valves
Vibrating Equipment
Waste-Treating Equipment

Madera
Canned Fruits
Canned Vegetables

Menlo Park
Communications Equipment

Milpitas
Automobile Assembly
Packaging and Can Line Controls

Modesto
Chemicals
Paperboard Containers

Monrovia
Mechanics' Hand Tools

Montclair
Domestic Cooking Appliances

Monterey Park
Instruments

Monterey
Joints
Suspension Shadow Wall

Mountain View
Electric Measuring Instruments

Napa
Dried Fruit

Newark
Chemicals

North Hollywood
Underwear

Oakland
Oil Tools
Pumps
Transformers
Wire and Cable

Ontario
Electric Irons
Hydrogen

Orange
Synthetic Rope

Oxnard
Scientific Instruments

Palo Alto
Digital Data Systems
Electric Measuring Instruments
Electronic Components
Microwave Tubes

Paramount
Copper and Brass Mill Products

Pasadena
Communications Equipment
Drugs
Office Equipment, Parts and Supplies

Petaluma
Oil Burners

Pico Rivera
Automobile Assembly
Groovies Rollers
Klippies
Magnetic Twin Grips
Styling Stations

California, continued

Pittsburg
- Asbestos Products
- Asphalt Products
- Construction Paper
- Oxygen, Nitrogen
- Plastics Products
- Rubber Products
- Chemicals

Pomona
- Citrus Packinghouse Machinery
- Waxes

Redwood City
- Raw Gypsum Rock

Richmond
- Agricultural Chemicals
- Petrochemicals
- Petroleum Products

Riverside
- Coatings
- Food Packaging Equipment

Sacramento
- Dairy Products Equipment
- Hydrogen

Salinas
- Tires and Tubes

Samoa
- Lumber

San Diego
- Surveying Equipment

San Fernando
- Instruments

San Francisco
- Chemicals
- Metal Cans
- Residential and Commercial Door Locks
- Paper Products

San Jose
- Agricultural Machinery
- Canning Machinery
- Closures
- Dried Fruit
- Large Motors
- Livestock Feed Supplements
- Metal Cans
- Office Equipment
- Pumps
- Rubber Flooring

San Leandro
- Business Machines
- Control Equipment
- Disc Harrows

Santa Ana
- Aircraft Components

Santa Barbara
- Scholastic Jewelry

Santa Clara
- Fiberglass Products
- Video Tape, Computer Tape

Santa Maria
- Phonograph Records

Santa Monica
- Furniture Hardware
- Resuscitators

Santa Paula
- Food Products
- Machinery

South San Francisco
- Fabrics and Finishes
- Steel Wire Products

Stockton
- Asbestos Products
- Farm Equipment
- Industrial Water Cooling Equipment
- Tread Rubber

Sunnyvale
- Electrical Equipment

Terminal Island
- Canned Fish

Torrance
- Chemicals and Resins
- Diamond Abrasive Grinding or Cutoff Wheels

Tracy
- Tomato Products

Vernon
- Castings

Visalia
- Transformers

Wasco
- Livestock Feed Supplements
- Pharmaceuticals

Watsonville
- Frozen Vegetables

Westlake
- Office Equipment, Parts and Supplies

Whittier
- Filters

Wilmington
- Bulk Borax Products

Yuba City
- Dried Fruit
- Frozen Vegetables

Other
- Apples
- Barley
- Cereal Grains
- Cotton
- Cottonseed
- Cottonseed Oil
- Fresh Citrus Fruits
- Steel Scrap

Alaska

Exports for 1968 to Coffee Producing Countries:
$8,445,000

For Alaska these exports stimulated:
776 jobs
$6,031,000 in wages and farm income

Leading Exports:
wood pulp, fishery products

Ketchikan
- Dissolving Pulp

Hawaii

Exports for 1968 to Coffee Producing Countries:
$82,000

For Hawaii these exports stimulated:
9 jobs
$67,000 in wages and farm income

Leading Exports:
machinery parts, textiles

Honolulu
- Fertilizer
- Pineapple Processing
- Machinery Parts

III COFFEE: ECONOMIC IMPACT

Coffee Employs 20,500,000; Provides $2.3 Billion Revenue For 41 Developing Countries; Stimulates U.S. Export Sales

Coffee is the single largest commodity in international trade, apart from petroleum.

About 20,500,000 people in the 41 coffee-producing countries participating in the International Coffee Agreement depend on coffee for their livelihood. In Latin America alone, coffee is the breadwinner for about 11,500,000 people.

In 1968, the trade in coffee provided earnings of $2,300,000,000 to the coffee countries of the globe. This figure represents 16.3 per cent of total foreign exchange earned by the major Latin American coffee-growing nations, 16.8 per cent by Africa, and 2.1 per cent by Asia and Oceania.

The United States in 1968 bought some 25,378,000 bags (132 pounds each) of coffee, or 45.4 per cent of world's total coffee exports, amounting to $1,139,580,000. Of this sum, Latin America earned $771,590,000, or 68 per cent; and Africa and the other coffee-growing areas, $367,990,000.

These coffee-earned dollars provide from 25 to 81 per cent of total export revenue for 14 major countries of Latin America and Africa, and account for a large portion of the purchases the coffee countries make in the United States.

For example, Brazil's earnings of $369,-813,000 in 1968 were 52.4 per cent of its $705,-071,000 in U. S. purchases.

Colombia's coffee sales of $162,314,000 to the United States represented 51 per cent of the $318,370,000 it spent for U. S. products.

Guatemala coffee earned $35,075,000 in the U. S. market, 38 per cent of the $92,918,000 it spent in the United States.

In Africa, Ethiopia's earnings of $43,280,000 were 93.5 per cent of its $46,289,000 in U. S. purchases.

Tanzania coffee received $9,126,000 from the United States, or 71 per cent of the $12,-859,000 it bought here; while Kenya spent $19,-685,000, or 46 per cent of the $9,108,000-worth of coffee sold to the United States in 1968.

The following analysis, stressing the significance of coffee to the developing economies

10 Coffee Creates 20,500,000 Jobs Throughout the Producing Countries of the World

Latin America	
Bolivia	25,000
Brazil	6,000,000
Colombia	2,000,000
Costa Rica	190,000
Dominican Republic	390,000
Ecuador	400,000
El Salvador	350,000
Guatemala	450,000
Haiti	460,000
Honduras	200,000
Jamaica	15,000
Mexico	600,000
Nicaragua	170,000
Panama	70,000
Paraguay	25,000
Peru	135,000
Trinidad and Tobago	25,000
Venezuela	300,000

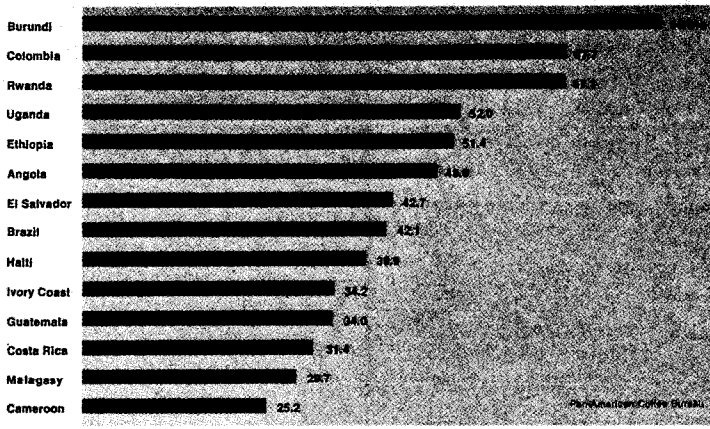
Pan-American Coffee Bureau

Africa and Asia	
Angola (Portugal)	450,000
Burundi and Rwanda	300,000
Cameroon	350,000
Central African Republic	25,000
Congo (Brazzaville)	25,000
Congo (Democratic Republic)	450,000
Dahomey	25,000
Ethiopia	800,000
Gabon	25,000
Ghana	25,000
Guinea	25,000
India	400,000
Indonesia	550,000
Ivory Coast	1,700,000
Kenya	450,000
Liberia	25,000
Malagasy Republic	780,000
Nigeria	100,000
Sierra Leone	50,000
Tanzania (United Republic)	700,000
Togo	75,000
Uganda	1,400,000

of the major coffee-producing countries of Latin America, Africa and Asia in 1968, covers Bolivia, Brazil, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Haiti, Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay, Peru, Trinidad and Tobago, and Venezuela; Angola (Province of Portugal), Burundi and Rwanda, Cameroon, Central African Republic, Congo (Brazzaville), Congo (Democratic Republic), Dahomey, Ethiopia, Gabon, Ghana, Guinea, Ivory Coast, Kenya, Liberia, Malagasy Republic, Nigeria, Sierra Leone, Tanzania (United Republic), Togo, and Uganda; India and Indonesia.

11 Importance of Coffee Exports in 1968 To Major Coffee-Producing Countries

The role that coffee exports play in earning dollars and other foreign exchange expressed as percentage of total exports (for countries depending on coffee for at least 25 per cent of their foreign-exchange earnings).



Index to Major Coffee-Producing Countries and Regions

55 Angola (Portugal)
53 Bolivia
53 Brazil
55 Burundi
55 Cameroon
55 Central African Republic
53 Colombia
55 Congo (Brazzaville)
55 Congo, Democratic Republic of
53 Costa Rica
55 Dahomey
53 Dominican Republic
53 Ecuador
53 El Salvador
55 Ethiopia
55 Gabon
55 Ghana
53 Guatemala
58 Guinea
53 Haiti
54 Honduras
59 India
59 Indonesia
58 Ivory Coast
54 Jamaica
58 Kenya
58 Liberia
58 Malagasy Republic
54 Mexico
54 Nicaragua
58 Nigeria
54 Panama
54 Paraguay
54 Peru
55 Rwanda
58 Sierra Leone
58 Tanzania, United Republic of
58 Togo
54 Trinidad and Tobago
58 Uganda
54 Venezuela

LATIN AMERICAN COFFEE-PRODUCING COUNTRIES

Bolivia (Population: 4,680,000)

Exports to world	$153,000,000
Exports to U. S.	30,049,000
Imports from U. S.	54,775,000
Coffee exports to world (est.)	2,000,000
Coffee exports to U. S.	602,000

1.1 per cent of U. S. exports to Bolivia were paid for with dollars earned from sales of coffee to U. S.

Brazil (Population: 88,209,000)

Exports to world	$1,896,000,000
Exports to U. S.	669,639,000
Imports from U. S.	705,071,000
Coffee exports to world	797,300,000
Coffee exports to U. S.	369,813,000

52.4 per cent of U. S. exports to Brazil were paid for with dollars earned from sales of coffee to U.S.

Colombia (Population: 19,825,000)

Exports to world	$520,000,000
Exports to U. S.	264,030,000
Imports from U. S.	318,370,000
Coffee exports to world	352,000,000
Coffee exports to U. S.	162,314,000

51 per cent of U. S. exports to Colombia were paid for with dollars earned from sales of coffee to U. S.

Costa Rica (Population: 1,634,000)

Exports to world	$176,000,000
Exports to U. S.	88,262,000
Imports from U. S	73,845,000
Coffee exports to world	55,200,000
Coffee exports to U. S.	14,238,000

19.3 per cent of U. S. exports to Costa Rica were paid for with dollars earned from sales of coffee to U. S.

Dominican Republic (Population: 4,029,000)

Exports to world	$163,000,000
Exports to U. S.	156,164,000
Imports from U. S.	113,711,000
Coffee exports to world	19,400,000
Coffee exports to U. S.	15,331,000

13.5 per cent of U. S. exports to the Dominican Republic were paid for with dollars earned from sales of coffee to U. S.

Ecuador (Population: 5,695,000)

Exports to world	$210,000,000
Exports to U. S.	89,928,000
Imports from U. S.	97,778,000
Coffee exports to world	34,500,000
Coffee exports to U. S.	17,154,000

17.5 per cent of U. S. exports to Ecuador were paid for with dollars earned from sales of coffee to U. S.

El Salvador (Population: 3,266,000)

Exports to world	$210,000,000
Exports to U. S.	44,508,000
Imports from U. S.	60,593,000
Coffee exports to world	93,600,000
Coffee exports to U. S.	28,242,000

46.6 per cent of U. S. exports to El Salvador were paid for with dollars earned from sales of coffee to U. S.

Guatemala (Population: 4,864,000)

Exports to world	$215,000,000
Exports to U. S.	70,971,000
Imports from U. S.	92,918,000
Coffee exports to world	76,000,000
Coffee exports to U. S.	35,075,000

37.7 per cent of U. S. exports to Guatemala were paid for with dollars earned from sales of coffee to U. S.

Haiti (Population: 4,671,000)

Exports to world	$36,000,000
Exports to U. S.	26,386,000
Imports from U. S.	23,970,000
Coffee exports to world	14,000,000
Coffee exports to U. S.	3,844,000

16 per cent of U. S. exports to Haiti were paid for with dollars earned from sales of coffee to U. S.

Honduras (Population: 2,413,000)

Exports to world	$183,000,000
Exports to U. S.	82,640,000
Imports from U. S.	74,568,000
Coffee exports to world	21,000,000
Coffee exports to U. S.	16,250,000

21.8 per cent of U. S. exports to Honduras were paid for with dollars earned from sales of coffee to U. S.

Jamaica (Population: 1,913,000)

Exports to world	$219,000,000
Exports to U. S.	137,725,000
Imports from U. S.	146,034,000
Coffee exports to world	890,000
Coffee exports to U. S.	7,576

Mexico (Population: 47,267,000)

Exports to world	$1,232,000,000
Exports to U. S.	893,419,000
Imports from U. S.	1,333,734,000
Coffee exports to world	78,600,000
Coffee exports to U. S.	63,931,000

4.8 per cent of U. S. exports to Mexico were paid for with dollars earned from sales of coffee to U. S.

Nicaragua (Population: 1,842,000)

Exports to world	$157,300,000
Exports to U. S.	49,698,000
Imports from U. S.	61,969,000
Coffee exports to world	22,700,000
Coffee exports to U. S.	10,404,000

16.8 per cent of U. S. exports to Nicaragua were paid for with dollars earned from sales of coffee to U. S.

Panama (Population: 1,372,000)

Exports to world	$ 95,000,000
Exports to U. S.	78,463,000
Imports from U. S.	134,650,000
Coffee exports to world	900,000
Coffee exports to U. S.	402,000

0.3 per cent of U. S. exports to Panama were paid for with dollars earned from sales of coffee to U. S.

Paraguay (Population: 2,231,000)

Exports to world	$47,000,000
Exports to U. S.	12,330,000
Imports from U. S.	25,106,000
Coffee exports to world	2,000,000
Coffee exports to U. S.	1,083,000

4.3 per cent of U. S. exports to Paraguay were paid for with dollars earned from sales of coffee to U. S.

Peru (Population: 12,772,000)

Exports to world	$866,000,000
Exports to U. S.	328,297,000
Imports from U. S.	195,446,000
Coffee exports to world	32,200,000
Coffee exports to U. S.	22,855,000

11.7 per cent of U. S. exports to Peru were paid for with dollars earned from sales of coffee to U. S.

Trinidad and Tobago (Population: 1,021,000)

Exports to world	$466,000,000
Exports to U. S.	215,415,000
Imports from U. S.	61,498,000
Coffee exports to world (est.)	2,800,000
Coffee exports to U. S.	1,587,000

2.6 per cent of U. S. exports to Trinidad and Tobago were paid for with dollars earned from sales of coffee to U. S.

Venezuela (Population: 9,686,000)

Exports to world	$2,900,000,000
Exports to U. S.	949,577,000
Imports from U. S.	651,036,000
Coffee exports to world	7,700,000
Coffee exports to U. S.	7,782,000

1.2 per cent of U. S. exports to Venezuela were paid for with dollars earned from sales of coffee to U. S.

AFRICAN COFFEE-PRODUCING COUNTRIES

Angola (Portugal) (Population: 5,362,000)

Exports to world	$250,000,000
Exports to U. S.	76,892,000
Imports from U. S.	36,665,000
Coffee exports to world	121,900,000
Coffee exports to U. S.	71,673,000

100 per cent of U. S. exports to Angola were paid for with dollars earned from sales of coffee to U. S.

Burundi (Population: 3,406,000)
and Rwanda (Population: 3,405,000)

Exports to world	$30,000,000
Exports to U. S.	19,765,000
Imports from U. S.	2,142,000
Coffee exports to world	22,300,000
Coffee exports to U. S.	19,439,000

100 per cent of U. S. exports to Burundi and Rwanda were paid for with dollars earned from sales of coffee to U. S.

Cameroon (Population: 5,562,000)

Exports to world	$184,000,000
Exports to U. S.	23,665,000
Imports from U. S.	10,218,000
Coffee exports to world	50,400,000
Coffee exports to U. S.	19,798,000

100 per cent of U. S. exports to Cameroon were paid for with dollars earned from sales of coffee to U. S.

Central African Republic (Population: 1,488,000)

Exports to world	$33,000,000
Exports to U. S.	12,999,000
Imports from U. S.	378,000
Coffee exports to world	6,000,000
Coffee exports to U. S.	3,200

0.85 per cent of U. S. exports to the Central African Republic were paid for with dollars earned from sales of coffee to U. S.

Congo (Brazzaville) (Population: 920,000)

Coffee exports to world	$588,000
Other data	n.a.*

Congo, Democratic Republic of (Population: 16,730,000)

Exports to world	$570,000,000
Exports to U. S.	41,900,000
Imports from U. S.	50,658,000
Coffee exports to world	42,300,000
Coffee exports to U. S.	11,181,000

22.1 per cent of U. S. exports to The Democratic Republic of Congo were paid for with dollars earned from sales of coffee to U. S.

Dahomey (Population: 2,500,000)

Coffee exports to world	$274,000
Other data	n.a.*

Ethiopia (Population: 24,212,000)

Exports to world	$106,000,000
Exports to U. S.	46,388,000
Imports from U. S.	46,289,000
Coffee exports to world	61,300,000
Coffee exports to U. S.	43,280,000

93.5 per cent of U. S. exports to Ethiopia were paid for with dollars earned from sales of coffee to U. S.

Gabon (Population: 480,000)

Exports to world	n.a.*
Exports to U. S.	$13,949,000
Imports from U. S.	4,306,000
Coffee exports to world	271,000

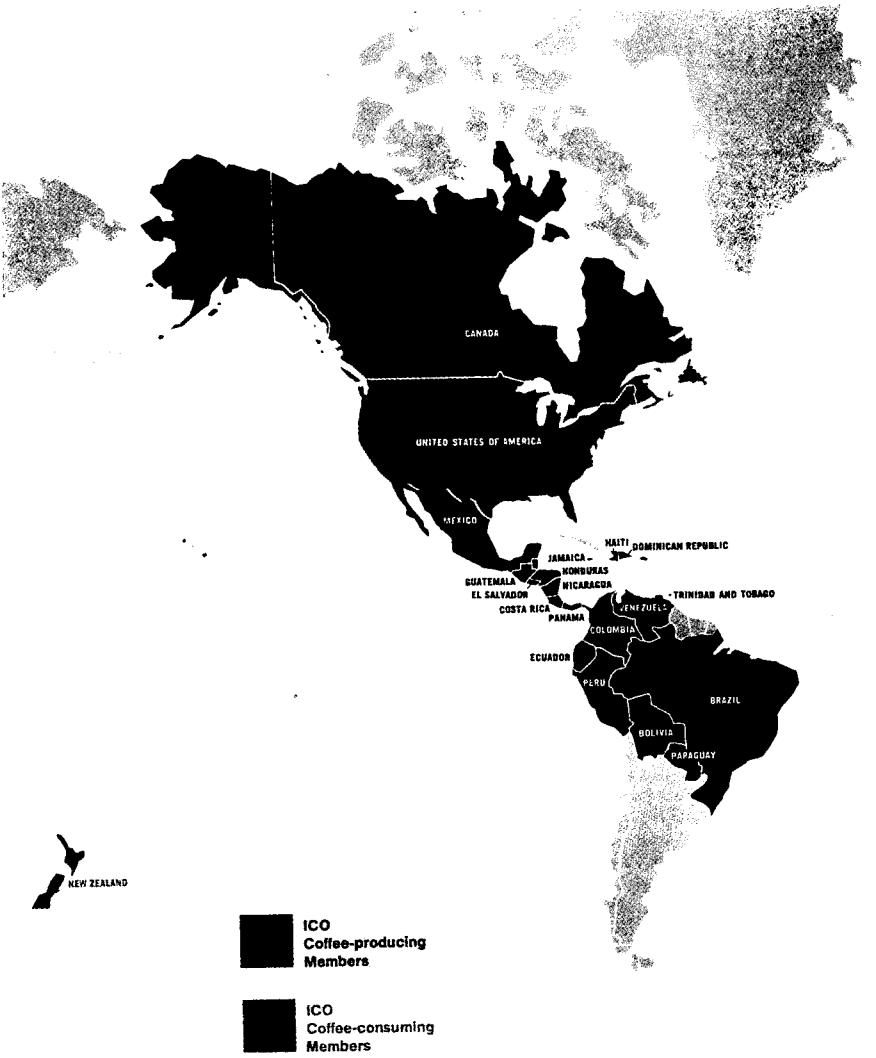
There were no coffee exports to the United States in 1968.

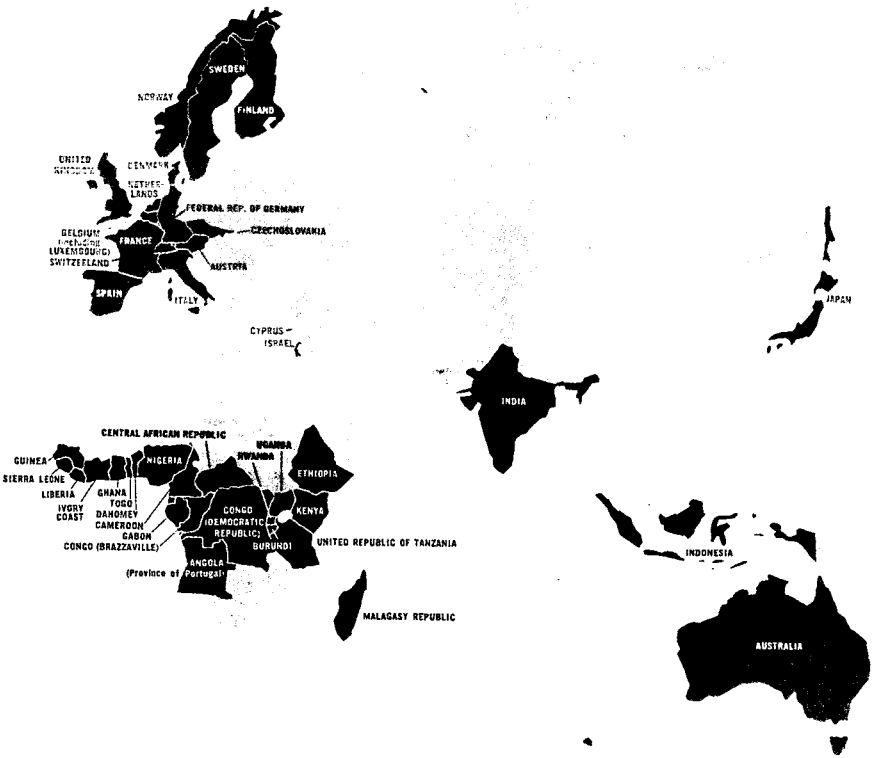
Ghana (Population: 8,376,000)

Exports to world	$308,000,000
Exports to U. S.	77,682,000
Imports from U. S	55,945,000
Coffee exports to world (est.)	4,000,000
Coffee exports to U. S.	476,000

0.85 per cent of U. S. exports to Ghana were paid for with dollars earned from sales of coffee to U. S.

*n. a. = not available


CANADA
UNITED STATES OF AMERICA
MEXICO
HAITI
DOMINICAN REPUBLIC
JAMAICA
HONDURAS
GUATEMALA
NICARAGUA
EL SALVADOR
TRINIDAD AND TOBAGO
COSTA RICA
VENEZUELA
PANAMA
COLOMBIA
ECUADOR
PERU
BRAZIL
BOLIVIA
PARAGUAY
NEW ZEALAND
ICO
Coffee-producing
Members
ICO
Coffee-consuming
Members


SWEDEN
NORWAY
FINLAND
UNITED KINGDOM
DENMARK
NETHER-LANDS
FEDERAL REP. OF GERMANY
BELGIUM
LUXEMBOURG
SWITZERLAND
FRANCE
CZECHOSLOVAKIA
AUSTRIA
SPAIN
ITALY
CYPRUS
ISRAEL
JAPAN
INDIA
CENTRAL AFRICAN REPUBLIC
GUINEA
SIERRA LEONE
LIBERIA
IVORY COAST
GHANA
TOGO
DAHOMEY
CAMEROON
GABON
CONGO (BRAZZAVILLE)
NIGERIA
UGANDA
RWANDA
ETHIOPIA
CONGO (DEMOCRATIC REPUBLIC)
KENYA
BURUNDI
UNITED REPUBLIC OF TANZANIA
ANGOLA
(Province of Portugal)
MALAGASY REPUBLIC
INDONESIA
AUSTRALIA

Guinea (Population: 3,795,000)

Exports to world	$14,700,000
Exports to U. S.	4,517,000
Imports from U. S.	5,760,000
Coffee exports to world	6,800,000
Coffee exports to U. S.	4,359,000

75.7 per cent of U. S. exports to Guinea were paid for with dollars earned from sales of coffee to U. S.

Ivory Coast (Population: 4,100,000)

Exports to world	$407,000,000
Exports to U. S.	79,064,000
Imports from U. S.	12,404,000
Coffee exports to world	150,200,000
Coffee exports to U. S.	58,995,000

100 per cent of U. S. exports to the Ivory Coast were paid for with dollars earned from sales of coffee to U. S.

Kenya (Population: 10,209,000)

Exports to world	$180,000,000
Exports to U. S.	19,662,000
Imports from U. S.	19,685,000
Coffee exports to world	35,300,000
Coffee exports to U. S.	9,108,000

46.3 per cent of U. S. exports to Kenya were paid for with dollars earned from sales of coffee to U. S.

Liberia (Population: 1,130,000)

Exports to world	$169,000,000
Exports to U. S.	51,127,000
Imports from U. S.	38,376,000
Coffee exports to world	2,903,000
Coffee exports to U. S.	2,833,000

7.4 per cent of U. S. exports to Liberia were paid for with dollars earned from sales of coffee to U. S.

Malagasy Republic (Population: 6,500,000)

Exports to world	$116,000,000
Exports to U. S.	37,414,000
Imports from U. S.	5,977,000
Coffee exports to world	35,600,000
Coffee exports to U. S.	19,960,000

100 per cent of U. S. exports to the Malagasy Republic were paid for with dollars from sales of coffee to U. S.

Nigeria (Population 62,650,000)

Exports to world	$603,000,000
Exports to U. S.	36,342,000
Imports from U. S.	56,153,000
Coffee exports to world	1,100,000
Coffee exports to U. S.	445,917

0.8 per cent of U. S. exports to Nigeria were paid for with dollars earned from sales of coffee to U. S.

Sierra Leone (Population 2,475,000)

Exports to world	$96,000,000
Exports to U. S.	8,439,000
Imports from U. S.	6,962,000
Coffee exports to world (est.)	3,000,000
Coffee exports to U. S.	635,000

9.1 per cent of U. S. exports to Sierra Leone were paid for with dollars earned from sales of coffee to U. S.

Tanzania, United Republic of (Population: 12,590,000)

Exports to world	$230,000,000
Exports to U. S.	24,559,000
Imports from U. S.	12,859,000
Coffee exports to world	36,200,000
Coffee exports to U. S.	9,126,000

71 per cent of U. S. exports to Tanzania were paid for with dollars earned from sales of coffee to U. S.

Togo (Population: 1,772,000)

Exports to world	$39,000,000
Exports to U. S.	276,000
Imports from U. S.	1,742,000
Coffee exports to world	7,500,000
Coffee exports to U. S.	224,000

12.9 per cent of U. S. exports to Togo were paid for with dollars earned from sales of coffee to U. S.

Uganda (Population: 8,133,000)

Exports to world	$197,000,000
Exports to U. S.	51,657,000
Imports from U. S.	3,425,000
Coffee exports to world	102,400,000
Coffee exports to U. S.	49,301,000

100 per cent of U. S. exports to Uganda were paid for with dollars earned from sales of coffee to U. S.

ASIAN COFFEE-PRODUCING COUNTRIES

India (Population: 523,893,000)

Exports to world	$1,753,000,000
Exports to U. S.	312,178,000
Imports from U. S	715,211,000
Coffee exports to world	24,500,000
Coffee exports to U. S.	5,012,000

0.7 per cent of U. S. exports to India were paid for with dollars earned from sales of coffee to U. S.

Indonesia (Population: 112,825,000)

Exports to world	$658,000,000
Exports to U. S.	174,490,000
Imports from U. S.	169,204,000
Coffee exports to world	46,000,000
Coffee exports to U. S.	34,919,000

20.6 per cent of U. S. exports to Indonesia were paid for with dollars earned from sales of coffee to U. S.

COFFEE: ECONOMIC IMPACT has been prepared by the World Coffee Information Center with the cooperation of the Statistics and Economic Research Department of the Pan-American Coffee Bureau.

The World Coffee Information Center, 1250 Connecticut Avenue, N.W., Washington, D. C. 20036, is an agency of the Pan-American Coffee Bureau, 120 Wall Street, New York, N. Y. 10005, an instrumentality of 14 Latin American coffee-producing countries: Brazil, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, El Salvador, Guatemala, Haiti, Honduras, Mexico, Panama, Peru and Venezuela.

The statements, data and other information presented in this booklet are derived from the Department of Commerce, Department of Agriculture, Bureau of Labor Statistics and other U. S. Government sources; the International Coffee Organization; the Statistics and Economic Research Department of the Pan-American Coffee Bureau; the International Monetary Fund; and studies made by John McKnight Associates, New York, for the Pan-American Coffee Bureau.

The International Coffee Organization is the administrative body of the International Coffee Agreement, embracing 62 coffee producing and consuming countries.

The 41 producing (exporting) countries include Bolivia, Brazil, Burundi, Cameroon, Central African Republic, Colombia, Congo (Brazzaville), Congo (Democratic Republic), Costa Rica, Dahomey, Dominican Republic, Ecuador, El Salvador, Ethiopia, Gabon, Ghana, Guatemala, Guinea, Haiti, Honduras, India, Indonesia, Ivory Coast, Jamaica, Kenya, Liberia, Malagasy Republic, Mexico, Nicaragua, Nigeria, Panama, Paraguay, Peru, Portugal, Rwanda, Sierra Leone, Tanzania (United Republic), Togo, Trinidad and Tobago, Uganda, and Venezuela.

The 21 consuming (importing) countries are Australia, Austria, Belgium (including Luxembourg), Canada, Cyprus, Czechoslovakia, Denmark, Federal Republic of Germany, Finland, France, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Spain, Sweden, Switzerland, United Kingdom and the United States of America.

The World Coffee Information Center is operated by Samuel E. Stavisky & Associates, Inc., public relations consultants, 1250 Connecticut Avenue, N. W., Washington, D. C. 20036, registered under the Foreign Agents Registration Act of 1938 with the Department of Justice as agent of the Pan-American Coffee Bureau, 120 Wall Street, New York, N. Y. 10005. Copies of the registration statement and of this booklet are filed with the Department of Justice. Registration does not indicate approval by the U. S. Government of this material.

Published 1970. Printed in U.S.A. *Design: McIver Art*

NATIONAL COFFEE ASSOCIATION,
New York, N.Y., May 13, 1970.

Hon. WILBUR D. MILLS,
Chairman, Committee on Ways and Means,
U.S. House of Representatives, Washington, D.C.

MY DEAR MR. MILLS: In view of your Committee's consideration of legislation relating to the United States' participation in the International Coffee Agreement, I am enclosing a copy of a Resolution adopted by the Board of Directors of the National Coffee Association on May 1, 1970.

Respectfully,

GEORGE E. BOECKLIN,
President.

Enclosure.

NATIONAL COFFEE ASSOCIATION,
New York, N.Y., May 1, 1970.

BOARD OF DIRECTORS ADOPTS RESOLUTION RE INTERNATIONAL COFFEE AGREEMENT

Following is the text of a Resolution on the current coffee situation that was adopted by the Association's Board of Directors at its meeting in Miami, Florida:

Whereas The National Coffee Association recognizes its responsibility to protect the interests of the United States consumer and the United States coffee industry as a whole; and

Whereas The National Coffee Association still affirms its basic position that United States consumer and industry interests are best accommodated without the International Coffee Agreement; and

Whereas The United States Government, through the Secretary of State, has stated that this Agreement is of vital importance and essential to the United States national interest; and

Whereas The National Coffee Association requested, on October 27, 1969, that the State Department take immediate steps to seek an increase in the quotas provided for under the International Coffee Agreement and to take whatever steps were necessary within the framework of the International Coffee Agreement to endeavor to make certain adequate coffee is made available so as to prevent inordinate increases in the cost of coffee to the American consumer; and

Whereas The Importing Members of the International Coffee Organization were unable to obtain any increase in quotas or other relief in an effort to prevent further increases in the cost of coffee to the United States consumer; and

Whereas The National Coffee Association recognizes that some of the conditions for which the International Coffee Agreement was originally put into force do not presently exist:

The Board of Directors of the National Coffee Association resolves:

(1) To continue its support of the principles and objectives which underlie the International Coffee Agreement, including assurance of adequate supplies of coffee to consumers and markets for coffee to producers at equitable prices;

(2) To instruct the Foreign Affairs Committee to participate and counsel with the United States Government:

(a) To obtain quota levels, selectivity ranges, and adjustment mechanisms for the 1970/71 Coffee Year in an effort to make adequate coffee available and return prices to levels which are more equitable to the American consumer; and failing this, to suggest that quotas be suspended for the 1970/71 Coffee Year with all other facets of the International Coffee Organization kept intact.

(b) In seeking a reassessment of the importance of the International Coffee Agreement to the United States national interests with the objective of returning to free trade in coffee at the earliest possible date.

The National Coffee Association continues to register its deep concern as to the adequacy of the protection afforded to the United States consumer in the operation of the International Coffee Agreement and believes that, if the above recommendations or other measures do not remedy these conditions, the United States Government should consider the remedies available to it contained in its enabling legislation and the Agreement itself.

STATEMENT OF LEON B. SCHACHTER, VICE PRESIDENT AND DIRECTOR, WASHINGTON OFFICE, AMALGAMATED MEAT CUTTERS AND BUTCHER WORKMEN (AFL–CIO), CONCERNING IMPORTS OF BRAZILIAN SOLUBLE COFFEE

My name is Leon B. Schachter. I am a Vice President and Director of the Washington Office of the Amalgamated Meat Cutters and Butcher Workmen (AFL–CIO).

The Amalgamated Meat Cutters and Butcher Workmen is a labor union with 500,000 members organized in about 700 Local Unions throughout the United States and Canada. These members are employed in the food, leather and fur industries. Among the Amalgamated members working in the food industry are more than 5,000 workers in coffee processing.

BRAZILIAN DISCRIMINATION

The present American production of soluble or instant coffee is threatened with extinction. Its problems are *not* due to any inability to compete in production or distribution with its chief competitor, the Brazilian soluble coffee firms. Instead, the problems of the American manufacturers are due to the discriminatory policy used by Brazil in selling its green coffee as compared with its soluble coffee in this country.

Many U.S. soluble coffee makers use Brazilian green coffee as their raw material. But to get the green coffee beans, they must pay between 22 and 23 cents a pound "contribution tax." It takes about three pounds of green coffee to make a pound of soluble coffee, so the American producer starts off with the cost of about 66–69 cents a pound in Brazilian taxes.

But when Brazil exports its soluble coffee to the U.S., it charges only 13 cents a pound tax. The Brazilian soluble coffee, therefore, has a 53–56 cents a pound advantage to begin with.

Obviously, this discriminatory factor makes Brazilian-produced soluble coffee much cheaper in comparison with the American-produced one. Brazilian soluble coffee firms have a tremendous advantage in costs before production can even begin in this country.

BACKGROUND OF TAX

Let me briefly discuss the developments in this situation.

The problems with the Brazilian tax situation began in the mid-1960s. The Brazilian government made no pretense about what it sought. It told U.S. soluble coffee producers that they should relocate their plants in Brazil. It told the U.S. government that any move to equalize the tax situation would harm its development program.

The "contribution tax" on green coffee was aimed at getting funds to aid Brazilian coffee growers in poor production years. But the discrimination between the tax on green coffee and on soluble coffee is clearly an attempt to force U.S. production of the latter to come to Brazil. And the effort has worked. Many U.S. soluble coffee producers have shut their plants here and moved to Brazil with the resultant loss of U.S. jobs.

On June 29, 1967, Rep. Dominick Daniels of New Jersey introduced a bill to deal with the effect of Brazil's discriminatory tax policy. The measure would have required the Secretary of the Treasury to make findings whether imports of soluble coffee threaten or cause material injury to domestic soluble coffee industry because of foreign export policies which discriminate between green and soluble coffee. If he found this to be the case, he would set a duty on the soluble coffee imports sufficient to counterbalance the unfair advantage which the foreign soluble coffee has.

At that time, the "contribution tax" on a pound of green coffee was about 17 cents a pound or about 51 cents on a sufficient amount of green coffee to produce one pound of soluble coffee. The soluble coffee at that time had no Brazilian export tax at all placed on it.

INTERNATIONAL COFFEE AGREEMENT

Naturally, our Union wholeheartedly supported the Daniels bill.

This Committee, and particularly Chairman Wilbur D. Mills, also took an interest in this problem. As a result of your urgings, negotiations to iron out the matter, which had previously been stalemated, were accelerated.

The signatories to the International Coffee Agreement (ICO) decided on a new article in the ICO to deal with problems of this kind. It is Article 44, which states flatly that: "No member shall apply governmental measures affecting its exports and re-exports of coffee to another Member which, when taken as a whole in relation to that other Member, amount to discriminatory treatment in favor of processed coffee as compared with green coffee."

Article 44 provides for an arbitration procedure in case one Member feels another has violated this provision. If the arbitration panel found discriminatory treatment "to exist, the Member concerned will be given a period of 30 days after it has been notified of the conclusions of the arbitration panel, to correct the situation in accordance with the panel's conclusions."

The Article continues, "If after this period, the complaining Member considers that the situation has not been corrected it may, after informing the Council, take counter measures which shall not go beyond what is necessary to counteract the discriminatory treatment determined by the arbitration panel and shall last no longer than the discriminatory treatment exists."

The Committee and we had hoped that this provision would take care of the problem of the Brazilian tax discrimination. Unfortunately, it has not.

ARBITRATION AND FAILURE

The U.S. Government continued to attempt to negotiate the problem with Brazil after the new ICO article was agreed upon. But these negotations achieved the same results as previous ones—none at all!

I shall quote directly fram a May 19, 1970 letter sent by me to Julius L. Katz, Deputy Assistant Secretary for International Resources and Food Policy, U.S. Department of State as to the developments which followed:

"In December 1968 the United States filed a complaint against Brazil, on the grounds that the latter country's failure to levy a tax on its exports of soluble coffee, while levying a heavy tax on its exports of green coffee, constituted discriminatory treatment of the type prohibited by the Agreement.

"Two of the three-man arbitration panel established by the ICO to consider our complaint concluded that the United States was authorized to take appropriate action to remedy the situation if Brazil failed to do so. Further negotiations followed the arbitration and on April 30, 1969 the two Governments exchanged notes calling for (1) a Brazilian export tax of 13 cents per pound on soluble coffee exports by May 1, 1969, and (2) joint review of the situation in early 1970 to consider further measures to be taken. The joint review which began in January has not been concluded."

TAX DISCRIMINATION INCREASES

I should like to add some information. During the arbitration proceedings, Brazil reportedly offered a 15 cents a pound tax on soluble coffee. The U.S. rejected this proposal and is said to have asked for about 46 cents, which was still below the 51 cent amount of the discrimination existing at that time.

A week after Brazil instituted the 13 cents a pound tax, the U.S. declared in a diplomatic note that the action was considered "a first step." The U.S. warned that it would give Brazil until May 1, 1970 to raise the tax to 30 cents a pound—still only a fraction of the discrimination.

In its report on the situation, the May 12, 1969 issue of *Supermarket News*, a food industry publication, said, "In response (to the U.S. diplomatic note) Brazil's Minister of Foreign Affairs said his country would not guarantee acceptance of the 30 cents tax."

And Brazil has so far had its way! May 1, 1970 has come and gone without any change in the 13 cents a pound tax on soluble coffee.

Ironically, the discrimination today is actually higher than it was three years ago when Article 44 was negotiated even though Brazil has instituted the tax on soluble coffee exports since. At the time of the Article and the arbitration, the "contribution tax" on three pounds of green coffee was about 51 cents a pound; the tax on soluble coffee was zero. Today, the contribution tax on three pounds of green coffee has gone up to 69–69 cents a pound and the soluble coffee tax is 13 cents. The discrimination is now 53–56 cents per pound of soluble coffee, as compared with the previous 51 cents.

As far as the State Department is concerned, we are delighted that the U.S. and Brazilian governments have a "joint review" underway, as Mr. Katz wrote

to me. But we are somewhat puzzled what that "joint review" can be about and why it has taken nearly a half year so far.

The issue is clear cut: Our government and Brazil's have negotiated about this matter for more than four years. Article 44 of the ICO is in effect. The U.S. has won an arbitration proceeding under Article 44. The U.S. has long had the right to establish a duty on Brazilian soluble coffee equal to the discrimination.

We are at a loss to understand why the U.S. government has not taken action to establish the duty on Brazilian soluble coffee.

U.S. IMPORTS RISE; EXPORTS DROP

The result of the discriminatory taxes are clearly shown in import-export figures. The import of Brazilian soluble coffee to the U.S. has sharply increased since 1965. In fact, except for one year (1968) in which the main Brazilian soluble coffee-producing operations were closed for several months because the firm had financial problems, exports rose by incredible amounts each year over the preceding one. Here are the figures:

	Pounds
1965	2,839,000
1966	10,533,000
1967	22,453,000
1968	18,862,000
1969	28,220,000

At the same time, U.S. exports of soluble coffee have been having a difficult time. Exports sharply dropped between 1965 and 1968. In 1968, exports stabilized at a lower level and began rising again because U.S. firms had developed freeze dried coffee. Here are the statistics on soluble coffee (powdered and freeze dried) exports by the U.S.:

	Pounds
1965	12,112,000
1966	7,597,000
1967	6,484,000
1968	7,636,000
1969	8,143,000

DANGERS OF FREEZE-DRIED TAKEOVER

As you know, soluble coffee consists of powdered coffee and freeze dried. The former is an old process; the latter a comparatively new one.

Freeze dried coffee is an American development. Apparently, Brazil has not begun any major production of this type of soluble coffee. Freeze dried coffee sold in the U.S. and abroad must currently come from U.S. production. That is why U.S. soluble coffee exports increased slightly in 1968 and 1969.

But unless this Committee takes action, it will be only a matter of time before freeze dried coffee is produced in Brazil and the downward spiral of U.S. production in this process follows exactly the same pattern as has already occurred with powdered coffee.

American workers have already lost most of the work on powdered coffee. We greatly fear that they may soon lose the work on freeze dried coffee also.

PLEA FOR ACTION

Mr. Chairman and Gentlemen of the Committee, the International Coffee Agreement provision has not worked. Despite a 13 cent a pound drop in the contribution tax, that discriminatory Brazilian device is higher today than it was in 1967 when the Committee dealt with this problem.

The State Department's negotiations have been stalemated. Brazil is apparently thumbing its nose at the Department's efforts. For some reason, the Department and the Executive Branch are reluctant to take the action which Article 44 of the ICO clearly proposes. We have little hope that the State Department will take decisive action to solve this situation without being pushed into action by this Committee.

Clearly, the hopes of the workers in this industry can rest only with this Committee and Congress. If the jobs which remain in the U.S. soluble coffee industry are to be retained, this Committee will have to provide remedies to the existing Brazilian tax discrimination. We therefore appeal to you to:

(1) Set a U.S. tariff on Brazilian soluble coffee which will equalize the total effect of the "contribution tax" on green coffee, or,

(2) Set a quota on soluble coffee imports into the U.S. equal to the amounts imported into the U.S. from each country in 1965.

Either of these approaches will save jobs which are now disappearing because of a calculated effort by Brazil to close soluble coffee production in the U.S.

PACIFIC COAST COFFEE ASSOCIATION,
San Francisco, Calif., May 25, 1970.

Hon. WILBUR D. MILLS,
House Committee on Ways and Means,
House of Representatives, Washington, D.C.

DEAR SIR: We respectfully submit and request the following statement be written into the record of your current Committee Hearings:

BRAZIL SOLUBLE COFFEE TAX

The Board of Directors at the 39th Annual Meeting of the Pacific Coast Coffee Association issued the following statement as to the Association's position regarding the tax on soluble coffee imports from Brazil:

"In order to bring coffee to the U.S. consumer at the lowest possible cost, and to eliminate all barriers to trade in coffee, the Board of Directors of the Pacific Coast Coffee Association hereby states its opposition to any export tax or import charge on Brazil instant coffee."

Very truly yours,

JACK B. BERARD, *President.*

PACIFIC COAST COFFEE ASSOCIATION,
San Francisco, Calif., June 26, 1970.

Hon. WILBUR D. MILLS,
Committee on Ways and Means,
House of Representatives, Washington, D.C.

DEAR SIR: The Pacific Coast Coffee Association represents member firms engaged in the importing and processing of coffee in the western part of the United States. Our members have a vital concern in the International Coffee Agreement and the enabling legislation extending U.S. participation in this Agreement which is now before the Ways and Means Committee of the House of Representatives.

During the period of the last decade, this Association initially supported the concept of the Agreement; then adopted a neutral position; then, in recent years, has opposed continued U.S. participation in the Agreement. The change in our members' attitude toward the Agreement is reflected by various resolutions which have been adopted by our Association over a period of years. Copies of these resolutions together with letters documenting our historical position from 1956 through May 18, 1970, are enclosed.

We are clearly and firmly opposed to continued U.S. participation in the International Coffee Agreement. We believe that the Agreement has been given ample opportunity to demonstrate its worth and to provide justification for its continuation. We believe that it has failed to meet its stated objectives and that its only remaining merit is as a form of foreign aid for the coffee producing countries. We feel that this form of aid results in an indirect and unfair tax on U.S. consumers. We believe that U.S. participation in the Agreement should be ended by allowing the present enabling legislation to expire on September 30, 1970.

If the Congress should conclude that other national interests of the United States must be given priority over the interests of the U.S. coffee consumer and the U.S. coffee industry, then extension of the present enabling legislation will be required. However, we strongly urge that the consideration of such an extension be deferred until after conclusion of the negotiation of quotas for the coffee year beginning October 1, 1970. Meetings are presently scheduled to be held at the International Coffee Organization headquarters in London during the month of August, 1970, to complete these negotiations. It is our hope that quotas will be

abandoned for the coming coffee year so that all available supplies of coffee can be offered freely on the world market. We believe that the ability of our representatives from the U. S. State Department to negotiate and protect the interests of the U.S. consumer will be greatly strenghened if the Congress has not yet acted upon the extension of the enabling legislation. In addition, we feel it would be wise for the Congress to review the outcome of these negotiations and their anticipated effect prior to consideration of any extension.

Our final recommendation is that any extension of the enabling legislation should terminate in not more than one year so that continued U.S. participation can be subjected to an early review by Congress. The present close balance between supply and demand and the recent rapid rise in prices clearly indicate an unsettled market situation. We believe that it would be unwise for the Congress to commit the United States to three additional years of participation in view of these unsettled conditions.

We respectfully request that this statement be brought to the attention of the Members of the Ways and Means Committee and that it be written into the record of the Hearings.

Yours very truly,

JACK B. BERARD, *President.*

PACIFIC COAST COFFEE ASSOCIATION, SAN FRANCISCO, CALIF., JUNE 26, 1970

SYNOPSIS OF PCCA RESOLUTIONS

Although historical documentation is enclosed, we herewith, for your convenience, present a synopsis of the Pacific Coast Coffee Association's position concerning the International Coffee Agreement:

1956–1960.—Resolutions opposing any artificial restraint that would affect the free and unrestricted flow of coffee to the United States consumer.

1961–1965.—Resolutions sympathizing with the U.S. desire to encourage economic cooperation with Latin America under the Alliance for Progress and support of the International Coffee Agreement with the understanding that the U.S. consumer must be protected not only in theory but in practice.

1966.—Resolution expressing concern because of the failure of the International Coffee Organization to achieve the purposes and objectives of the International Coffee Agreement.

1967–1969.—Resolutions and letters expressing our opposition to the International Coffee Agreement.

1970.—Resolution and letters of adamant opposition to continued U.S. participation in the International Coffee Agreement because of inadequate protection of the U.S. consumer.

RESOLUTIONS ADOPTED ANNUALLY BY MEMBERS OF THE PACIFIC COAST COFFEE ASSOCIATION RELATING TO THE INTERNATIONAL COFFEE AGREEMENT

May 22, 1956.—Whereas, our Government has addressed the Inter-American Economic and Social Council expressing its view that the problem of any future crop surpluses cannot be satisfactorily met through an International Coffee Agreement involving export quotas, buffer stocks and other controls, nor can the United States undertake either to lead in negotiating such an agreement or to take part in such an agreement, therefore,

Be It Resolved, that the Pacific Coast Coffee Association in Convention assembled, does approve and endorse the statement above expressed by our Government;

Further, that we completely endorse the stand of the National Coffee Association in their opposition to any act of the United States Government which would hinder the free flow of coffee to United States consuming markets.

May 28, 1957.—Whereas, we are still definitely opposed to any International Coffee Agreement involving export quotas and other controls, therefore,

Be It Resolved, That we reaffirm our stand for the free flow of coffee to consumers' markets without jeojardy of outside interference.

May 20, 1958.—Whereas, coffee is of inestimable importance in the economy of our good friends in the producing countries and is considered by the more enlightened to be indispensable to a complete and satisfactory way of life; and

Whereas, importations of green coffee to the Pacific Coast have not kept pace with the increase in population or the consuming potential; and

Whereas, the basic philosophy of the Pacific Coast Coffee Association unfettered and uninfluenced by conditions born of strife or conflict, has been the conduct of our industry free from regulations, restrictions, pacts or other interference with the usual and established flow of green coffee supplies from countries of production; and

Whereas, the established and normal channels of the trade have throughout the years demonstrated an ability and a will to attract coffee to the consumer under the most efficient, economical and adequate conditions; and

Whereas, interference in the usual and established flow of green coffee supplies by governmental or quasi governmental agencies may be detrimental to the normal consumption of coffee and may mitigate a full realization of the purpose of promotional programs; therefore,

Be It Resolved, that the Pacific Coast Coffee Association in convention assembled reaffirm a position of opposition to any measures by governmental or quasi-governmental agencies which would tend to interfere in the free and unrestricted flow of green coffee supplies from the countries of production to this section.

May 19, 1959.—Whereas, the Pacific Coast Coffee Association Articles of Association (Art. I, Sec. 3(c)) state "To cooperate with other trade groups and governmental agencies, both foreign and domestic, in the determination and enforcement of rules, laws and projects for the improvement and stabilizing of the conditions under which the Industry renders service to the public" and

Whereas, this Association has been and is opposed to any regulations restricting the free flow of coffee in the normal channels of the USA coffee trade which would be detrimental to the best interests of the consuming public which it serves; therefore,

Be It Resolved, that it is appropriate to amplify statements made heretofore in the following respect that the Association believes that all individuals should have equal opportunity to acquire whatever coffee may be available from any specific country of origin and, further, that the Association is opposed to any regulations which would limit shipments to any specific port of entry, areas, individuals, importers or others engaged in the coffee trade.

May 20, 1960.—Whereas, since the day of its inception the Pacific Coast Coffee Association has consistently expressed a compelling desire for all which would be good for coffee and has persistently opposed any or all influences which would contribute to the disruption of a free flow of supplies of green coffee from producing to consuming areas,

Be It Resolved, that the Pacific Coast Coffee Association in convention assembled reiterate its traditional position and objection to such practices that have occurred in the past or which currently may be contemplated which would preclude such supplies from freely passing through the hands of those actively engaged in the coffee trade and particularly to the activities of any government or quasi governmental agency which would prove to be discriminatory or detrimental to the best interests of the recognized and established trade in this area.

Be It Resolved, that the incoming officers and Executive Committee of the Association be directed to take such action as they may deem necessary in order to protect the interests of the members from any danger of an equitable application of any taxation principle detrimental to the Pacific Coast coffee trade.

May 1, 1961.—Whereas, our Government has indicated a desire to encourage economic cooperation with our neighborly republics in Latin America, therefore,

Be It Resolved, that the Pacific Coast Coffee Association in convention assembled express its sympathy with any principle directed toward that end.

May 21, 1962.—Whereas, the Articles of Association of the Pacific Coast Coffee Association read in part: "- - to cooperate with other trade groups and Governmental agencies, both foreign and domestic, in the determination and enforcement of rules, laws and projects for the improvement and stabilization of the conditions under which the industry renders service to the public" and "the Association shall have the power - - - to appear before any foreign government or foreign association, group or committee or any department or bureau of the U.S. Government - - - in any matter concerning the coffee industry", and

Whereas, our Government in concert with our good neighbors signatory to the Alianza de Progresso, is currently engaged in an undertaking designed to improve

the economy of the coffee producing countries, the force and consequences of which cannot be fully envisioned, and

Whereas, the economy of the producing countries as well as our own, is of natural concern,

Be It Resolved, that the Pacific Coast Coffee Association reiterate its traditional policy of full co-operation and harmony with all who have as their purpose the good and welfare of coffee, subject to its basic conviction that the normal and established channels of trade within the free enterprise system will attract coffee to the consumer under the most effective and equitable conditions, and

Be It Further Resolved, that we affirm our right to so express this contention and all other resolutions of the Association to all agencies or entities involved whenever in its opinion its interests or those of the consumers in this section are affected.

May 12, 1963.—Whereas, the Pacific Coast Coffee Association is in favor of measures promoting the well-being of the world coffee trade as embodied in the proposed International Coffee Agreement

Be It Resolved, that the Pacific Coast Coffee Association reaffirm its traditional position that the best interests of the U.S. Coffee Consumers *must be protected not only in theory but in practice.*

May 19, 1964.—Whereas, the consistent position of the Pacific Coast Coffee Association has been one of dedication to the principle of free enterprise, we are cognizant of the efforts of our Government to cooperate with other consuming and producing countries to implement the International Coffee Agreement in order to accomplish the objectives envisioned thereunder, therefore,

Be It Resolved, that the Pacific Coast Coffee Association supports the position of the National Coffee Association to the effect that the interests of the American consumer are of prime concern and that they be fully protected.

May 17, 1965.—*Be It Resolved*, that the Pacific Coast Coffee Association reiterate its traditional policy of full cooperation and harmony with all agencies and entities which have as their purpose the good and the welfare of coffee.

May 16, 1966.—Whereas, the Pacific Coast Coffee Association has resolutely supported the International Coffee Agreement since its inception, it has become aware of various irregularities detrimental to the coffee industry as a whole, therefore,

Be It Resolved, that the Pacific Coast Coffee Association deems it appropriate that these inequities be reviewed and that the Association's continued endorsement of the agreement is contingent upon an equitable solution of these problems.

May 15, 1967.—Whereas, the Pacific Coast Coffee Association has, as evidenced by the Resolutions of its Membership during the period from 1962 in which the International Coffee Agreement was formed and activated, stressed its support of any agreement having among its purposes and objectives those set forth in Chapter I, Article I, of said Agreement, namely, the furthering of the best interest of the coffee industry; but

Whereas, the Association's Members find that after five years of discussions concerning and operation of this Agreement, it has failed to achieve those purposes and objectives, now, therefore,

Be It Resolved, by the Pacific Coast Coffee Association, in convention assembled, that it opposes the renewal of the International Coffee Agreement.

May 20, 1968.—Whereas, this Association has consistently supported the principles of freedom of trade and opposes the entrance and presence of governmental and quasi-governmental organizations in the marketing of coffee; therefore,

Be It Resolved, that the membership does hereby strongly express its continued support of these principles of freedom of trade and the majority of the membership of this Association expresses its opposition to the ratification of the International Coffee Agreement 1968 by the United States Congress.

May 19, 1969.—Whereas, this Association continues its vigorous support of the principles of free and open trade without influence of outside sources; therefore,

Be It Resolved, that the Pacific Coast Coffee Association reaffirms its opposition to the International Coffee Agreement.

Whereas, this Association is dedicated to the mutual interest and welfare of our industry; therefore,

Be It Resolved, that the Pacific Coast Coffee Association actively opposes any measures of governmental or quasi-govermental agencies which tend to discriminate against any member of this Association.

May 18, 1970.—Whereas, even in the presence of adequate world supplies, green-coffee prices have increased sharply and remain high after both selective—and reserve-quota releases by the International Coffee Organization, and

Whereas, producing members of the International Coffee Organization have been unresponsive to the concerns of many importing members expressed at recent Council meetings, and

Whereas, artificial restraints on supply are particularly injurious to consumer interests in periods when supply and demand appear to be in close balance, and

Whereas, the Agreement lacks sufficient flexibility to permit the quick freeing of coffee in times of quota shortage or sharply rising prices, and

Whereas, many of the problems which the Agreement was intended to solve no longer exist and, from any standpoint, it can be said that the need for an International Coffee Agreement is now greatly diminished, and

Whereas, the International Coffee Agreement has failed to encourage consumption and the present high price level may even lead to lower consumption per capita, to consumer dissatisfaction, and to other detrimental conditions, now, therefore,

Be It Resolved, that the Pacific Coast Coffee Association in convention assembled, affirms its dissatisfaction with the International Coffee Agreement and, in view of the demonstrated inability of the Agreement to protect U.S. consumer interests, and those of the American coffee industry, the Association advocates an immediate return to the free trade in coffee; and,

Be It Further Resolved, that if continued participation in the Agreement is unavoidable, the Pacific Coast Coffee Association urges the Congress of the United States to defer consideration of the Agreement's enabling legislation until quotas for the 1970/1971 coffee year have been suspended, and then to insist upon annual review of the enabling legislation.

GREEN COFFEE ASSOCIATION OF NEW ORLEANS,
New Orleans, La, May 11, 1970.

HON. WILBUR D. MILLS,
Chairman, Ways and Means Committee of the House of Representatives, Washington, D.C.

DEAR SIRS: Whereas we are on record opposing participation in the International Coffee Organization, and

Whereas the International Coffee Organization Article No. 44, Sec. (1) states 'No member shall apply governmental measures affecting its exports and re-exports of coffee to another member which when taken as a whole in relation to that other member amount to discriminatory treatment in favor of processed coffee as compared with green coffee,' and

Whereas this Association has been and continues to be opposed to any such favoritism,

Be it resolved that we strenuously protest the violation of the aforementioned Article No. 44; and

Be it resolved that it is requisite upon the State Department, Commerce Department and other governmental authorities to bring this matter to a satisfactory conclusion by continuing efforts to abolish existing inequities.

Yours very truly,

TRION T. HARRIS, *President.*

HILLS BROS. COFFEE, INC.,
San Francisco, Calif., May 18, 1970.

HON. WILBUR D. MILLS,
Chairman, Committee on Ways and Means,
House of Representatives,
Washington, D.C.

DEAR MR. MILLS: Hills Bros. Coffee, Inc., respectfully expresses its opposition to the passage of enabling legislation now being considered by the Committee on Ways and Means in connection with the *International Coffee Agreement.* We be-

lieve that continued participation by the United States in the agreement is detrimental to the best interests of the American coffee consumer.

Very truly yours,

REUBEN W. HILLS III, *President.*

Mr. BURKE. This concludes the public hearing for today. The committee now stands adjourned to meet at 10 a.m. Monday in continuance of the hearings on the trade problems.

(Whereupon, at 12:25 p.m., the committee adjourned, to reconvene at 10 a.m., Monday, June 15, 1970.)

TARIFF AND TRADE PROPOSALS

MONDAY, JUNE 15, 1970

HOUSE OF REPRESENTATIVES,
COMMITTEE ON WAYS AND MEANS,
Washington, D.C.

The committee met at 10 a.m., pursuant to notice, in the committee room, Longworth House Office Building, Hon. Wilbur D. Mills (chairman of the committee) presiding.

The CHAIRMAN. The committee will come to order.

Our first witness this morning is our colleague, Mr. Buchanan of Alabama.

Is Mr. Buchanan in the room? I do not see him.

The Honorable Vernon W. Thomson will be our first witness here today.

We are glad to have you with us and you may proceed with your statement.

STATEMENT OF HON. VERNON W. THOMSON, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF WISCONSIN

Mr. THOMSON. I wish to express support for pending legislation designed to restrict the importation of dairy products, footwear, textiles, mink, and beef. For this purpose I have introduced H.R. 3844, H.R. 8983, H.R. 17077, H.R. 17300, and H.R. 17814 and hope they or similar bills will receive favorable action.

Considerable testimony has been presented to this committee indicating the specific extent of damage that could be done by Congress failure to act. I have no desire to be redundant in this regard and, therefore, will not cite the numerous statistics and/or cases which are available. I do, however, wish to direct myself to the general issue involved.

The question is not one of free trade, but one of the workingman's standard of living. Simply stated, American agriculture and industry face three alternatives as a result of current import policies: They can be driven out of business; they can reduce the wage scale of labor and profit margin of farmers; or they can seek governmental action to implement reasonable import restrictions.

The first two alternatives are acceptable neither to those persons directly affected nor the Nation as a whole. No one could possibly benefit from the destruction of various sectors of American ndustry or agriculture. Likewise no one can benefit from a greatly reduced labor and farm income. Only the third alternative—reasonable import restriction—is logical.

I have used the phrase "reasonable import restrictions" because there is a generic difference between legislation the committee is now consid-

ering and that of an isolationist, highly protective, irrationally nationalistic nature. There is no attempt to exclude foreign products or restrict them so greatly as to the point of exclusion; rather the attempt is to give American producers a fair and steady share of their own market.

Mr. Chairman, I am pleased the committee has conducted hearings on the issue of trade and tariffs, and I urge action be taken with respect to dairy products, footwear, textiles, mink, and beef.

The CHAIRMAN. Are there any questions? I hear none; we thank you for your appearance before the committee.

The next group of witnesses will be appearing in a panel.

Mr. Knochel, Mr. Hordis, Mr. Wingerter, Mr. Hainsfurther and Mr. Stewart.

Who is to be the first spokesman?

Mr. STEWART. Mr. Wingerter.

The CHAIRMAN. If you will identify yourself for our record and also those seated at the table with you, we will be glad to recognize you.

STATEMENTS BY PANEL ON BEHALF OF FLAT GLASS DOMESTIC PRODUCERS: ROBERT G. WINGERTER, PRESIDENT, LIBBEY-OWENS FORD CO.; J. CLIFFORD KNOCHEL, PRESIDENT AND CHIEF EXECUTIVE OFFICER OF AMERICAN SAINT GOBAIN CORP.; ROBERT C. HORDIS, PRESIDENT OF C–E GLASS; ROBERT M. HAINSFURTHER, VICE PRESIDENT AND GENERAL MANAGER OF THE GLASS DIVISION OF PPG INDUSTRIES, INC.; AND EUGENE L. STEWART, SPECIAL COUNSEL

Mr. WINGERTER. Thank you, Mr. Chairman.

Mr. Chairman and members of the committee, I am Robert G. Wingerter, president of Libbey-Owens Ford Co.

With me are Mr. J. Clifford Knochel, president and chief executive officer of American Saint Gobain Corp.; Mr. Robert C. Hordis, president of C–E Glass, a subsidiary of Combustion Engineering, Inc.; and Mr. Robert M. Hainsfurther, vice president and general manager of the Glass Division of PPG Industries, Inc. Each of these companies is a domestic manufacturer of one or more types of flat glass.

The CHAIRMAN. We appreciate having all of you with us.

You are recognized.

Mr. WINGERTER. We have consolidated our testimony, and each of us will present without repetition a portion of the information in support of our recommendations for specific reforms in foreign trade legislation.

The committee's press release of May 4 stated that these hearings will cover generally the subject of foreign trade and tariffs. We are glad that you have so defined the scope because we believe that our foreign trade policy is seriously defective and that the problems range far beyond the scope of the administration's bill.

The flat glass industry should be a worthy subject of your effort to understand and deal with the problems inherent in our Nation's foreign trade policy. Ours is a basic manufacturing industry, older in world commerce than the United States. It is based upon very high capital investment per worker, utilizing abundant and inexpensive raw materials and a relatively large amount of skilled labor.

The technology for glass manufacture has undergone steady evolution in the 2 centuries in which flat glass manufacturing has been practiced by the trading nations of the world. Today, sheet glass manufacturing is based upon technology developed in the United States, and licensed throughout the world. The newest type of flat glass, known as float glass, similar in its uses to plate glass, is based on technology developed in England and also licensed throughout the world.

Modern glass manufacturing plants are located throughout Europe, the Far East, and the Western Hemisphere. Efficiency in output requires large-scale manufacturing plants. The high capital investment and an acceptable rate of return require continuous high-volume production for sound economical operation. When business gets bad, glass manufacturers are forced to respond by closing down glassmaking machines and furnaces. The workers who man those production facilities, as well as other affected employees who process the glass produced by the machines and furnaces which are shut down, must be laid off.

Today in the United States, glass plants are shut down in varying degrees. In some, one or more but not all of the furnaces are closed down. In others, the entire plant is closed down.

By 1969, total employment in the flat glass industry was at its lowest level in 20 years. There are two causes:

First, the recession in the construction and automotive industries has weakened demand for all categories of glass.

The second cause is the lack of any effective regulation of imports.

In 1969, imports accounted for 21 percent of domestic consumption of flat glass, up from an average of 5 percent for the years 1950–54, the first 5 years in the period of the past 2 decades in which import duties on flat glass have been repeatedly reduced.

Flat glass manufacturing plants are located close to their sources of raw materials. The demand for the grade of silica sand used in glass manufacturing gives real economic value to these abundant natural resources. Fortunately for the economies of some of our more disadvantaged economic areas in the United States, at least half of the glass manufacturing plants in the United States are located in Appalachia or similarly disadvantaged economic areas elsewhere in the nation.

United States producers of flat glass compete in the United States and world markets with the glass industries of Europe and Asia. They have a strong advantage over the U.S. producers. The lower standard of living and the lower wages of their countries contribute to lower construction and maintenance costs of their glass plants, and to lower costs of production. There is a high labor content in the manufacture of flat glass.

Foreign producers are assisted by their governments in the protection of their home markets and the subsidization of exports through the remission of internal taxes. The U.S. industry has been severely handicapped by repeated adverse actions by the executive branch. In every category of flat glass, import duties had been reduced by at least 50 percent by January 1, 1948. Further reductions of duty were made in 1951, 1956, 1963, 1967, and in the Kennedy round.

As a consequence, the penetration of the domestic market by imports of flat glass exceeds that which exists in textiles, steel, and most other manufactured products. In major categories of flat glass, the import penetrtaion ratio exceeds that of footwear.

At the same time, the U.S. share of the world export market has declined in every major category of flat glass and is so small as to be almost ludicrous. According to an analysis made by the Department of Commerce, in 1968 the United States accounted for less than 2 percent of world exports of sheet glass, less than 5 percent of world exports of cast and rolled glass, and only 13 percent of world exports of plate and float glass. With the largest glass production capacity of any country in the world, the United States has been relegated to an inconsequential position in world export trade while its foreign competitors have invaded its market to the extent that more than 1 out of every 5 square feet of glass consumed in the United States is of foreign origin.

To give you some perspective and grasp of the competitive strength of our foreign competitors, I cite to you the fact that the value of Belgium's exports of sheet glass in 1968 was 22½ times that of the United States; Germany's, nine times; Italy's, eight times; France's, six times; and Japan's, five times.

When world exports in 1968 of 14 countries producing glass in the major categories of sheet, plate and float, and cast and rolled, are combined and the share of the major producing countries of that total is examined, we find the following facts (based on data in table 5, appendix):

1. Total world exports were valued at $225 million, of which—

United States accounted for 7 percent of world exports, but received 29.5 percent;

Belgium accounted for 34 percent of world exports, but received only 2 percent;

West Germany accounted for 15 percent of world exports, but received only 9 percent;

France accounted for 12 percent of world exports, but received only 4 percent;

United Kingdom accounted for 11 percent of world exports, but received only 3 percent;

Italy accounted for 10 percent of world exports, but received only 3 percent; and

Japan accounted for 10 percent of world exports, but received less than 1 percent.

2. Of total world exports of flat glass by the major glass producing nations, 49 percent was destined to countries other than the major glass producing nations, of which—

The United States supplied only 12 percent;

Belgium, 29 percent;

The United Kingdom, 17 percent; and

West Germany, 15 percent.

Mr. Chairman, in 1968, 65 percent of the quantity of flat glass imported into the United States originated in Western Europe, 20 percent in Asia, 9 percent in Eastern Europe, with the remaining 6 percent divided between Canada, Latin America, and the Middle East (see table 6, appendix). Control of the import problem would affect primarily Western Europe, Japan, Taiwan, and Eastern Europe.

The need for control is shown by the following:

1. The deep penetration of the domestic market by imports, equivalent to 21 percent of domestic consumption in 1969.

2. The loss of employment in the domestic flat glass industry which

has accompanied the rising imports. (Based on data published by the U.S. Department of Labor, Bureau of Labor Statistics, in Employment and Earnings Statistics for the United States, 1909–68, and in Employment and Earnings, March and May 1970).

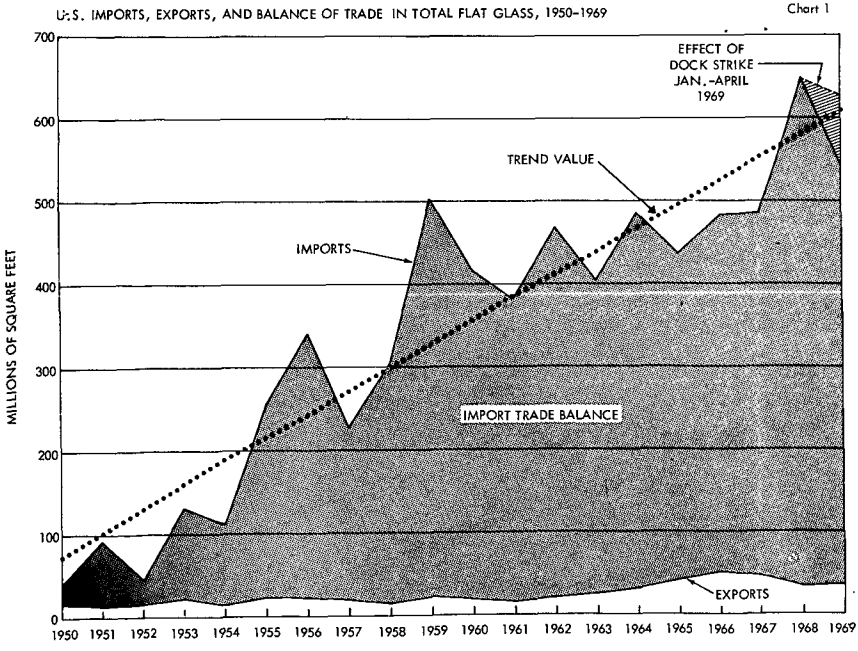
From its peak annual employment of 36,500 workers in 1957, employment in the flat glass industry declined steadily to 29,900 workers in 1961, the year in which the Tariff Commission found the sheet glass and cast and rolled glass sectors of the industry to be injured or threatened with serious injury by imports.

President Kennedy's action in raising the tariff on sheet glass in 1962 stabilized the relationship between imports and domestic shipments in the U.S. market, allowing employment to rise to 32,400 workers in 1966.

President Johnson's reduction in some of the sheet glass escape clause rates and his outright cancellation of the balance in January 1967 stimulated the imports on a new rising trend with immediate and direct effects on employment in the industry, which dropped to an average of 25,900 workers in 1969 and for the month of March 1970, the latest for which data are available, to the all-time low of 24,100 workers. The total loss of employment from March 1957 to March 1970 is 12,200 workers, equal to one-third of our labor force.

3. The sharply rising U.S. balance-of-trade deficit in flat glass, equivalent in 1968 to $60 million or 615 million square feet of glass. The following chart shows the rapid deterioration in the foreign trade position of the United States in flat glass during the past two decades as a result of the repeated reductions in U.S. duties on flat glass during that period.

(The chart referred to follows:)



SOURCE: Table 1

Mr. WINGERTER. Mr. Chairman, I now yield to Mr. Clifford Knochel of American Saint Gobain Corp., who will discuss the sheet glass sector of the flat glass import problem.

The CHAIRMAN. Mr. Knochel, you are recognized.

STATEMENT OF J. C. KNOCHEL, PRESIDENT, AMERICAN SAINT GOBAIN CORP.

Mr. KNOCHEL. The impact of U.S. foreign trade policy on the sheet glass sector of the flat glass industry.

Mr. Chairman and members of the committee: I am Clifford Knochel, president and chief executive officer of American Saint Gobain Corp. This company, successor to American glassmaking enterprises which have been in operation in this country for more than a century, has in recent years been controlled by Saint-Gobain of France, one of the world's major producers of flat glass.

Our company has been seriously injured by import competition. Our French parent has deferred its rights to repayment of financial assistance to help us in this difficult period of the company's history. Now I am happy to report that we have been successful in putting together a major refinancing plan for American Saint Gobain in which the interest of the French company would be acquired by an American group headed by certain American directors of the company. Our major creditors, on their part, agreed to a refinancing of the company's indebtedness held by them.

This refinancing operation makes it possible for us to continue in the flat glass business, and to make a fresh start under American control. The refinancing plan is in the interests of our employees. For it to succeed we will need the understanding and assistance of the Government in matters pertaining to the control of imports equal to the understanding and confidence which has been placed in us by all involved in the refinancing of the company.

My company operates three of the 14 domestic plants in which sheet glass is produced. We were forced to terminate production in one of these plants, located in Arnold, Pa., in February 1968. We resumed production on June 15, 1969. After 3 months of operation it became quite clear, due to the disruption of the domestic market created by imports and the large share of the market which had been captured by imports, that we could not sell the output of that plant. Hence, on September 26, 1969, we again terminated production and the plant has been idle ever since. Nearly 600 jobs were lost as a result. Our other two sheet glass plants (in Jeannette, Pa., and Okmulgee, Okla.) have been operating at only 75 percent of capacity, accounting for another 200 lost jobs.

We are aware from a public announcement that one of our domestic competitors has been forced to take similar action in closing down one-half of its sheet glass plant in Henrietta, Okla., with a loss of 250 jobs.

Mr. Chairman, U.S. import duties on sheet glass have been reduced five times under the trade agreements program. By January 1, 1948, duties had been reduced by more than 50 percent; then a further 24 percent reduction was granted in 1951, and an additional 13 percent in 1956. These reductions had the cumulative effect of reducing import duties on sheet glass by 65 percent effective June 30, 1958.

Since U.S. import duties are specific, the ad valorem equivalent of the duties has been reduced by the general inflationary trends that have taken place in the past two decades. The actual loss of protection which we have sustained as a result of inflation and the 65 percent cumulative tariff reductions is greater than the deep percentage cuts alone would imply.

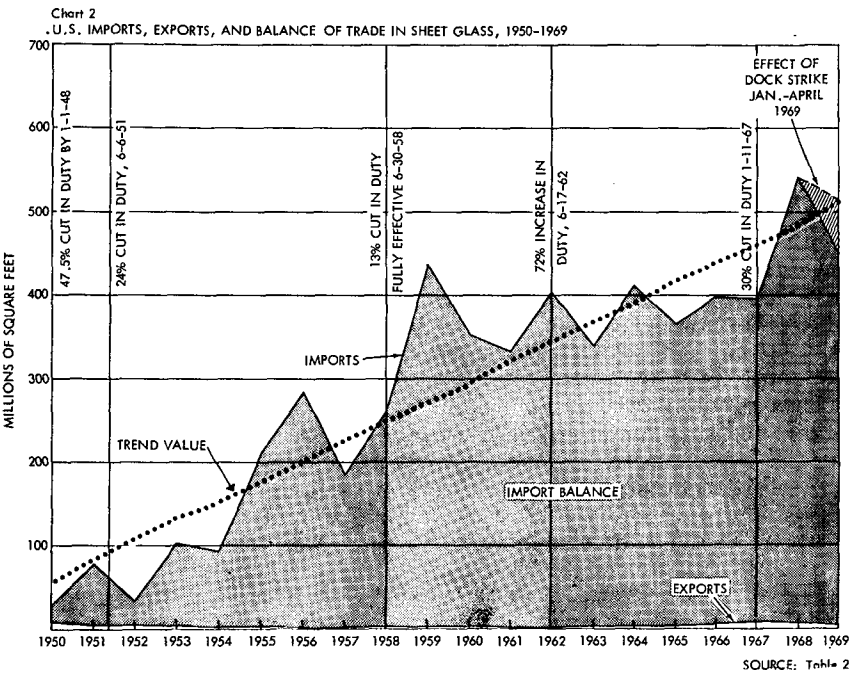
As a result of the Tariff Commission investigation in 1961 which established that the domestic sheet glass industry was being seriously injured by increased imports, President Kennedy increased the duty applicable to imported sheet glass. The average effect of the increase applicable to all categories of sheet glass was about a 74 percent increase. The effect of the increase in duty was to stabilize the level of imports at about the 1962 level.

These increased rates of duty remained in effect until January 1967 when President Johnson canceled the increases on some categories and reduced the amount of increase on others. The net effect of his action was to reduce the average ad valorem equivalent of duties applicable to all categories of sheet glass by about 18 percent.

This does not appear in itself to be a large reduction; however, the events that followed demonstrated the accuracy of the Tariff Commission's judgment and that of President Kennedy in accepting the Tariff Commission's findings on the extent of tariff increase required in the escape clause action to correct serious injury in the industry. Following the 18 percent reduction in sheet glass duties in 1967, imports of sheet glass bounded upward in 1968. Though they declined modestly in 1969 due to the combined effect of a 4-month dock strike on the east coast and Gulf of Mexico ports and the recession in the housing industry which commenced in the second half of 1969, imports have remained at a very high level.

The relationship of the tariff changes to the flow of imports, the stabilizing effect achieved by President Kennedy's escape clause rates during the 1962–1967 period, and the sharp rise in imports following the reduction in sheet glass duties in 1967 are shown in the following chart.

(The chart referred to follows:)



Mr. KNOCHEL. As you will notice from chart 2, in 1950 U.S. foreign trade in sheet glass was close to the point of equilibrium. Imports in that year were equivalent to only 2 percent of domestic consumption. Commencing in 1951, sheet glass duties were further reduced by 24 percent. Imports commenced to rise, and that rise has continued steadily ever since, except for the period of stability achieved under President Kennedy's escape clause rates.

By 1957, imports had captured 15 percent of the domestic market. When the 1956 tariff cut of 13 percent became fully effective in 1958, imports resumed their upward rise. By 1962, the year in which President Kennedy acted under the escape clause, imports had captured 25 percent of the domestic market for sheet glass. Under the effect of the escape clause rates, the ratio of imports to domestic consumption stabilized, averaging 23 percent of the domestic market during the years 1963 through 1966.

In January 1967, President Johnson rescinded the escape clause rates on thin and heavy sheet glass and reduced them on single and double strength sheet glass. In taking that action, he referred to the "unusual hardships from imports" suffered by the workers in the sheet glass industry. His advisers convinced him that the duties on sheet glass could be reduced without intensifying the then-existing state of suffering of the workers in our industry.

His advisers were incorrect, as the events following the reduction of the sheet glass duties by President Johnson have established. During the 3 years 1967, 1968 and 1969, imports rose to their highest level

and achieved their deepest penetration of the U.S. market. The share of domestic consumption accounted for by imports increased to an average of 29 percent, reaching their peak penetration at 32 percent in 1968. (Data in this and the preceding two paragraphs are based on table 7, appendix.)

The sheet glass industry achieved its peak employment in 1959 with a work force of 11,442 employees. By 1969, employment had been reduced to 9,068, and during the first quarter of 1970 employment dropped still further, to 8,195 workers. Thus, the sheet glass industry has suffered a total loss of 3,247 workers during the period of the tariff bloodletting which I have described. The 8,200 workers who are still on the work force at the domestic sheet glass plants are experiencing injury from the heavy burden of imports which continues to disrupt the American market. Many of these workers are on reduced time as worksharing or rotating is enforced in some of our plants.

As members of this committee will recognize, the share of the domestic market accounted for by foreign-produced sheet glass, averaging 29 percent during the past 3 years, is higher than the market penetration by imports which exists in the steel industry, and several percentage points higher than the penetration of the domestic market by imported footwear. Textiles and footwear are the proper subjects of your concern as shown by H.R. 16920 and the host of companion bills which have been introduced in the House. We ask similar recognition for the sheet glass problem.

Our industry has invoked every remedy available to us to secure correction of our problem. I have already told you of the escape clause case which led to President Kennedy's action in raising duties on sheet glass and how this was substantially nullified by President Johnson in January 1967. In 1969, we petitioned the Tariff Commission for a new escape clause investigation, and thus became one of the few industries in the United States willing to attempt the almost impossible task of meeting the unrealistic burden of proof for tariff adjustment imposed by the Trade Expansion Act of 1962. We successfully met that test.

In late December 1969, the Commission issued its report. Three Commissioners made a two-part finding: (1) that imported sheet glass is, as a result in major part of tariff concessions, being imported into the United States in such increased quantities as to cause serious injury to the domestic industry, and (2) that an increase in the trade agreement rate to the level of the statutory rate is necessary to remedy such injury.

Under the provisions of the basic statute governing the Tariff Commission, when the Commissioners split into two equal groups in their decision on a case, the President is authorized to accept the findings unanimously agreed upon by one-half of the number of Commissioners voting. In our case, three Commissioners, one-half of those voting, made a unanimous finding which was a single finding composed of two parts, as I have just described.

On February 27, 1970, the President issued his proclamation declaring that he accepted the finding of the three Commissioners who had found the industry to be seriously injured by increased imports (Presi-

dential Proclamation No. 3967, issued February 27, 1970). Unfortunately, the President was evidently not correctly informed as to the true nature of the finding of the Commissioners. He ignored the coordinate part of the finding in which the Commissioners stated that it is necessary to increase the duties to the statutory rate—a 63 percent increase above the existing rates. Instead, he determined merely to maintain the existing rates of duty, under which the serious injury had occurred, in effect for 2 years.

The President stated that his purpose in doing so was to provide time for the manufacturers and workers in the sheet glass industry to apply for and receive adjustment assistance to help them adjust to competition from imports.

The President's concept is that the American sheet glass manufacturers and their workers should get out of that business and attempt to get into some other business. We do not believe that any American industry, and certainly not one as basic as glass manufacture, should be erased from the national scene to accommodate foreign producers who, as Mr. Wingerter has explained, already enjoy the lion's share of the world market and who have taken over a higher proportion of the American market than the chairman and the majority of the members of this committee are willing to have happen in textiles and footwear or that this and the prior administration were willing to have occur in the steel industry.

When President Johnson reduced the import duties on sheet glass in 1967, he set up a task force to explore the potential for adjustment of sheet glassworkers to other lines of activity. That task force of Government employees visited most of the sheet glass plants in the United States. We believe that it is correct to say that in every instance the workers, management, and community leaders whom they consulted made it clear to the task force that there is no other line of production for which sheet glass plants are suitable, and that the wages and rates of pay of workers in the sheet glass industry, being higher than those enjoyed by workers in the vast majority of American industries, preclude any transfer of these workers with their specialized skills to other lines of activity without serious economic loss.

Furthermore, with the majority of the sheet glass plants located in Appalachia or similarly economic-retarded areas of the United States, employment opportunities for the transfer of workers to any other type of employment are severely limited.

Our industry has also filed dumping complaints against the foreign producers, and the Bureau of Customs is currently investigating the dumping of sheet glass from Belgium, France, Italy, West Germany, Japan and Taiwan. The earliest of these complaints was filed on September 23, 1968. Thus far, none of the investigations has advanced to the point of a preliminary determination by the Bureau of Customs.

There can be no question but that our industry has been seriously injured by imports; the Tariff Commission has twice found this to be the case. Yet, the President of the United States has determined that our industry is to be sacrificed, to benefit the foreign industry.

We understand on reliable authority that the President was concerned with the impact of an increase in the tariff on workers in Belgium's glass industry. He was evidently persuaded, erroneously, that

an increase in the duty would have caused a loss of 10,000 jobs in the Belgian glass industry. Such a conclusion is absurd.

If all Belgian imports were to be embargoed, the total effect on the Belgian sheet glass industry would be 1,000 jobs.[1]

We are not asking for an embargo. We are asking for conditions in the industry to be stabilized at the 1963–66 level in which the imports share of the domestic market averaged 23 percent.

The President's statement accompanying his proclamation declared that, "The purpose of the escape clause, in accordance with the provisions of the Trade Expansion Act of 1962, is to provide additional protection and time for industries to adjust to import competition." (White House press release dated February 27, 1970.) If the President's statement is correct, then we think the Trade Expansion Act is wrong and should be repealed.

Labor-intensive manufacturing industries in this country can be as efficiently, or even more efficiently, conducted than their counterparts in Europe and Asia and still not be able to compete because of the advantage which the low wages in foreign countries give to the foreign producers. The President's statement implies that all labor-intensive industries are to be erased from the American scene. We do not believe that this committee intends that that be the result of the operation of our trade agreements program.

From the President's statement in his proclamation in the sheet glass case, it is quite clear that your committee and the Congress must declare a new public policy in regard to the regulation of

---

[1] In a lengthy article published in the Belgian newspaper, *La Dernière Heure* of January 20, 1970, M. Deltour, Assistant General Secretary of Glaverbel, the Belgian sheet glass producer, was quoted as stating in an interview that if the U.S. tariff on sheet glass were increased, the number of Belgian workers to "be concerned" would be 10,000. That statement provided a superficial basis for the 10,000 figure evidently supplied to the President by his staff.

However, in the same article the same spokesman was subsequently asked: "How many Belgian workers would become unemployed as a result of the U.S. action against your sheet-glass imports?" to which he answered, "1,500 workers would be directly involved from which 600 could possibly be shifted into our organization."

Accordingly, based on the statement of the Belgian glass company official, the net effect on employment that would have occurred had the duty been increased would have been a potential loss of 900 Belgian jobs, and even this figure assumes total exclusion of Belgian glass from the United States market.

In a subsequent article published in the Belgian daily paper, *Le Soir*, on January 21, 1970, evidence is supplied that total loss of the American market to Belgian glass was the basis of the calculation of the net loss of 900 jobs. In this second article appears the following statement: "For Glaverbel, the loss of the American market would represent a considerable slow down of their activity. In fact the equivalence of one of their ten plants is threatened or about 1,000 people, taking into account finding new jobs through a reconversion of the workers eventually affected by this situation."

Contradicting its own posture of concern for the status of jobs in its Belgian sheet glass plant, Glaverbel has announced that it will construct a sheet glass plant in Canada to supply the North American market, including the United States. When this plant comes on stream, a portion of its output wil lbe exported to the United States and replace exports from Belgium. Thus, Glaverbel will itself through its Canadian operations produce the effect on jobs in Belgium which it decried in successfully urging the President not to increase U.S. sheet glass duties.

imports to prevent the destruction of American industries. Our last speaker will present our specific recommendations in this regard.

Thank you, gentlemen.

I now yield to Mr. Robert Hordis.

The CHAIRMAN. You are recognized, sir.

STATEMENT OF ROBERT C. HORDIS, PRESIDENT, C–E GLASS, DIVISION OF COMBUSTION ENGINEERING

Mr. HORDIS. Thank you, Mr. Chairman.

Mr. Chairman and members of the committee: I am Robert C. Hordis, president of C–E Glass, a subsidiary of Combustion Engineering, Inc. This company comprises the former Mississippi Glass Co., one of the Nation's four producers of rolled and figured glass, and the Hordis Brothers companies, which together comprised one of the Nation's major manufacturers of tempered safety glass and insulating windows.

The domestic market for rolled and figured glass has been severely disrupted by a long-continued trend of rising and excessive imports. Twice our industry has been to the Tariff Commission for an escape clause investigation of rolled glass imports. In 1961, two Commissioners found that the domestic industry was seriously injured by rolled glass imports, while a third Commissioner found that the industry was threatened with serious injury. Their split prevented the President from granting relief.

In 1969, two Commissioners found that the domestic rolled glass industry faces a harsh economic climate. Consumption of rolled glass is stagnant or declining. Imports take nearly a third of the domestic market. Domestic employment and shipments have followed the downward trend. These Commissioners declared that "the danger of serious injury to the domestic rolled glass industry is imminent, and requires prompt relief."

As subsequent events have shown, these Commissioners, Chairman Sutton and Commissioner Moore, could not have been more accurate. Subsequent to their report, my company has been forced to shut down its Floreffe, Pa. plant, and to reduce the size of the work force at its St. Louis, Mo., plant, for a total loss of 145 jobs. This is more than 12 percent of the total U.S. work force in rolled glass production.

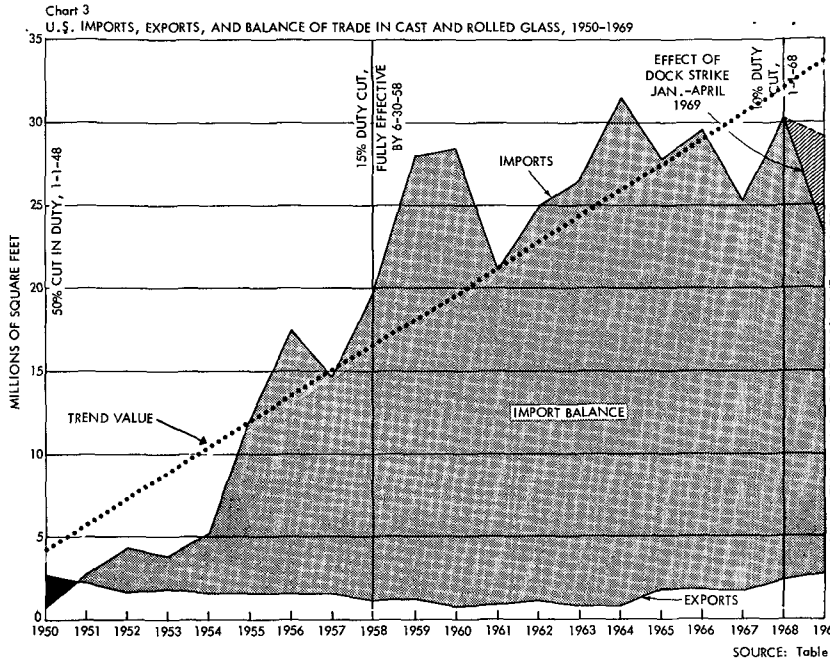
Unfortunately, four Tariff Commissioners found in the 1969 investigation that though the domestic industry has been adversely affected in its profits and employment by its declining share of the domestic market vis-a-vis imports, the statutory burden of proof imposed by the 1962 Trade Expansion Act had not been met. In my opinion, these four Commissioners engaged in unnecessary hairsplitting and rationalization to avoid making a finding that would help arrest the continued decline in employment in our industry which they conceded to exist.

Our experience in two escape clause actions convinces us that the remedy is of little or no value to domestic industries and their workers when those industries are faced with destruction by excessive imports coming into the U.S. market at rates of increase and at volumes which the market cannot absorb without driving the domestic producers out of the market.

Today the cast and rolled glass industry is almost at the point of extinction in the United States. For all intents and purposes there are only two producers left: American Saint Gobain and ourselves. Unless we get some relief from your committee, the rolled glass industry and its workers are destined for total destruction.

Consider the gross imbalance in our foreign trade in rolled glass as shown by the following chart.

(The chart referred to follows:)



Mr. HORDIS. In the space of two decades, we have experienced a shift from a favorable trade balance to a deficit of monumental proportions. The 50 percent cut in 1948 triggered the beginning of the import rise. The further 15 percent cut in 1956, fully effective in 1958, set off a new spurt in the import growth. The Kennedy round 50 percent cut is strengthening the already impressive competitive advantage of the foreign glass in the American market to such an extent that imports are continuing at a high level notwithstanding a sharply declining domestic market.

During the past 20 years, we have seen the ratio of imports to domestic consumption rise from an average of 6 percent during the first 5 years of the period, to 25 percent during the second 5 years, to 31 percent during the third 5 years, and to 34 percent during the most recent 5-year segment of the two decades. (See table 8, appendix.) As a result, employment declined by 33 percent.

Contrast this takeover of the American market by foreign-produced flat glass with the situation of textile articles. During the first 5 years of the past two decades, the ratio of imports to domestic consumption

in textile articles was approximately 3 percent. During the second 5-year period, the average ratio of imports to domestic consumption was 5.5 percent. During the third 5-year interval, this ratio increased to an average of 8 percent. During the most recent 5-year period, the ratio of imports of textile articles to domestic consumption rose to an average of 10 percent. (Ratios of imports to consumption derived from data in Textile Organon, March 1962, October 1969, and March 1970; U.S. Department of Agriculture. Agricultural Statistics 1967, 1969.)

Mr. Chairman, we agree that the textile industry needs legislation to regulate imports of textile articles. We commend you and the majority of the members of this committee who have sponsored H.R. 16920 and similar bills to that end. My point is that in the flat glass industry and, in this instance, in the cast and rolled glass sector, our situation is three times as grave as that in the textile industry. The rate of increase in the extent of market penetration in rolled glass is double that in textile, and the extent of market penetration is more than three times that in textiles. The penetration of the domestic market by foreign-produced rolled glass is greater than in footwear, twice that of steel, and three times that of textile articles.

This probably is the last occasion on which a spokesman for the rolled glass industry will ask the Congress for help. If it is not extended to us through your action on the foreign trade legislation pending before you, there will not be a domestic industry producing rolled glass in the future. Mr. Stewart will include in his recommendations appropriate steps to deal with the rolled glass import problem.

As I conclude my testimony, let me say a brief word about tempered glass. This is a safety glass product used in side and rear windows of automobiles, in patio doors, and in shower doors, as well as other miscellaneous applications. Tempered glass is fabricated from basic flat glass such as sheet, plate or float, and rolled glass. The technology for tempering is in a state of rapid evolution and is rather freely available throughout the world. Our company is a major factor in the independent tempered glass industry in the United States.

The rate of increase of imports of tempered glass exceeds that of any other type of flat glass. Only 3,000 square feet of tempered glass were imported as recently as 1964. The surge of imports has been so dramatic that by 1969, 22.4 million square feet of tempered glass were imported. About half of this was for automotive use and the balance for use in the construction industry.

Accompanying the rapid surge in imports of tempered glass has been an equally dramatic decline in the average unit value of imports: from an average of 72.5 cents per square foot in 1964 to 37.4 cents per square foot in 1969. (Derived from import statistics published by U.S. Department of Commerce, Bureau of the Census.) This sharp drop in the price of foreign-produced tempered glass has put severe pressure on domestic fabricators of tempered glass.

In 1962, the glass industry in the United States began a campaign to educate patio door manufacturers on the hazards of using nonsafety glass in these doors. The use of tempered safety glass has grown considerably in the housing field since then. It is in this area of use that the domestic industry is particularly vulnerable to foreign competition,

as many of the doors installed use one of four standard sizes. Standard sizes lend themselves well to importation by users.

In 1964, the price of domestic annealed three-sixteenths inch glass used to make standard sizes of tempered safety glass for patio doors was 26.98 cents per square foot, and in 1969, it was 32.01 cents, an increase of 18.6 percent. During the same period, imported tempered glass in the same sizes dropped from 49 cents to 38.5 cents per square foot, a decrease of 21.4 percent. The spread of 6.5 cents per square foot between the basic glass and the finished product is not enough to allow independent glass temperers to operate profitably. We have not been able to meet the foreign price and, as a result, the foreign producers' sales have skyrocketed, while ours are dropping.

Our problem has been compounded by the fact that our Government has steadily reduced the import duties on tempered glass: a 28-percent cut in 1948; a further 31-percent cut in 1951; a further 16-percent cut in 1956, fully effective in 1958; and a further 50-percent cut in the Kennedy round. Today, the duty on tempered patio door glass is 4.2 cents per square foot versus 3.36 cents per square foot on the basic glass from which the tempered glass is made—very little difference, indeed, for a product with a much higher labor content.

If domestic producers of tempered glass are to survive, some drastic measures are required. Our company has decided to meet this emergency by manufacturing its own raw glass for tempering; accordingly, we have taken a license from Pilington Brothers Limited, England, on their patented float glass process. We shall expend over $10 million constructing a float glass facility in the United States, the output of which will be used entirely as raw material for our glass fabricating operations. In this way, we hope to lower our raw material costs so as to be able to meet the threat of foreign competition. I don't know if we shall be successful, but we are risking over $10 million, hoping to remain American producers of tempered glass, providing employment for workers in the United States.

There are 16 independent temperers in the United States, operating 25 plants. Most of these are small business enterprises, employing less than 300 people. Obviously, few of them can afford to invest over $10 million to equip to manufacture their own glass. Yet, they must remain in business if the American people are to have access to safety glass for use in all hazardous glazing areas.

Perhaps 40 percent of the volume which we independent temperers do in the construction industry is in nonstandard sizes, for which domestic sources are a must. If we are to lose the 60 percent of our business which standard sizes comprise, it is doubtful that more than a few of us can remain in business to continue to supply the essential nonstandard segment of the safety glass needs of America. If we raise our prices on nonstandards to carry the increased burden, we will drive most users back to nonsafety glass. If too many of our widely scattered plants close, delivery will become such a problem to people far removed from a local source that they will substitute nonsafety glass. The result in either case will be an increase in serious injuries.

Quite clearly, then, both the American people whom you represent, including you and your own families, as well as the domestic independent glass tempering industry, need the help of this committee.

Here, beyond all shadow of a doubt, exists an industry whose existence is threatened seriously by unregulated foreign competition. As legislators and as human beings, you should not allow it to be seriously injured, as it is an essential industry to the public safety.

I now yield to Mr. Hainsfurther.

The CHAIRMAN. You are recognized, Mr. Hainsfurther.

Mr. HAINSFURTHER. Thank you, Mr. Chairman.

STATEMENT OF ROBERT M. HAINSFURTHER, VICE PRESIDENT AND GENERAL MANAGER, GLASS DIVISION, PPG INDUSTRIES, INC.

Mr. HAINSFURTHER. Mr. Chairman and members of the committee, I am Robert M. Hainsfurther, Vice President and General Manager of the Glass Division of PPG Industries, Inc.

The manufacture and sale of plate and float glass is a major part of the activities of the flat glass industry in the United States. The development of the float glass process has created an important potential for improving the production economics of glass like or directly competitive with plate glass, assuming that the high capital investment required can be fully utilized in full volume production.

The manufacture of float glass in this country commenced in 1964. In that year, total domestic capacity for production of plate glass was equivalent to approximately 2 million tons. Since that time, float glass production facilities have been constructed and brought on stream in this country, and an increasing proportion of the production of this grade of glass is handled by the float process. Today, more than 50 percent of the total production capacity of approximately 2.5 million tons of plate and float glass consists of float.

There have been completed or are currently under construction 16 float glass production lines in the United States representing a capital investment by the industry of more than $250 million. In contrast, 21 other float units have been completed or are under construction in the world outside the United States.

I have no doubt that additional float glass lines will be constructed to meet the growing demand for this type of glass. A consequence of the increase in capacity and production of float glass is the decline in the production and capacity for both heavy sheet glass and for plate glass.

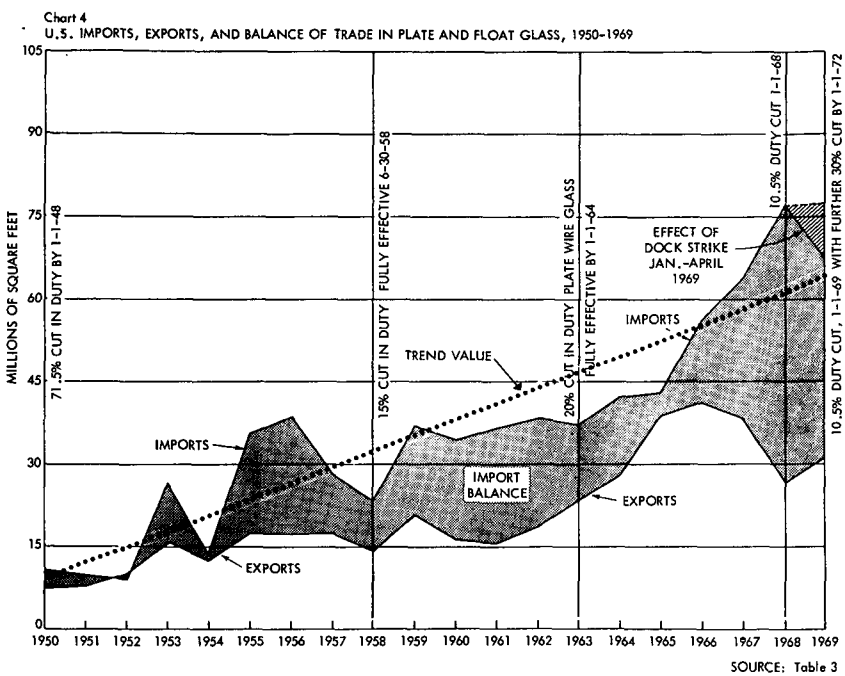
Float glass is not likely to replace sheet glass in the ordinary glazing of windows for house construction. In the near future at least, its displacement of sheet glass will most likely occur in side and rear windows for automobiles and in patio doors. Presently heavy sheet glass is tempered for such uses, and float glass will increasingly take over those markets. These represent a minor portion of the sheet glass market.

There is no question about the fact that the float glass process requires much less human effort than plate glass. The increased productivity per worker realized in float glass production will strengthen the domestic industry in meeting the competition of foreign glass in the U.S. market. This advantage has been considerably diluted, however, by the very deep reductions in U.S. import duties on plate and float glass.

By January 1, 1948, the U.S. tariffs applicable to plate and float glass had been cut by 71.5 percent. In 1956, an additional reduction of 15 percent was made, becoming fully effective in 1958. Effective January 1, 1964, there was a further 20 percent cut in duty on polished wire glass. Then in the Kennedy round, plate and float glass duties were cut still another 50 percent. The post-Kennedy round tariff will average less than 3 cents per square foot—only 14 percent of the statutory rate.

These successive reductions in duty have stimulated imports to such an extent that a once-favorable balance of trade has been replaced by a steadily growing deficit in our foreign trade of plate and float glass. This is shown by the following chart.

(The chart referred to follows:)



Mr. HAINSFURTHER. I would like to call your attention particularly to the tremendous rate of increase in imports since 1965 which is after the advent of float glass.

The opinion exists that the demand and supply for float glass is growing so rapidly in the United States that the domestic industry is immune from import injury. Let me dispel that notion with the following facts:

1. First, we are talking about a new capital investment in excess of $250 million which has been necessary to prevent sharp loses in the labor force previously engaged solely in producing plate glass.

2. The increase in the supply of float glass has been matched by a corresponding decrease in the supply of plate glass and to an extent, reduction in the supply of heavy sheet glass.

3. Even though float glass production is much less labor intensive than plate glass production, it still requires considerable human effort both for the maintenance and for the operation of the float glass process, and for the cutting and packaging of the finished glass product. The low wage rates prevailing in the foreign countries producing float glass give them a competitive advantage over their American counterparts, though less dramatic than in the case of the other types of glass.

4. This competitive advantage for foreign-produced float glass is demonstrated by the fact that the ratio of imports to domestic consumption of plate and float glass during the past 20 years has increased from an average of 2.8 percent during the first 5 years of the period to 4.5 percent during the second 5 years, to 5.4 percent during the third 5-year period, and to 7.0 percent for the most recent 5 years of the period of the past two decades. In 1968, imports accounted for 8 percent of the domestic market. The situation in 1969 was distorted by the practical embargo imposed on imports during the first 4 months of the year as a result of the east coast and gulf port dock strike. (Based on data in table 9, appendix.)

5. The ad valorem equivalent of the post-Kennedy round import duty on polished wire glass is only 4 percent, and that on other plate and float glass, only 5 percent to 8 percent—too low to have any significant regulatory effect on imports.

In its recent escape clause investigation, two members of the Tariff Commission found that the restoration of the pre-Kennedy round rates of duty on plate and float glass, including polished wire glass, is necessary to prevent serious injury to the domestic industry. While their four colleagues on the Commission did not agree with them, we believe it significant that that amount of recognition was given to the vulnerable position of plate and float glass to import injury.

It is a fact that average employment in the production of plate and float glass during the past 5 years is 5 percent below that during the period of peak employment, 1955–59, and employment in 1969 was several hundred jobs below the 1965–69 average. (See table 9, appendix.)

I now yield to Mr. Stewart, our special counsel, who will present our legislative recommendations.

The CHAIRMAN. You are recognized, Mr. Stewart.

STATEMENT OF EUGENE L. STEWART, SPECIAL COUNSEL

LEGISLATIVE RECOMMENDATIONS

Mr. STEWART. Mr. Chairman and members of the committee, I am Eugene L. Stewart of the law firm of Lincoln & Stewart, special counsel to the four domestic producers of flat glass appearing here today.

On their behalf, based on our collective experience in attempting to hold the line against destructive import competition and our attempt to invoke the remedies provided by law, we make the following carefully considered recommendations for your consideration.

1. Where the Tariff Commission in an investigation has found a domestic industry to have been seriously injured by increased imports, and the executive branch has failed to place into effect the increase in duty or other change in import restrictions found by the Commission

to be necessary to correct such injury, this committee should incorporate in the bill which it reports an amendment which will directly place into effect the Commission's findings.

In the Tariff Commission's December 1969 report, Commissioners Sutton, Clubb and Moore found that the domestic industry producing sheet glass is being seriously injured by increased imports and that an increase in the column 1 rate of duty in the Tariff Schedules of the United States applicable to sheet glass to that specified in column 2 of the TSUS is necessary to remedy such injury.

A fourth member, Commissioner Leonard, found that the domestic sheet glass industry is being seriously injured or threatened with serious injury, but he did not join in the finding of the other three Commissioners because the requirement of the Trade Expansion Act that increased imports be shown to be the major factor in causing such injury was, in his opinion, not met.

But the Administration as well as the sponsors of H.R. 16920 and similar legislation agree that "the major factor" test should be eliminated. Accordingly, the Commission's report represents a finding by four of the six Commissioners that the domestic sheet glass industry has been seriously injured by imports of sheet glass, and this committee should write into the bill which will be considered by the Congress the specific relief recommended by Commissioners Sutton, Clubb and Moore to be necessary to remedy such injury, namely, an increase in duty in the column 1 rate to the level of column 2 rate.

2. The tariff adjustment provisions of the Trade Expansion Act of 1962 should be amended in accordance with the provisions of title II of H.R. 16920.

Although the sheet glass industry was successful in meeting the virtually impossible burden of proof of showing that increased imports due "in major part" to tariff concessions were "the major factor" causing or threatening serious injury to the domestic industry, our experience teaches us that this is such an impossible test that it should be eliminated or relief will be denied to virtually all applicants.

The Administration bill is defective in its attempt to do so because it would substitute for "the major factor" test one which in fact would be equally or more difficult to meet, namely, that of proving that the increased imports were "the principal cause" of serious injury.

In order to show that one of a number of causes is "the primary cause," the petitioner in an escape clause case would have to be able to convince the Commission as to the quantitative magnitude of each of the many economic causes which are at work in an industrial economy, and to demonstrate that imports were quantitatively greater in their effect than any of the other causes. This is manifestly an impossible burden of proof.

Title II of H.R. 16920 provides for a more reasonable reform of the escape clause. It would delete both the "due in major part" and "the major factor" tests and merely require that the petitioner prove that increased imports were "a substantial cause" of serious injury.

Based on our experience, we recommend the enactment of title II of H.R. 16920 with further amendment which I shall describe in a moment.

3. The findings of the Tariff Commission in an escape clause (tariff adjustment) investigation should be final, and not subject to nullification by executive discretion.

In an escape clause investigation, the domestic industry presents its case in a goldfish bowl in which all import interests have the right to be present, to be represented by counsel, and to cross-examine the witnesses of the domestic industry. We make no complaints about this. The Commission conducts a field investigation and requires the members of the domestic industry to submit detailed financial, production, and other operating information which is subject to verification by the Commission through its audit procedures and field investigation. The domestic industry is also required to make itself available through public hearings to direct questioning by members of the Commission and by counsel for all interested parties, and we do not complain of any of these requirements. We think they are proper.

In these circumstances, when the Commission, after a 6-month investigation, reaches a considered conclusion and makes formal findings concerning serious injury and the change in duty or other import restriction required to remedy the serious injury, however, its judgment should be final.

It is in that sense, acting as a delegate of the Congress to find the facts, which is too burdensome for the Congress to do, that the Commission's findings if implemented immediately by law are tantamount to the Congress, itself, passing a law raising the duty in the required amount.

As in the case of the Commission's finding of injury in antidumping cases, the Secretary of the Treasury should be obliged upon publication of the Commission's finding to enforce the collection of the increased duties or the imposition of such quantitative limitations as the Commission finds and specifies in its report to be necessary to correct the serious injury.

In the recent sheet glass escape clause investigation, the President accepted the finding of three members of the Commission insofar as they held the domestic industry to be seriously injured by increased imports, but he ignored or set aside the interrelated portion of their finding determining that an increase in the tariff was necessary to correct such injury.

He was influenced by the fact that one of the three Commissioners in a separate opinion expressed the view that his personal recommendation was that the President consider the use of adjustment assistance rather than raising the duty. But that statement was no more significant than the obiter dictum of a judge in a case being tried before him. That Commissioner had joined two other Commissioners in responding to the statutory duty to make a finding. The policy of the law gave to the Commission the task of making findings of injury and the adjustment in tariffs necessary to correct it.

The then gratuitous comment of that Commissioner that he would recommend that the President consider adjustment assistance is not under the law escalated to the dignity of a finding nor does it subtract from the significance of his joining in the finding of injury.

Where the Tariff Commission does not make an exhaustive investigation of the circumstances which would be appropriate in evaluating whether adjustment assistance was a preferred route for the Government to follow rather than an increase in the tariff, it must surely be the case that the philosophical utterance of a Commissioner as to his personal preference for adjustment assistance should not be used by

the President as a basis of ignoring the Commission's finding of injury and an increase in tariff required to correct it.

Under the procedure followed in the executive branch, the President bases his action not upon the report of the Tariff Commission, but, rather, upon written recommendations of the Special Representative for Trade Negotiations.

When this committee wrote in the Trade Expansion Act of 1962 the provision for the Office of the Special Representative, as the chairman pointed out in the debate on the bill on the floor of the House, the manifest purpose of that provision was to take away from the State Department, which had been insensitive to the realities of domestic commerce, the administration of the trade agreements program. Everyone expected, industry as well as members of this committee, that the committee's purpose in creating that office would be honored by the appointment of persons of experience in industry matters capable of rendering balanced judgments that would take into account both domestic as well as foreign interests.

It is the sad fact, Mr. Chairman, that that office was peopled from persons drawn from the State Department and its administration of the Trade Expansion Act has been more one-sided than even the deplorable record of the State Department whose jurisdiction preceded it.

The committee has been defeated in the intent that it had in creating the Office of the Special Representative and nothing makes that more clear than the record of that office in the use of the authority of the Trade Expansion Act in the Kennedy round, which the committee now must realize was essentially unilateral in favoring imports into the United States without gaining commensurate access for our exports, and in the manner in which that Office of the Special Representative has sedulously turned its face against relief for domestic industries and advised the President to take action other than that found necessary by the Tariff Commission.

The Office of the Special Representative proceeds to consider the matter de novo without significant regard to the Tariff Commission's report of its investigation. Representatives of foreign producers and governments are allowed to make ex parte representations to the Office of the Special Representative which are not made available to the domestic industry for rebuttal or cross-examination.

Unlike the goldfish bowl procedure in which the domestic industry must prove its case before the Tariff Commission, foreign interests are allowed in a star chamber proceeding to rebut, distort, and confuse the issues in a case by the submission of information and statements which the domestic industry never has an opportunity to see, study, or comment upon.

Further, the President acts directly upon the recommendations of a member of his staff, who bases his views on further ex parte presentations by foreign interests.

This procedure is most unfair and should no longer be countenanced by this committee. We are certain that in the sheet glass case, the President, acting, of course, in good faith, nevertheless based his decision on a misapprehension of the facts as a result of the type of recommendations submitted to him under the ex parte system described above.

The Tariff Commission is a quasi-legislative body established by the Congress with the intent that it acquire and maintain expertise in conducting investigations into the effect of imports on domestic industries and workers. No similar level of expertise has been invested in the Office of the Special Representative, the President's staff, or other elements of the executive branch which "get into the act" in watering down, explaining away, or setting aside the findings of the Tariff Commission in escape clause cases. The committee should make a determined effort to restore credibility to the escape clause procedure. The only way to do this is to require that the findings of the Tariff Commission be final and binding upon all concerned upon their publication.

4. By all of the criteria of market disruption and import injury that are applicable to textiles, footwear, and steel, flat glass should be included in legislation providing for the imposition of limitations upon the quantity and rate of increase in imports.

We in the flat glass industry applaud the courage and initiative of the chairman and a majority of the members of this committee in sponsoring legislation such as H.R. 16920 which provides for the imposition of import quotas on textile articles and footwear, while according to the President the authority to solve the import problems in those commodity areas is by international negotiations.

As the information presented by the members of the panel has amply demonstrated, imports of flat glass have achieved a deeper penetration of the domestic market than is the case in textile articles and steel, and a degree of penetration comparable to that which exists in footwear. Indeed, sheet glass and rolled glass imports exceed the share of the domestic market claimed by foreign-produced footwear.

We think it is just and proper that your committee concern itself with a fair and equitable system of ground rules for guiding all interested parties, both foreign and domestic, in the rate of access which will be permitted foreign-produced articles in these import-sensitive areas of our economy. All of the criteria by which you have ascertained the sensitivity of textile articles and foorwear apply with equal or greater measure and with equal or more compelling logic to flat glass.

Further, the energetic action of the executive branch under the encouragement of this committee to negotiate an international agreement providing for similar ground rules on the exports of steel into the United States is separate evidence of our entitlement to similar consideration, since the degree of import penetration and the loss of employment in the flat glass industry are at least comparable in degree, if not greater than that which exists in the steel industry.

Accordingly, we recommend that the bill you report, if it includes the substance of H.R. 16920, be further refined to include the comparable substance of H.R. 791 which provides for the orderly marketing of flat glass under criteria quite similar to those contained in H.R. 16920.

Further, we recommend that your committee favorably consider the substitution of the provisions of H.R. 16287 for those of H.R. 16920. The former includes manmade fiber textile articles and footwear, as does HR. 16920, but adds other major import-sensitive products

including flat glass, steel, electronic products, and glassware. H.R. 16287 is comparable to H.R. 16920 in that it authorizes the President to enter into trade agreements providing for the limitation and rate of growth of imports of these import-sensitive articles, so that the provisions of such an agreement may supersede the limitations otherwise specified in the bill.

A very important feature of H.R. 16287 which is not found in H.R. 16920 is a general procedure under which, upon petition, the Tariff Commission will investigate to determine whether other articles are being imported in such quantities as to cause market disruption, deep import penetration, or other aspect of serious injury to the domestic industries concerned as has been determined to be a proper occasion for action on behalf of the textile, footwear, and steel industries.

Thus, H.R. 16287 recognizes that the type of import injury and market disruption which has stimulated the introduction of H.R. 16920 and its scores of companion bills exists in many other labor-intensive, import-sensitive industries. Fairness requires that these other industries be given some access to relief similar to that proposed for the textile and footwear industries and similar to that already accorded the steel industry. The flat glass industry is an example of such an industry. Accordingly, we urge that you broaden the scope of H.R. 16920 in this manner.

Mr. Chairman, this concludes the testimony on behalf of the flat glass industry of the United States.

We thank you for the privilege which you have accorded us for this panel presentation of our testimony and, of course, shall be happy to answer any questions which you or the members of the committee may desire to ask.

(The appendix referred to follows:)

TABLE 1.—U.S. IMPORTS, EXPORTS, AND BALANCE OF TRADE IN FLAT GLASS, 1950–69

[In millions of square feet, single strength equivalents]

Year	Imports	Exports	Balance of trade
1950	39.2	18.6	−20.6
1951	91.7	14.3	−77.4
1952	45.7	16.1	−29.6
1953	132.3	22.6	−109.7
1954	113.6	16.8	+96.8
1955	259.3	24.1	−235.2
1956	340.7	22.8	−317.9
1957	227.5	21.7	−205.8
1958	305.1	18.2	−286.9
1959	502.2	25.1	−477.1
1960	417.0	21.1	−395.9
1961	381.5	19.3	−362.2
1962	469.1	22.9	−446.2
1963	403.3	27.7	−375.6
1964	484.6	32.5	−452.1
1965	437.4	44.0	−393.4
1966	484.2	52.0	−432.2
1967	486.1	48.8	−437.3
1968	649.0	34.4	−614.6
1969	541.2	37.4	−503.8
1969 [1]	620.8	37.4	−583.4

[1] Adjusted for effects of dock strike.

Note: Sheet glass converted to square feet at ratio of 1 square foot=1.16 pounds.

Source: U.S. Tariff Commission; U.S. Department of Commerce, Bureau of the Census: IM-146, December 1969; FT-110, annual volumes 1950–63; FT-410, December 1969, annual volumes 1950–63.

TABLE 1A.—FLAT GLASS EXPORTS AS A PERCENT OF IMPORTS, AND RATE OF GROWTH OF IMPORTS AND EXPORTS IN THE FLAT GLASS INDUSTRY, 1950-69

Years	Exports as a percent of imports	Percent rate of growth over 1950	
		Imports	Exports
1950	47.4	0	0
1951	15.6	+133.9	—23.1
1952	35.2	+16.6	—13.5
1953	17.1	+237.5	+21.5
1954	14.8	+189.8	—9.7
1955	9.3	+561.5	+29.6
1956	6.7	+769.1	+22.6
1957	9.5	+480.4	+16.7
1958	6.0	+678.3	—2.2
1959	5.0	+1,181.1	+34.9
1960	5.1	+963.8	+13.4
1961	5.1	+873.2	+3.8
1962	4.9	+1,096.7	+23.1
1963	6.9	928.8	+48.9
1964	6.7	+1,136.2	+74.7
1965	10.1	+1,015.8	+136.6
1966	10.7	+1,135.2	+179.6
1967	10.0	+1,140.1	+162.4
1968	5.3	+1,555.6	+84.9
1969	6.9	+1,280.6	+101.1
1969 [1]	6.0	+1,483.7	+101.1

[1] Adjusted for effects of dock strike.

Source: U.S. Tariff Commission; U.S. Department of Commerce, Bureau of the Census: IM-146, December 1969; FT-110, annual volumes 1950-63; FT-410, December 1969, annual volumes 1950-63.

TABLE 2.—U.S. IMPORTS, EXPORTS, AND BALANCE OF TRADE IN SHEET GLASS, 1950-69

[In millions of square feet, single strength equivalents]

Year	Imports	Exports	Balance of trade
1950	27.8	8.6	—19.2
1951	78.9	4.3	—74.6
1952	32.1	4.6	—27.5
1953	101.7	4.7	—97.0
1954	94.7	2.9	—91.8
1955	211.5	4.6	—206.9
1956	284.5	3.4	—281.1
1957	184.5	2.2	—182.3
1958	261.6	2.6	—259.0
1959	437.1	2.8	—434.3
1960	353.9	3.7	—350.2
1961	323.6	2.6	—321.0
1962	405.7	3.0	—402.7
1963	339.5	3.4	—336.1
1964	411.1	3.6	—407.5
1965	366.6	3.4	—363.2
1966	398.7	7.8	—390.9
1967	397.3	9.2	—388.1
1968	542.0	5.8	—536.2
1969	451.1	3.4	—447.7
1969 [1]	514.5	3.4	—511.1

[1] Adjusted for effects of dock strike.

Note: Converted from pounds to square feet at ratio of 1 square foot=1.16 pounds.

Source: U.S. Tariff Commission. U.S. Department of Commerce, Bureau of the Census, IM-146, December 1969; FT-410, December 1969.

TABLE 2A.—SHEET GLASS EXPORTS AS A PERCENT OF IMPORTS, AND RATE OF GROWTH OF IMPORTS AND EXPORTS IN THE SHEET GLASS INDUSTRY, 1950–69

Year	Exports as a percent of imports	Percent rate of growth over 1950	
		Imports	Exports
1950	30.9	0	0
1951	5.4	+183.8	−50.0
1952	14.3	+15.5	−46.5
1953	4.6	+265.8	−45.4
1954	3.1	+240.6	−66.3
1955	2.2	+660.8	−46.5
1956	1.2	+923.4	−60.5
1957	1.2	+563.7	−74.4
1958	1.0	+841.0	−69.8
1959	.6	+1,472.3	−67.5
1960	1.0	+1,173.0	−57.0
1961	.8	+1,064.0	−69.8
1962	.7	+1,359.4	−65.1
1963	1.0	+1,121.2	−60.5
1964	.9	+1,378.8	−58.1
1965	.9	+1,218.7	−60.5
1966	2.0	+1,334.2	−9.3
1967	2.3	+1,329.1	+7.0
1968	1.1	+1,849.6	−32.6
1969	.8	+1,522.7	−60.5
1969 [1]	.7	+1,750.7	−60.5

[1] Adjusted for effects of dock strike.

Source: U.S. Tariff Commission. U.S. Department of Commerce, Bureau of the Census, IM–146, December 1969; FT–410, December 1969.

TABLE 3.—U.S. IMPORTS, EXPORTS, AND BALANCE OF TRADE IN PLATE AND FLOAT GLASS, 1950–69 [1]

[In millions of square feet]

Year	Imports	Exports	Balance of trade
1950	10.6	7.5	−3.1
1951	10.0	7.8	−2.2
1952	9.2	9.8	+0.6
1953	26.7	16.0	−10.7
1954	13.7	12.3	−1.4
1955	35.5	17.9	−17.6
1956	38.7	17.8	−20.9
1957	28.4	17.9	−10.5
1958	23.5	14.4	−9.1
1959	37.1	21.0	−16.1
1960	34.7	16.5	−18.2
1961	36.8	15.7	−21.1
1962	38.4	18.7	−19.7
1963	37.3	23.4	−13.9
1964	42.0	28.0	−14.0
1965	43.0	38.8	−4.2
1966	56.0	42.4	−13.6
1967	63.6	37.9	−25.7
1968	76.7	26.2	−50.5
1969	66.9	31.2	−35.7
1969 [2]	77.2	31.2	−46.0

[1] Includes polished wire glass.
[2] Adjusted for effects of dock strike.

Source: U.S. Tariff Commission, U.S. Department of Commerce, Bureau of the Census: IM–146, December 1969; FT–110, annual volumes 1950–63; FT–410, December 1969, annual volumes 1950–63.

TABLE 3A.—PLATE AND FLOAT GLASS EXPORTS AS A PERCENT OF IMPORTS AND RATE OF GROWTH OF IMPORTS AND EXPORTS IN THE PLATE AND FLOAT GLASS INDUSTRY, 1950–69 [1]

Year	Exports as a percent of imports	Percent rate of growth over 1950	
		Imports	Exports
1950	70.8	0	0
1951	78.0	−5.7	+4.0
1952	106.5	−13.2	+30.7
1953	59.9	+151.9	+113.3
1954	89.8	+29.2	+64.0
1955	50.4	+234.9	+138.7
1956	46.0	+265.1	+137.3
1957	63.0	+167.9	+138.7
1958	61.3	+121.7	+92.0
1959	56.6	+250.0	+180.0
1960	47.6	+227.4	+120.0
1961	42.7	+247.2	+109.3
1962	48.7	+262.3	+149.3
1963	62.7	+251.9	+212.0
1964	66.7	+296.2	+273.3
1965	90.2	+305.7	+417.3
1966	75.7	+428.3	+465.3
1967	59.6	+500.0	+405.3
1968	34.2	+623.6	+249.3
1969	46.6	+531.1	+316.0
1969 [2]	40.4	+628.3	+316.0

[1] Includes polished wire glass.
[2] Adjusted for effects of dock strike.

Source: U.S. Tariff Commission. U.S. Department of Commerce, Bureau of the Census: IM-146, December 1969; FT-110, annual volumes 1950–63; FT-410, December 1969, annual volumes 1950–63.

TABLE 4.—U.S. IMPORTS, EXPORTS, AND BALANCE OF TRADE IN CAST AND ROLLED GLASS, 1950–69

[In millions of square feet]

Year	Imports	Exports	Balance of trade
1950	0.8	2.5	+1.7
1951	2.8	2.2	−.6
1952	4.4	1.7	−2.7
1953	3.9	1.9	−2.0
1954	5.2	1.6	−3.6
1955	12.3	1.6	−10.7
1956	17.5	1.6	−15.9
1957	14.6	1.6	−13.0
1958	20.0	1.2	−18.8
1959	28.0	1.3	−26.7
1960	28.4	.9	−27.5
1961	21.1	1.0	−20.1
1962	25.0	1.2	−23.8
1963	26.5	.9	−25.6
1964	31.5	.9	−30.6
1965	27.8	1.8	−26.0
1966	29.5	1.8	−27.7
1967	25.2	1.7	−23.5
1968	30.3	2.4	−27.9
1969	23.2	2.8	−20.4
1969 [1]	29.1	2.8	−26.3

[1] Adjusted for effects of dock strike.

Source: U.S. Tariff Commission. U.S. Department of Commerce, Bureau of the Census: IM-146, December 1969; FT-110, annual volumes 1961–63; FT-410, December 1969 annual, volumes 1961–63.

TABLE 4A.—CAST AND ROLLED GLASS EXPORTS AS A PERCENT OF IMPORTS, AND RATE OF GROWTH OF IMPORTS AND EXPORTS IN THE CAST AND ROLLED GLASS INDUSTRY, 1950–69

Year	Exports a percent of imports	Percent rate of growth over 1950	
		Imports	Exports
1950	312.5	0	0
1951	78.6	+250.0	−12.0
1952	38.6	+450.0	−32.0
1953	48.7	+387.5	−24.0
1954	30.8	+550.0	−36.0
1955	13.0	+1,437.5	−36.0
1956	9.1	+2,087.5	−36.0
1957	11.0	+1,725.0	−36.0
1958	6.0	+2,400.0	−52.0
1959	4.6	+3,400.0	−48.0
1960	3.2	+3,450.0	−64.0
1961	4.7	+2,537.5	−60.0
1962	4.8	+3,025.0	−52.0
1963	3.4	+3,212.5	−64.0
1964	2.9	+3,837.5	−64.0
1965	6.5	+3,375.0	−28.0
1966	6.1	+2,587.5	−28.0
1967	6.7	+3,050.0	−32.0
1968	7.9	+3,687.5	−4.0
1969	12.1	+2,800.0	+12.0
1969 [1]	9.6	+3,547.5	+12.0

[1] Adjusted for effects of dock strike.

Source: U.S. Tariff Commission. U.S. Department of Commerce, Bureau of the Census: IM–146, December 1969; FT–110, annual volumes 1961–63; FT–410, December 1969, annual volumes 1961–63.

TABLE 5—U.S. SHARE OF EXPORTS OF FLAT GLASS FROM 14 SUPPLIER COUNTIES TO THE WORLD, 1968

[Dollar amounts in thousands]

Destination	Total exports from 14 countries		United States		Origin						
	Value	Percent of total	Value	Percent of total	Belgium	West Germany	Italy	France	Japan	United Kingdom	Other
World	$224,744	100.0	$15,167	6.7	$75,624	$32,610	$22,694	$26,877	$22,068	$24,798	$4,906
United States	66,284	29.5			23,651	8,463	9,852	4,440	12,473	5,467	2,038
Belgium	4,568	2.0	172	3.8		2,667	135	1,142	(1)	51	401
West Germany	20,386	9.1	101	.5	7,518		2,268	8,916	(1)	214	1,369
Italy	7,057	3.1	347	4.9	3,587	2,092		633	1	161	236
France	9,377	4.2	259	2.8	5,235	1,217	2,428		30	2	206
Japan	1,334	.6	598	44.8	9	534	(1)	124		59	10
United Kingdom	6,727	3.0	192	2.9	4,104	1,313	6	1,086	(1)		26
Other	109,011	48.5	13,498	12.4	31,520	16,324	8,005	10,536	9,591	18,844	620

[1] No data recorded.

Source: U.S. Department of Commerce, Bureau of International Commerce, Market Share Reports MSR 70-90543, MSR 70-90544, and MSR 70-90545.

TABLE 6.—ORIGIN OF U.S. IMPORTS OF FLAT GLASS, 1968

[In millions of square feet]

	Sheet glass	Plate and float glass	Cast and rolled glass	Total	Percent which each area is of total
Canada	2.7	8.3		11.0	1.7
Latin America	13.5			13.5	2.1
Western Europe	367.3	44.1	10.9	422.3	65.3
EEC	277.1	40.8	9.3	327.2	50.6
EFTA	49.6	2.9	1.6	54.1	8.4
Other	40.6	.4		41.0	6.3
Eastern Europe	51.5		4.7	56.2	8.7
Middle East	14.8			14.8	2.3
Oceania	4.9			4.9	.7
Japan	49.0	24.3	8.2	81.5	12.6
Other Asia	38.5		4.2	42.7	6.6
Taiwan	35.5		3.7	39.2	6.1
Total	542.2	76.7	28.0	646.9	100.0

Source: United Nations, "Commodity Trade Statistics 1968," Series D, vol. XVIII, No. 1-23.

TABLE 7.—U.S. EMPLOYMENT, SHIPMENTS, IMPORTS, EXPORTS, AND DOMESTIC CONSUMPTION OF SHEET GLASS 1950-69

[In millions of square feet, except "Employment" in units]

	Employment	Shipments	Imports	Exports	Domestic consumption	Ratio of imports to domestic consumption (in percent)
1950	[1] 8,623	1,243.8	27.8	8.6	1,263.0	2.2
1951	[1] 8,340	1,203.0	78.9	4.3	1,277.6	6.2
1952	[1] 7,433	1,072.1	32.1	4.6	1,099.6	2.9
1953	[1] 8,469	1,221.5	101.7	4.7	1,318.5	7.7
1954	[1] 7,757	1,118.9	94.7	2.9	1,210.7	7.8
1955	9,503	1,370.7	211.5	4.6	1,577.6	13.4
1956	9,630	1,358.8	284.5	3.4	1,639.9	17.3
1957	9,885	1,083.3	184.5	2.2	1,265.6	14.6
1958	9,011	963.2	261.6	2.6	1,222.2	21.4
1959	11,442	1,362.1	437.1	2.8	1,796.4	24.3
1960	10,283	1,091.1	353.9	3.7	1,441.3	24.6
1961	9,979	1,098.1	323.6	2.6	1,419.1	22.8
1962	10,922	1,244.1	405.7	3.0	1,646.8	24.6
1963	10,657	1,341.4	339.5	3.4	1,677.5	20.2
1964	10,938	1,319.0	411.1	3.6	1,726.5	23.8
1965	11,018	1,320.8	366.6	3.4	1,684.0	21.8
1966	10,365	1,192.6	398.7	7.8	1,583.5	25.2
1967	9,783	1,076.1	397.3	9.2	1,464.2	27.1
1968	9,736	1,166.2	542.0	5.8	1,702.4	31.8
1969	[2] 9,068	1,160.7	451.1	3.4	1,608.4	28.0
Adjusted 1969 [3]	[2] 9,068	1,097.3	514.5	3.4	1,608.4	32.0

[1] Estimated, based on 1955 ratio of shipments per employee.
[2] Estimated for the industry, based on actual employment data of domestic producers participating in this appearance.
[3] Adjusted for effects of dock strike.

Note: Data are in single strength equivalent square feet, converted at the ratio of 1 sq. ft. equals 1.16 lbs.

Source: U.S. Tariff Commission; U.S. producers' data.

TABLE 8.—U S. EMPLOYMENT, SHIPMENTS, IMPORTS, EXPORTS, AND DOMESTIC CONSUMPTION OF CAST AND ROLLED GLASS, 1950–69

[In millions of square feet, except employment in units]

	Employment	Shipments	Imports	Exports	Domestic consumption	Ratio of imports to domestic consumption (percent)
Average:						
1950–54	[1] 1,661	58.8	3.4	2.0	60.2	5.6
1955–59	[1] 994	58.3	18.5	1.5	75.3	24.6
1960–64	[1] 1,089	[1] 59.5	26.5	1.0	85.0	31.1
1965	1,129	60.1	27.8	1.8	86.1	32.3
1966	1,091	56.1	29.5	1.8	83.8	35.2
1967	1,129	49.0	25.2	1.7	72.5	34.6
1968	1,119	54.4	30.3	2.4	82.3	36.8
1969	[1] 1,078	[1] 56.1	23.2	2.8	76.5	30.3
Adjusted, 1969 [2]	[1] 1,078	50.2	29.1	2.8	76.5	38.0
Average, 1965–69	1,109	55.1	27.2	2.1	80.2	33.9

[1] Partially estimated based on actual data for domestic producers participating in this appearance.
[2] Adjusted for effects of dock strike.

Source: U.S. producers' data; U.S. Tariff Commission; U.S. Department of Commerce, Bureau of the Census, IM-146, December 1969; FI-410, December 1969.

TABLE 9.—U.S. EMPLOYMENT, SHIPMENTS, IMPORTS, EXPORTS, AND DOMESTIC CONSUMPTION OF PLATE AND FLOAT GLASS,[1] 1950–69

[In millions of square feet, except employment in units]

	Employment	Shipments	Imports	Exports	Domestic consumption	Ratio of imports to domestic consumption (percent)
Average:						
1950–54	[2] 16,650	[2] 500.0	14.0	10.7	503.3	2.8
1955–59	[2] 19,061	[2] 716.0	32.6	17.8	730.8	4.5
1960–64	[2] 14,581	[2] 680.8	37.8	20.5	698.1	5.4
1965	18,543	831.6	42.0	38.8	834.8	5.0
1966	18,693	811.5	56.0	42.4	825.1	6.8
1967	17,326	745.9	63.6	37.9	771.6	8.2
1968	18,122	909.7	76.7	26.2	960.2	8.0
1969	[2] 17,721	[2] 904.0	66.9	31.2	939.7	7.1
Adjusted: 1969 [3]	[2] 17,721	893.7	77.2	31.2	939.7	8.2
Average: 1965–69	18,081	840.5	61.0	35.3	866.2	7.0

[1] Includes polished wire.
[2] Employment and shipment figures for plate and float and for polished wire glass for the years 1950–63 and 1969 were estimated based on the ratio of data for domestic producers participating in this appearance for employment and shipments to those data in the Tariff Commission report for the same year.
[3] Adjusted for effects of dock strike.

Source: U.S. Tariff Commission, U.S. producers; U.S. Department of Commerce, Bureau of the Census: IM-146, December 1969; FT 110, annual volumes 1950–63; FT-410, December 1969 and annual volumes 1950–63.

The CHAIRMAN. Are there any questions of these gentlemen?

Mr. BETTS. Mr. Chairman.

The CHAIRMAN. Mr. Betts.

Mr. BETTS. A great deal of what has been said here has a familiar ring to me because some of it is close to home.

Your people from the Toledo plant, Mr. Wingerter, have been in to see me on several occasions. I am aware of the problem there.

Mr. Hainsfurther, I guess you have some plant at Crestline, Ohio; is that not correct?

Mr. HAINSFURTHER. Yes, sir.

Mr. BETTS. The unions and Ken Gibson, the manager, have talked to me about it. So, I am pretty well aware of what has happened.

Is the Crestline plant in trouble?

Mr. HAINSFURTHER. The Crestline plant is principally in automotive glass which in the fabrication is not so bad as in the raw glass kind of products.

Mr. BETTS. I am taking everybody's word that there is a problem. I am concerned now with how we are going to meet it. I was interested in your suggestions as to amending the chairman's bill.

I would like to ask some of you, Mr. Stewart, or somebody, this question that is beginning to bother me a bit.

The chairman's bill includes specific relief for textiles and the footwear industry.

The electronics industry was in here the other day and they asked to be included.

The glass industry is now asking to be included.

We have had a steady stream of witnesses here who have told us the plight of their individual industries. I am sympathetic to every single one of them.

I am just wondering how we can get a bill that will cover everybody without naming everybody specifically.

Mr. Stewart, you referred to, I think it was title II of the chairman's bill and the possibility of amending it.

Can we not have some general bill amending title II of the chairman's bill which would include everybody because this is going to be pretty loaded if we are going to take care of everybody on an individual basis in title I.

Mr. STEWART. Mr. Betts, we feel that if the chairman's bill in title II were amended so as to make the findings of the Tariff Commission in escape clause cases final and binding that this would provide a general machinery which would accommodate the problem of all industries.

Mr. BETTS. To be specifically blunt about it, if the title II of the chairman's bill were amended that way could we drop out title I?

Mr. STEWART. No, for the following reasons.

The escape clause presupposes that an industry can be defined with sufficient simplicity so that the economic facts can be marshaled and the Commission can consider and make findings. It is the case that the textile industry is so vast and complex and has so many interrelated sectors that are influenced by something that happens in another sector, that it is not possible for the escape clause to apply to it.

Indeed, the Tariff Commission, itself, a number of years ago informed this committee that it was not possible for it to apply the escape clause to the textile industry, that it would take literally, as I recall, dozens of individual cases.

In the case of textiles, therefore, it is necssary that there be a direct remedy to cope with the problem and its status as the Nation's largest employer of workers, 2,400,000, and the erosion of jobs in that industry and the impact on disadvantaged areas and upon minority workers is so serious that it is the judgment of most of us who study these matters that immediate action in the form of title I of H.R. 16920 appears to be necessary.

Mr. BETTS. Title I, as I recall, is a quota remedy?

Mr. STEWART. It is twofold. It would provide for quotas equal to the average annual imports of 1967–1968 but at the same time authorize the President to enter into trade agreement negotiations with the affected countries to relax to a degree within general guidelines the limitation of imports.

Mr. BETTS. What I am trying to do is to get the thing simple because I have a lot of friends in the other industries that are crying for relief, too. I don't want a whole lot of duties and I don't want title I loaded if there is some overall import quota remedy that we can have that can trigger in and help every industry when it is in trouble.

Mr. STEWART. Mr. Betts, take the glass industry as an example. It is our considered opinion that an increase in the rate of duty applicable to sheet glass, as an example, as recommended by the Tariff Commission would solve that particular problem because the world trading community regards import quotas as such to be more restrictive and more objectionable than tariffs because it permits no chance for imports to come in in excess of the quota amount.

We feel a responsibility as a glass industry to say to you that we agree with the Tariff Commission that an increase in duty in our case would solve the problem for sheet glass and for cast and rolled glass, and because of the findings of the Commission we would hope that the bill that you report would specifically provide for such duties.

Take the case of the electronic industries. Until this year, the electronic industries were divided but this year the manufacturers of the television sets and the radio sets said the import problem worries them; they said they think the Commission ought to study it.

The electronic parts manufacturers who are being really driven out of business because their market has been moved overseas to foreign plants, said to you, "We think there ought to be quotas and they ought to be legislated and we can't invoke the escape clause because it is not our industry that is affected directly by the imports but our customers. The Tariff Commission rules only on a petition from the industry directly affected by the imports."

This committee, however, could on electronics include in the bill an instruction to the Tariff Commission to study the question of serious injury and to make findings and to give those findings the finality that we are otherwise requesting for the escape clause.

Now, as to other industries, I, of course, have no authority to speak for them but giving my opinion as you requested I will say this. The present statute requires the Tariff Commission in an escape clause case when it finds injury either to recommend the increase in duty required or the amount of quotas that would have to be imposed to correct it. The statute tells the Commission, recommend either duties or quotas as you find necessary.

Now, with confidence in the integrity of the Commissioners and the procedures of the Tariff Commission, I believe therefore that in an appropriate case where duties would not do the job the Commission would recommend quotas. The real problem is to manage to have the Commission's findings then go into effect with the force of law.

Mr. BETTS. I might say that I put that question to Ambassador Gilbert and the Secretary of Commerce and didn't have a very encour-

aging answer. They think it should still go up to the White House for final determination.

Mr. STEWART. Mr. Betts, without regard to the administration in power, it is the record that the White House strongly disapproves of raising the tariff or imposing quotas on imports. The White House is strongly motivated by the State Department and the State Department transferees holding down the jobs in the Office of the Special Representative.

It is the attitude of the White House and the intransigence of the Office of the Special Representative that has created the insistent demand for quotas by the Congress because they will not allow the remedies to work.

Mr. BETTS. I agree with you because I see in these cases, Tariff Commission decisions, which are based on injury to the American industry, when it goes up to a higher level, then other factors such as diplomatic considerations or political considerations enter into it and the original purpose to protect American industry is lost.

Mr. STEWART. Let me address myself briefly to that.

Mr. Chairman, am I taking too much time?

The CHAIRMAN. No; go ahead.

Mr. STEWART. The Congress every year, you gentlemen must be aware, will pass one or more bills putting items temporarily on the free list because of very valid reasons. When you take that action, you are conferring a benefit on the foreign countries that they did not pay for. It is a windfall to them. Occasionally, the Congress will directly enact a bill, a law, which will raise the duty by clarifying some problem on imports and that takes away a benefit from countries and as soon as they lose a benefit they demand compensation and the President has authority to negotiate to compensate.

The difficulty up until now has been this: The United States does not demand compensation when its rights are violated. Under article 23 of GATT, we have the right today to file claims against the European Economic Community, against the Scandinavian countries, against Japan, Taiwan and many other countries for violating our rights under GATT. We have not done so. Were we to do so by an administration that was as forthright and as zealous in protecting our rights under these trade agreements as they are in resisting help to domestic industry, we would have on the agenda of GATT a list of claims for compensation against other countries and of windfall benefits conferred on such countries.

Then on those occasions when the Tariff Commission made a finding of injury and an increase in the duty as imposition of a quota to correct the injury, which went into effect, and the United States sat down at the table to consider the claims of affected nations, there would be offsetting claims to keep the overall balance of trade agreement rights in line with what was intended.

The problem has not been that raising the rate of duty or imposing quotas is evil or will create a situation in international trade that we cannot live with. The problem has been that we have not had people in the executive branch with the moral courage to enforce U.S. rights when they are violated under these trade agreements.

This is without regard to what administration is in power. Once we get the trade agreement authority in the hands of people who are

willing to enforce it and to demand respect for our rights, the occasional adjustment of duties upward or imposition of quotas on a few seriously affected industries would not in any sense throw the thing out of balance.

Mr. BETTS. Just one more question.

If we leave the final decision with the Tariff Commission and we have a split decision as in the glass case, then what would happen?

Mr. STEWART. I think that it must be clear-cut. This is my personal opinion and not the position of the glass producers.

I think that it should be the case that there would be a majority decision but to make that possible I think that this committee ought to increase the membership of the Tariff Commission to seven Commissioners so that there can be in every vote a majority position rather than having cases defeated on the basis of a tie vote.

Mr. BETTS. Thank you.

Mr. WATTS. Mr. Chairman.

The CHAIRMAN. Mr. Watts.

Mr. WATTS. As I have followed your discussion it is your thought that this committee should give the Tariff Commission, when it found a situation that was injuring American industry, the right within the Commission to raise the tariff per se or to invoke quotas by the Commission?

Mr. STEWART. To make findings to that effect which would then be implemented by the Secretary of the Treasury.

Mr. WATTS. He would be obligated to implement it?

Mr. STEWART. Yes, sir, Mr. Watts, as he now is in the case of antidumping findings of injury.

Mr. WATTS. In other words, the finding of the Tariff Commission would be final except somebody else would carry out the orders of the Tariff Commission?

Mr. STEWART. That is correct, sir.

Mr. WATTS. Of course, you were talking about raising the duty on glass.

Mr. STEWART. Yes, sir.

Mr. WATTS. We can't very well in the bill just raise the duty on one item, can we?

Mr. STEWART. I think under these circumstances you can, for the following reason:

There are only two industry cases, two cases under the escape clause in which the Tariff Commission has found injury, the piano case and the glass case. I believe that the findings of the Commission in both cases should be written into the law because the full import of those findings was not honored by the President.

The committee is in a position of having an authoritative investigation and set of findings from the Tariff Commission, which is your arm, your expert body. You have every right to write into law the relief that the Commission recommended.

Mr. WATTS. Could you not go back to what you were talking about a minute ago and say where the Tariff Commission has heretofore or hereafter made such a finding that the Secretary of the Treasury has to carry it out?

Mr. STEWART. You could. I think the heretofore provision in reality would apply to only two cases: sheet glass and pianos.

Mr. WATTS. That is the one you wanted?

Mr. STEWART. Yes; it is, sir.

Mr. WATTS. I have a little hesitancy in thinking about coming in and automatically saying a tariff on one item when everybody else in the country is complaining and asking that theirs too be reviewed.

So, if you could, phrase it in such a way that you take into consideration the findings of the Tariff Commission hertofore made and hereafter made and require the Secretary of the Treasury to raise the rates that have been ordered to be raised by the Tariff Commission heretofore or hereafter.

Mr. STEWART. Yes, sir.

Mr. WATTS. We have quite a problem in a number of areas.

Thank you.

The CHAIRMAN. Again we thank all of you for your very fine statements. We appreciate your bringing your views to the committee.

Thank you for coming.

(The following statements were received for the record:)

STATEMENT ON BEHALF OF CRYSTAL INTERNATIONAL CORPORATION, SUBMITTED BY DAVID P. HOULIHAN, COUNSEL

SUMMARY

A recently-completed investigation by the U.S. Tariff Commission on a sector-by-sector basis found, with the exception of one sector where the Commission was evenly split in its appraisal, that the U.S. flat glass industry was not being injured by imports. That one sector has enjoyed special protection from imports since 1962, and now President Nixon has extended this protection and additionally granted adjustment assistance.

A detailed examination has shown that the results of U.S. trade policy and the actions of trading partners with respect to flat glass have created conditions of genuine reciprocity for trade, investment and technological exchange.

Extraordinary technological developments, investment and broadly-based international operations guarantee the long-term competitive strength of the U.S. flat glass industry.

The market performance of the overall industry and its particular sectors in recent years has shown the industry to be more than adequate to the task of riding out the fluctuations in its erratic markets and to have the competitive strength to maintain and, in several cases, regain markets from imports. Imports have generally shared in the increased consumption during the past decade but have declined both absolutely and in their relative share of the market in the last two years.

The dominant position of the giant, multi-national firms accounting for more than three-fourths of U.S. flat glass production is evidenced by their ability to effect inordinate price increases in even the most important-sensitive sector, an extraordinary profit level, and an absolute increase in employment despite sharp productivity gains.

Changes in world economic conditions and experience with the U.S. trade program call for discreet pragmatic modifications to ensure that the policy continues to serve the national interest. But they do not justify a return to self-defeating protectionist policies, no matter how attractive they may appear under their new labels.

The framework for the needed changes should continue to be open hearings by officials whose judgments are based on the economic merits, in light of an injury standard, under a commercially-realistic definition of industry, with the ultimate discretion vested in the President to act in light of the national interest.

INTRODUCTION

This statement is submitted on behalf of Crystal International Corporation, 405 Lexington Avenue, New York, New York (incorporated in the State of

Conn.). This firm is involved primarily in the sale of various types of flat glass from several different European sources, particularly the Federal Republic of Germany.

There are several bills before the Committee, e.g., H.R. 2348, to impose quantitative restrictions with respect to specified, so-called, basic industries, with automatic statistical criteria for imposing limitations on imports of all other products.

A "new era" is invoked to justify the need for such a measure and for a wholesale scrapping of the policies that have, on balance, advanced the U.S. national interest. Without a doubt, the operations of multinational corporations and other dynamic economic forces have given rise to circumstances that call for recognition and adaptation by the United States if it is to obtain maximum benefits from the international trading system.

But, more often than not, the "new era" simply consists of old arguments wrapped in new labels to obscure a familiar and discredited situation and goal—a healthy industry seeking a windfall in isolation from competition.

This presentation will utilize the flat glass situation and, in particular, trade with West Germany to illustrate how the "new era" labels have been employed to create the illusion of an industry that both needs and deserves special help. In contrast, the unfashionably-mundane examination of the facts demonstrates the lack of justification for flat glass import restrictions. More generally, it emphasizes the continuing validity of subjecting special pleas to objective hearings and investigations to an injury standard and, ultimately, to the judgment of the President taken in light of the national interest.

DOMESTIC PRODUCERS' POSITION

The U.S. flat glass producers have testified before the Ways and Means Committee in 1968[1] and elsewhere.[2] These presentations portrayed in highly emotional terms the industry as beset by cartelized foreign competitors who, with the aid of their governments, unfairly have excluded U.S. flat glass from their markets, while steadily increasing their share of the U.S. market. This, it was said, when combined with an unwise U.S. trade policy, resulted in an imbalance in flat glass trade, which in turn led to social dislocation, unemployment, and depressed prices and profit positions. They concluded one statement with a plea of inability to compete without special protection. This plea was buttressed with a dire prediction of the "imminent . . . discontinuance of production by the smaller U.S. manufacturers of flat glass. . . . "[3] and a threat that they ". . . will have no alternative under a continuation of such policies and administration but to terminate a portion of the manufacturing facilities in the United States and to transfer productive capacity and employment from the United States to low-wage foreign countries."[4]

A radical change in policy was requested in the current hearings wherein the President would be stripped of his obligation to exercise ultimate judgment in escape clause matters.

TARIFF COMMISSION INVESTIGATION

In 1969, the industry, after already having enjoyed escape clause protection on the sheet glass sector since 1962, submitted a petition to the Tariff Commission for new and comprehensive escape restrictions on all of its products. If its position, as summarized in the preceding section, was anywhere close to an accurate description of the actual state of affairs, one would have thought that there would be little difficulty in obtaining an injury determination from the Tariff Commission. This was especially so at that time because a majority of the Commission was bending over backwards to interpret out of existence the unrealistically rigid criteria of the escape clause.

Nonetheless, after an examination of the facts and after having divided the industry into four separate sectors for purposes of the escape clause, the Com-

[1] Hearings before the Committee on Ways and Means, House of Representatives, 90th Congress, Second Session on Tariff and Trade Proposals, 1968, page 1504, hereinafter referred to as 1968 Hearings.

[2] Hearings before the Trade Information Committee, Statement of James M. Ashley, Vice President, Libbey-Owens-Ford Glass Company, June 3, 1968.

[3] 1968 Hearings, *Op. Cit.*, page 1535.

[4] *Ibid.*, pages 1535 and 1536.

mission found, by a four-two vote, no injury resulting from imports to three of the sectors. With respect to the sheet glass sector, the Commission officially split in a three-three vote, although four of the six Commissioners indicated that sheet glass import restrictions were inappropriate. Commissioner Clubb, one of the three who found injury, suggested adjustment assistance, while indicating that import restrictions would primarily help the firms which were already "very healthy" [5] and which "need no assistance." [5]

FOREIGN MARKETS AND COMPETITORS

Several industries seeking import protection have taken advantage of the Ways and Means Committee's legitimate concern over unjustified foreign trade barriers and lack of reciprocity. Therefore, in view of the glass industry's position, it is appropriate to turn our attention briefly abroad, using West Germany, a leading supplier of flat glass, as a primary example of the flat glass trade.

To begin with, the industry spokesman grossly misrepresents the finding of the Monopolies Commission of the United Kingdom in its "Report on the Supply of Flat Glass" by reading into that prestigious document conclusions that are simply not there.[6]

An import-penetration ratio of 8 percent in one sector of the U.K. flat glass industry is a clear indication, it is said of the effectiveness of the control exerted by the European "cartel." [7] We know from experience in U.S. trade that such an import penetration level would be a meaningless guide in antitrust matters. It would be just as valid to similarly conclude that the U.S. flat glass industry has conspired to restrain trade because the import-penetration ratio in the major sector of this industry recorded a high of 8 percent during the 1960's. Placed side by side, we see there is an unfortunate tendency to give credence to statements such as these if directed at activities of foreign competitors but dismiss them as non sequitur with respect to U.S. corporate activities. In the interest of a sound appraisal of the U.S. trade policy, we suggest that both these statements be relegated to the category of unfounded speculation.

Similarly, the West German sales agency for glass is not a "cartel" involved in home-market activities but is like a Webb-Pomerene corporation in the United States restricted solely to export activities.

In terms of commercial realities, the two giant U.S. flat glass firms know through the activities of their subsidiaries in Italy that there is growing and effective competition in the flat glass markets of Europe. Furthermore, the maintenance of artificially high prices in Europe obviously would make it easier for the U.S. producers to export to those markets.

Foreign Government Policy

The charge of unfair foreign government policy and lack of reciprocity with respect to flat glass trade also evaporates upon examination. West German tariffs for the bulk of the flat glass trade, for example, are below the comparable U.S. rates.[8]

Border taxes are usually invoked at this point in the discussion to support the claim of lack of reciprocity. Objective economists continue to argue about the relative effect of this complex problem. But taken in context with other measures they do not appreciably alter the competitive situation in flat glass.

Numerous discussions on the trade effects of border taxes before this Committee and elsewhere reflect a widespread misconception of the nature and purpose of border tax adjustments. A "border" tax is assessed on imports which is equal in rate to the "turnover" tax assessed on comparable domestically-produced merchandise. Both the "border" tax and the "turnover" tax are equivalent in effect to the general sales taxes imposed (on both domestically-produced and imported products) by many U.S. states and cities, except that they are imposed on the "value added" at each stage. Taxes are imposed at the "border" and on "value

[5] "Flat Glass and Tempered Glass," United States Tariff Commission Report to the President on Investigation No. TEA–I–15 Under Section 301(b)(1) of the Trade Expansion Act of 1962. Tariff Commission Publication 310, December, 1969, page 31, hereinafter referred to as 1969 Tariff Commission Report. A reading of the Commissioner's full statement demonstrates that his formal finding of injury was a necessary pre-condition to the granting of adjustment assistance.

[6] 1968 Hearings, *Op. Cit.*, pages 1539 and 1540.

[7] *Ibid.*

[8] 1969 Tariff Commission Report, *Op. Cit.*, pages 63. 1968 Hearings, *Op. Cit.*, pages 1552 and 1554.

added" rather than on final sales primarily for administrative reasons (i.e., to facilitate tax collection and deter tax evasion).

Similarly, an export rebate constitutes a refund of a type of tax which U.S. producers do not have to pay on merchandise which they export. Such rebates are identical in principle to the refunds of Federal excise taxes which the United States now grants upon the exportation of alcoholic beverages and medicines containing alcohol.

The competitive distortions, if any, which result from border taxes arise because of the relatively greater reliance of some countries on indirect taxes (which are eligible under the GATT for border adjustment) and of others on direct taxes (which are not eligible under the GATT for border adjustment). Since any resulting competitive advantages or disadvantages affect all industries equally, they can be, and in many cases have been, rectified by a realignment of foreign exchange rates which serve to reestablish a competitive parity between any given country and the rest of the world.

Let us now examine the net effect of recent German adjustments on its flat glass trade. Exports of flat glass to West Germany would be assessed an 11 percent turnover tax but the West German competitor is assessed an equal rate in the form of a value-added tax for his home-market sales. Beginning in November 1968, the U.S. exporter gained an advantage by having his turnover tax reduced by 4 percent while the TVA rate for the West German producer remained at 11 percent. This advantage was enhanced in October 1969 when the 4 percent reduction was replaced, in effect, by the upward revaluation of the German currency by 9.2 percent.

The rebate, 4 percent export tax, and revaluation have the converse effects on the West German exporter. On a more general plane, it is interesting to note that the deterioration in the overall U.S. trade balance in the last several years has come as a result of trade with three countries—West Germany, Japan, and Canada. All three of these countries have now taken unilateral steps to either increase their imports or dampen their exports or both—Canada and Japan by acceleration of Kennedy Round reductions and West Germany by the foregoing measures.

The foregoing discussion of foreign private and governmental trade practices is not meant to deny that the United States has some legitimate complaints against its partners' trade policies, as indeed they have against ours. Rather, it is meant to put into perspective some of the issues being loosely bandied about under the banner of a "new era" in trade policy.

FLAT GLASS INDUSTRY PERFORMANCE

The apparent contradiction between the industry's position and the Tariff Commission's decisions disappears if one take but a moment to examine the factual situation. A comparison of the industry allegations and its actual performance demonstrates that under any reasonable standards the U.S. flat glass industry is in an exceptionally healthy profit position, engages in very favorable international operations, is technologically dynamic, and already enjoys special protection from imports in the one sector undergoing an adjustment period.

U.S. Companies

Considering the nature of their plea, one might expect to find the U.S. flat glass industry characterized by small, relatively weak companies. Quite the contrary. To begin with, there are four major, multinational corporations which have benefits and flexibility accruing from international operations, including importing and exporting of flat glass, exchange of technology, financial returns from licensing and direct investment, and general, overall financial strength.

According to the Tariff Commission, "The combined production for these companies accounts for over 87 percent of the U.S. output of sheet glass, nearly 100 percent of the plate glass, and over 50 percent of the rolled glass. Three of the four companies account for the total production of float glass. . . . Three producers of flat glass, however, account for over 78 percent of the total U.S. output of tempered glass." [9]

Indeed, two of the companies, PPG Industries, Inc. (PPG) and Libbey-Owens-Ford (LOF), account for over two-thirds of the production of most of these

[9] 1969 Tariff Commission Report, *Op. Cit.*, page 68.

products. These are the companies that complained of competition from "a few large monopolistic aggregations" [10] of foreign producers.

There is a strong movement of merger, integration, and modernization among the few remaining basic flat glass producers. Mississippi Glass Company, the major independent rolled glass producer, and Hordis Brothers, one of the largest independent temperers, have both been recently acquired by Combustion Engineering Inc., another giant firm which has obtained a license for the production of float glass. Armstrong Glass Company, an entirely new rolled glass producer, has entered the field as a subsidiary of a conglomerate which has been an importer of various lines of flat glass. Also last year, Guardian Industries, which has been engaged in laminating and tempering activities, completed a new float glass facility and merged with Permaglass, the largest independent U.S. tempering firm.

The American Saint Gobain Corporation is being transferred to new ownership, backed by a large manufacturer of building products. The manufacturer blamed the glass producer's poor performance on outdated production methods and plans to convert the facilities to the float process.[11]

While complaining of restrictive trade practices abroad, the major companies in the domestic industry engage in a dual distribution system which is reinforced by the practice of selling only to "recognized" purchasers. This along with constant price increases virtually forces some purchasers to seek out foreign suppliers as supplemental or alternative sources of supply in order to remain competitive.

Elements of Long-Term Strength

The possibility of a shift overseas of their production in response to U.S. trade policy is seen as an empty threat in light of their technological advances, investment programs, and international operations.

The major flat glass producers have a large share of the total flat glass market reserved through their predominance in flat glass fabricating operations and their control of extensive systems. Their preponderant control of the original equipment automotive glass market, the largest single market for flat glass, virtually assures their continued dominance of the replacement market.

The economic advantages of vertically-integrated production operations give the basic flat glass producers a competitive edge over independent fabricators in the rapidly growing architectural-tempered glass market. In the double-glazed insulating unit area, another rapidly growing market, patents and trademarks, e.g., Thermopane, provide added advantages beyond the production economies of vertically-integrated operations. The aerospace market is also virtually reserved to domestic producers, primarily because of domestic sourcing requirements.

Finally, the ownership of an extensive distribution system through the retail level assures continued active participation in the remaining markets for flat glass by the largest producer.

Technological and market developments are working a revolution within the industry. One of the major companies has already shifted virtually all of its plate and sheet glass production to the new float glass process. The other major companies are moving this way as fast as the plants can be built.

The float glass process was developed in the early 1960's, with the first plant in the United States coming on stream in 1964. Despite the large capital outlays for glass producing facilities and the short lapse of time, new float production capacity has already surpassed that for plate glass; and by the time three additional float facilities are finished, it will surpass that for sheet glass.

Another impetus to investment and sales has resulted from the emphasis on product safety. Tempered or safety glass is the fastest-growing element of the flat glass industry. This glass is processed from the basic flat glass products by a chemical or thermal treatment.

In the short span of a few years, the minimum thickness of float glass was reduced by half, thereby permitting this glass to substitute for a wide range of flat glass products. Coincident with the refinement of float glass has been the development of processes to temper glass in similarly thin dimensions.

With this incentive, it is no surprise that the "U.S. glass producers have expended $230 million since the end of 1963 on capital investments in flat glass and

[10] Hearings, *Op. Cit.*, page 1529.
[11] "The Wall Street Journal", June 10, 1970.

tempered glass facilities,"[12] with 80 percent of this investment devoted to float and tempered glass facilities.

These are only two of the recent examples of the technological superiority that has enabled the U.S. flat glass industry to engage in highly profitable joint ventures, licensing operations, and other international activities. These worldwide activities include foreign subsidiaries which, among other activities, export successfully to markets whch industry spokesmen have alleged before this Committee to be closed by restrictive practices.

Market Performance

This basic strength is evident in the industry's ability not only to compete successfully with imports, but, more important, to overcome the vicissitudes of an erratic market. The erratic nature of the market is a result of the industry's sales being dependent on demand derived from automobile and building and home construction activity.

The industry's contention that (1) it is unable to compete with imports in the absence of special protection, and (2) imports are occupying a steadily-increasing share of the market as a result of duty reductions, is clearly untenable when measured against the performance of the industry on an overall basis and in the particular major sectors.

Total Flat Glass.—The value of domestic producers' total shipments of flat glass increased from $286 million in 1962 to $425 million in 1969. This growth was interrupted by a 3 percent decline in 1966 and 1967, as the continued increase in nonresidential building construction moderated the effects of sharp declines in auto and home-building construction. The value of shipments then renewed the annual growth with increases of 17 percent and 10 percent in the last two years. (Tables 3 and 4.) Similarly, the quantity of flat glass shipments reached record heights in 1968 and 1969.[13] (Tables 2 and 3.)

Imports of total flat glass products increased in absolute terms in response to the rising U.S. consumption. The share of the market occupied by these imports rose irregularly into 1968 but since has sharply declined back to the earlier levels. (Table 2.) Industry spokesmen have attempted to dismiss this as a result of the dock strike that took place in early 1969. The decline, however, began in mid-1968 and has accelerated in each of the six-month periods since then. In all data presented in this hearing, the glass industry ignores this greater subsequent decline and arbitrarily increases the 1969 import figures, i.e., "adjusted for effects of the dock strike." The effects of this sleight of hand are then heightened by leaving exports "unadjusted."

The precipitous decline in automobile and home-building construction in late 1969 and thus far in 1970 has had its inevitable adverse impact on domestic producers' shipments. But the effects of these declines are felt unevenly, as is illustrated by the continued steady increase in sales of PPG's glass division during the 1966–1967 decline. (Table 17.)

Two obsolete sheet glass facilities were shut down earlier in 1969 at the peak of the industry's performance. Other operations have recently been temporarily curtailed in response to the decline in market activity. But considering the even sharper decline in imports, which began while the market and the domestic industry were moving to peaks, the temporary curtailment of some domestic producers' operations can in no way be attributed to imports. Instead, it is clear from a comparison of cyclical performances that the competitive position of small U.S. producers and imports relative to the giant firms is even weaker in a depressed market.

Plate and Float glass.—Revenues from sales of plate and float glass are considerably larger than those from any other sector of the U.S. glass industry. Impelled by the switch to float glass and supported by the steady rise in nonresidential building construction, combined shipments of plate and float glass rose from 693 million square feet in 1964 to 902 million square feet in 1968, with an additional 7.5 percent increase in 1969. (Tables 4 and 13.)

Imports followed the trend of overall glass imports by rising on an absolute basis into the first half of 1968 and declining thereafter. Plate and float glass imports for 1969 were approximately 10 percent below those for 1968. (Table 13.)

---

[12] 1969 Tariff Commission Report, *Op. Cit.*, page 77.

[13] This excludes the sharp rise in shipments of tempered glass, which cannot be converted to a comparable quantitative basis.

The share of the market occupied by imports of plate and float glass has fluctuated irregularly. In contrast to the industry's contention, the share reached its peak in 1967, prior to any duty reductions, and then declined in 1968 and again in 1969, coincident with the first two Kennedy Round reductions. (Table 11.)

Tempered Glass.—Tempered glass, which accounts for the second major source of revenue for the industry, enjoyed an increase of 60 percent in shipments from 1964 to 1968, going from 217 million square feet to 348 million square feet. This performance has continued, with a rise of 10 percent in the first half of 1969 over the comparable period in 1968 (Table 16.)

Imports shared in this relatively new market by rising from a very small base in 1964 to almost 6 percent in the first half of 1969. The majority of these imports, however, were manufactured by subsidiaries of the two giant U.S. firms and entered pursuant to the U.S.-Canadian auto agreement. (Table 16.)

Sheet Glass.—Sheet glass is the third significant sector of the flat glass industry. An increasing portion of sheet glass is being displaced by float glass, with the result that sheet glass is diminishing in importance to the industry almost as fast as tempered glass is increasing. Given this state of affairs, the sheet glass sector has understandably become the most controversial area with respect to import competition.

It should be understood that the decisions with respect to investment, research and development, and market development, which have so much to do with the relative positions of these various flat glass products, are essentially intra-corporate matters. The producers accounting for 85 percent of sheet glass production are the same integrated multinational firms engaged in the production of the other flat glass products. There is only one firm solely dependent on the sheet glass market.

In addition to these factors, the sheet glass sector, being largely dependent on home-building activity, is faced with a depressed market now, just as it was in 1966–1967.

The sheet glass sector has performed relatively will despite these difficulties. Another in a long line of price increases, the lowest inventories since 1962, and emphasis on float glass by these companies combined to give imports a temporary advantage in the suddenly resurgent market for sheet glass in the first half of 1968. Thereafter, however, the domestic producers' competitive strength pushed imports back to the more traditional share they had held prior to 1968.

In 1969, domestic producers' sheet glass shipments increased by 6 percent, even though U.S. consumption declined. (Table 7.)

Window glass, which is the most significant area of the sheet glass sector, is where the small, single-product producer concentrates an extraordinary extent of its production. Thus, it is significant that this is the area where the domestic sheet glass producers' performance was the best in 1968–1969 and where 1969 imports registered the sharpest decline—22 percent. (Table 8.)

Overall Performance.—In short, the flat glass producers have enjoyed substantial growth in shipments on an overall basis and in their two most important sectors. Even the sheet glass sector, which has experienced technological displacement and other market difficulties, has shown an increase in sales in the last two years. Imports in these sectors, despite Kennedy Round duty reductions, generally have declined both absolutely and in their relative share of the market.

Operating Results

Having examined the structural soundness of the industry and its strong market performance, it remains only to look at the short-term consequences of these trends on the industry and its individual companies.

Prices.—There has been a controversy relative to flat glass pricing trends, especially that of sheet glass, with discussion on one hand of extraordinary increases in prices and on the other hand or damaging discounting. With respect to sheet glass, the fact is that there has been discounting from a constantly rising price level so that the domestic companies' actual, realized prices were steadily increasing.

This is confirmed by official government statistics based on presentations by the glass companies themselves. The BLS Wholesales Price Index for Window Glass increased by 41 percent since 1961 and 20 percent just since the import restrictions were modified in 1967. [14] (Table 10.)

---

[14] 1969 Tariff Commission Report, *Op. Cit.*, pages 99 and 115.

The overdramatized discounting practices do not alter this trend. In the first place, the BLS Index takes account of discounts. Furthermore, the Tariff Commission found that only 12 percent of total sheet glass shipments and less than 1 percent of plate and float glass shipments were discounted.[15]

Finally, Commerce Department data show the average unit value of the domestic producers' shipments of sheet glass steadily increasing throughout the 1960's, with the exception of 1965. (Table 5.)

Inflation.—Rising prices have come to be taken as normal in this period of an overheated U.S. economy. But these glass prices increased three times as fast as the All-Commodity Wholesale Price Index. The "special help" sought by the industry predictably would accelerate this trend and further increase costs in the building-construction industry, which has already suffered heavily from present inflation.

Profits.—In earlier hearings, the industry presented to this Committee a table which set forth the "Basic Economic Data For The U.S. Flat Glass Industry, 1958–1967." The presentation departed from its format with respect to only one element, profits, where only information for the sheet glass sector was presented.[16] Little wonder. "The average profit rate of the four flat glass producers which together account for 85 percent of flat glass output is significantly above that for producers of durable goods. . . ."[17] Indeed, in the major plate and float glass sector, the ratio of profits to net sales has been over 25 percent. (Table 1.)

The two large independent flat glass producers which dominate the industry have consistently achieved very satisfactory profit levels. PPG Industries, which ranked 102 in sales among "Fortune's" *500 Largest Industrial Corporations* in 1969, increased its sales by 10 percent and net income by 12 percent, notwithstanding declining automobile production (its largest single market) an a decline in commercial construction (its second largest market) in the latter half of the year. Glass products, moreover, made an above average contribution to PPG's profitability. In 1969, glass products accounted for 43 percent of company sales and 46 percent of earnings.

The financial performance of LOF, whose business is devoted preponderantly to flat glass,, is even more enviable. Notwithstanding the sharply reduced activities in the automobile sector, which accounts for roughly half of its total sales, LOF was able to increase its sales in 1969 by 7 percent to $448 million. Despite a decline of 8 percent in net income, LOF's return on sales was nearly double the average for all industries, and its return on investment exceeded the average for all industries. LOF has consistently ranked among the top 60 firms in the "Fortune" *500* with respect to return on sales. Clearly, there is little evidence of the alleged adverse effects of import competition in the financial performance of these two firms.

Employment.—The industry used a totally discredited concept—trade balance in a particular product—to construct a theoretical equivalent of more than 7,000 jobs lost, by one account,[18] and increased that figure to 12,200 by selective use of different data in the present hearings.[19] Surely the United States would not conceed that its trading partners had a valid basis for protecing their coal or aerospace production because the United States enjoyed massive bilateral trade surpluses in these items. Even if this concept had some validity, the flat glass industry would be precluded from utilizing it because it has long conducted its foreign operations with little emphasis on exporting but rather primarily by joint ventures, foreign subsidiaries, and licensing arrangements.

The 12,200 job loss figure was obtained by comparing an unrepresentative historical peak with a work force temporarily depressed by low automobile and construction activity and by ignoring the increased employment in glass processing lines which these firms also dominate.

Putting aside these theoretical manipulations, the Tariff Commission shows the flat glass producers' employment of production and related workers to have increased during the period of investigation. (Table 1.) This increase in actual employment came about even though productivity increased in every sector of the industry—by moderate amounts in the rolled and sheet glass sectors, by 20

---

[15] 1969 Tariff Commission Report, *Op. Cit.*, pages 99 and 115.
[16] 1968 Hearings, *Op. Cit.*, pages 1542.
[17] 1969 Tariff Commission Report, *Op. Cit.*, page 26.
[18] 1968 Hearings, *Op. Cit.*, page 1506.
[19] Hearings before the Committee on Ways and Means, House of Representatives, Statements presented by the Chief Executive Officers of American Saint Gobain Corporation; C–E Glass, Subsidiary of Combustion Engineering, Inc.; Libbey-Owens-Ford Company; and Glass Division, PPG Industries, Inc.; June 15, 1970, page 7.

percent in the tempered sector, and 39 percent in the plate and float glass sector. (Table 1.) The eventual complete replacement of plate glass with float glass will bring about an even more extraordinary increase in productivity. (Tables 14 and 15 and Chart 1.)

This industry, therefore, has been able in recent years to extract extraordinarily healthy profits from its overall operations, while increasing its work force and productivity at the same time because of a more than adequate growth in sales.

U.S. TRADE POLICY AND THE FLAT GLASS INDUSTRY

It is fashionable to criticize U.S. trade policy as not being sufficient to the needs of our new era. We suggest that criticism is clearly inapplicable in the flat glass situation.

We have shown by detailed discussion that the trading opportunities for flat glass are truly reciprocal. We have shown further that the Kennedy Round reductions have not been an inducement to increased flat glass imports. Instead, the increases and decreases in our trade were shown to be determined by basic changes in U.S. economic activity and that a depressed market, such as we are now in, is more injurious to the import trade than to the large flat glass manufacturers.

One sector of the industry—sheet glass—has been more sensitive to the effects of the technological development of float glass and to market changes. U.S. trade policy has been responsive to this sensitivity even though sheet glass is just part of the integrated, profitable operations of the large flat glass producers.

In order to provide for a period of adjustment, President Kennedy imposed special escape clause protection for the benefit of the sheet glass sector in 1962. This was modified and extended by President Johnson to the end of 1969.

Not content to try to justify still another extension, the domestic industry has requested from this Committee and from the Tariff Commission, special protection for all of its products despite its overall health. The Tariff Commission simply confirmed the obvious in denying eligibility of the other sectors of the industry to receive escape clause protection. President Nixon combined an extension of the existing special protection on sheet glass with a grant of adjustment assistance, while declining to impose any additional special restrictions.

The time for adjustment has long since passed, especially in view of its inflationary cost to the American economy and the ability of the flat glass producers to more than adequately meet the difficulties of this one division of its healthy multiproduct companies.

Nonetheless, it must be said that the President's action in granting adjustment assistance rather than additional escape clause relief was a pragmatic approach, tailored to actually facilitate technological adjustment, rather than a gesture that would have provided a windfall to those who needed no protection.

CONCLUSION

The U.S. flat glass industry is healthy by every economic indicator, as documented in the official investigation of the U.S. Tariff Commission.

The industry's extraordinary technological developments that ensure its long-term strength have inhibited one sector. U.S. trade policy has focused on this sector by granting adjustment assistance and special escape clause protection for a period considerably longer than appropriate for adequate adjustment. In the meantime, the results of the U.S. trade policy and the actions of trading partners with respect to flat glass have created conditions of genuine reciprocity for trade, investment, and technological exchange.

The advocates of restriction attempt to obscure the competitive strength of their own industries and the success of U.S. trade policy by marching under the banner of a "new era." Changes in world economic conditions and experience with the trade program call for discreet, pragmatic modifications to ensure that U.S. policy continues to serve the national interest. But they do not justify a return to self-defeating protectionist policy, no matter how attractive it may appear under a new label.

Other presentations have discussed the specifics of the needed modifications. Suffice it to say here that the framework for these changes should continue to be open hearings, by officials whose judgment are based on the economic merits, in light of an injury standard, under a commercially realistic definition of industry with ultimate discretion vested in the President to act in light of the national interest.

TABLE 1.—FLAT GLASS: U.S. PRODUCERS' PRODUCTION, SHIPMENTS, PRODUCTIVITY, PROFIT AND EMPLOYMENT, AND IMPORTS FOR CONSUMPTION, BY TYPE OF GLASS, 1964 AND 1968

Item	Sheet glass		Plate and float glass		Rolled glass		Tempered glass [1]	
	1964	1968	1964	1968	1964	1968	1964	1968
Production ... million pounds	1,517	1,362	1,686	2,183	174	150	218	349
Shipments ... do	1,530	1,353	1,633	2,193	156	136	217	348
Imports ... do	477	629	101	188	67	61	1	17
Import ratio [2] ... percent	23.8	31.8	6.1	8.1	30.5	32.0	.5	4.8
Productivity (per man-hour) ... pounds	115	118	110	153	100	101	26.1	31.4
Profit or (loss) [2] ... millions	$18,095	$8,169	$52,615	$60,652	$3,070	$1,326	(4)	4
Profit ratio [2 5] ... percent	12.6	5.8	25.7	25.5	18.4	8.3	(4)	2.3
Employment:								
Production and related workers	9,369	8,046	13,654	14,384	817	718	13,228	15,474
Man-hours ... 1,000 hours	14,301	12,184	15,271	14,294	1,738	1,488	8,345	11,465

[1] Production, shipments, and imports in millions of square feet.
[2] Ratio of imports to apparent consumption.
[3] Excludes Ford Motor Co.
[4] Profits amounted to $14,000, or less than 1/10 percent of net sales.
[5] Ratio of net operating profit or (loss) to net sales.

Source: Compiled from official statistics of the U.S. Department of Commerce, and from information submitted to the U.S. Tariff Commission by U.S. producers.

TABLE 2.—FLAT GLASS: [1] SHIPMENTS BY U.S. PRODUCERS, U.S. EXPORTS OF DOMESTIC MERCHANDISE, U.S. IMPORTS FOR CONSUMPTION, AND APPARENT U.S. CONSUMPTION, ANNUAL 1964-68 AND JANUARY-JUNE 1968 AND 1969

Item	1964	1965	1966	1967	1968	January-June 1968	January-June 1969
	Quantity (million pounds)						
Shipments by U.S. producers	3,319.3	3,653.0	3,489.9	3,139.8	3,682.0	1,714.0	1,937.3
U.S. exports	71.6	100.2	115.8	104.4	75.6	37.8	44.3
U.S. imports for consumption:							
At most-favored-nation rates of duty	627.4	545.5	623.9	622.6	831.2	401.3	358.4
At full rates of duty	37.5	40.7	41.2	46.1	46.7	18.7	17.6
Total (all rates of duty)	644.9	586.2	665.1	668.7	877.9	420.0	376.0
Apparent U.S. consumption	3,892.6	4,139.0	4,039.2	3,704.1	4,484.3	2,096.2	2,269.0
	Percent of U.S. consumption						
Share supplied by shipments [2] by U.S. producers	83.4	85.8	83.5	81.9	80.4	80.0	83.4
U.S. imports for consumption:							
At most-favored-nation rates of duty	15.6	13.2	15.5	16.8	18.5	19.1	15.8
At full rates of duty	1.0	1.0	1.0	1.3	1.1	.9	.8
Total (all rates of duty)	16.6	14.2	16.5	18.1	19.6	20.0	16.6

[1] Includes sheet, plate, float, polished wire, and rolled glass.
[2] Less exports.

Source: Compiled from official statistics of the U.S. Department of Commerce, and from information submitted to the U.S. Tariff Commission by U.S. producers.

TABLE 3.—VALUE OF FLAT GLASS SHIPMENTS COMPARED TO VALUE OF BUILDING CONSTRUCTION PUT IN PLACE, 1962 THROUGH 1969

	Flat glass shipments		Construction put in place [1]	
	Millions of dollars	Percent change	Millions of dollars	Percent change
1962	286	+10.8	38,737	+5.9
1963	317		41,021	
1964	325	+2.5	42,424	+3.4
1965	354	+8.9	45,238	+6.6
1966	343	−3.1	44,271	−2.1
1967	332	−3.2	45,279	+2.3
1968	387	+16.6	51,957	+14.8
1969	425	+9.8	[2] 57,159	+10.0

[1] See table 4.
[2] Preliminary.
Source: U.S. Department of Commerce, Survey of Current Business and CIR MQ-32A.

TABLE 4.—BUILDING CONSTRUCTION, 1962 THROUGH 1969

[In millions of dollars]

	New building construction put in place	Residential[1]	Nonresidential[2]
1962	38,737	25,230	13,507
1963	41,021	26,718	14,303
1964	42,424	26,825	15,599
1965	45,238	26,868	18,370
1966	44,271	24,468	19,803
1967	45,279	24,442	20,837
1968	51,957	29,569	22,388
1969[3]	57,159	31,832	25,327

[1] Residential (nonfarm) plus public residential.
[2] Total private, nonresidential buildings (except farm and public utilities), excluding industrial, plus total public buildings, excluding residential, industrial, and military.
[3] Preliminary.

Note: The method of including or excluding categories for this compilation was based on the types of buildings that would be expected to have substantial amounts of glass. The totals and the relative year-to-year increases are even larger with a less rigid method. Statement at 1968 Ways and Means Committee hearings, p. 1534, by U.S. flat glass producers showed a decline in 1965–67 by excluding data for public construction which utilizes large volumes of glass.

Source: U S Department of Commerce, Survey of Current Business.

TABLE 5.—TOTAL SHEET GLASS UNIT VALUE OF SHIPMENTS,[1] 1962 THROUGH 1969

1962	$5.44
1963	5.67
1964	5.95
1965	5.84
1966	5.97
1967	6.17
1968	6.36
1969	6.47

[1] Weighted average unit value per box.

Source: Compiled and computed from official statistics of the U.S. Department of Commerce, Current Industrial Reports, series MQ-32A.

TABLE 6.—SHEET GLASS U.S. SHIPMENTS AND IMPORTS' SHARE OF CONSUMPTION, 1962 THROUGH 1969

[In 1,000 pounds]

	U.S. shipments	Imports	Consumption [1]	Ratio of imports to consumption
1962	1,439,714	470,554	1,910,268	24.6
1963	1,552,066	393,824	1,945,881	20.2
1964	1,526,240	476,911	2,003,151	23.8
1965	1,527,903	425,323	1,953,226	21.8
1966	1,374,464	462,554	1,837,018	25.2
1967	1,237,559	460,895	1,698,454	27.1
1968	1,317,076	628,714	1,945,790	32.3
January to June 1968	595,801	294,694	890,495	33.1
January to June 1969	719,900	266,080	985,980	27.0
1967	[2] 1,237,372	460,895	1,698,267	27.1
1968	[2] 1,271,128	628,714	1,899,842	33.1
1969	[2] 1,346,412	523,306	1,869,718	28.0

[1] Excludes exports.
[2] Compiled and computed from U.S. Department of Commerce, CIR series MQ-32A.

Source: U.S. Tariff Commission, except where noted.

TABLE 7.—SHEET GLASS U.S. SHIPMENTS, IMPORTS, AND CONSUMPTION YEAR TO YEAR AND 6-MONTH CHANGES, 1962 THROUGH 1969

(In 1,000 pounds)

	U.S. Shipments		Imports		Consumption [1]	
	Quantity	Percent	Quantity	Percent	Quantity	Percent
1962	1,439,714		470,554		1,910,268	
Change		+7.8		−16.3		+1.9
1963	1,552,066		393,824		1,945,881	
Change		−1.7		+21.1		+2.9
1964	1,526,240		476,911		2,003,151	
Change		+.1		−10.8		−2.5
1965	1,527,903		425,323		1,953,226	
Change		−10.1		+8.8		−6.0
1966	1,374,464		462,554		1,837,018	
Change		−10.0		−.4		−7.6
1967	1,237,559		460,895		1,698,454	
Change		+6.4		+36.4		+14.6
1968	1,317,076		628,714		1,954,790	
January to June 1968	595,801		294,694		890,495	
Change		+20.8		−9.7		+10.7
January to June 1969	719,900		266,080		985,980	
1967	[2] 1,237,372		460,895		1,698,267	
Change		+2.7		+36.4		+11.9
1968	[2] 1,271,128		628,714		1,899,842	
Change		+5.9		16.8		−1.6
1969	[2] 1,346,412		523,306		1,869,718	

[1] Excludes exports.
[2] Compiled and computed from U.S. Department of Commerce, CIR series MQ-32A.

Source: U.S. Tariff Commission, except where noted.

TABLE 8.—SHEET GLASS U.S. IMPORTS FOR CONSUMPTION BY THICKNESS, 1964 THROUGH 1969

	Window glass [1]				Total sheet [2]			
	Quantity		Value		Quantity		Value	
	1,000 pounds	Percent	$1,000	Percent	1,000 pounds	Percent	$1,000	Percent
1964	234,750		14,722		476,911		30,327	
Change		−13.4		−18.3		−10.8		−16.0
1965	203,335		12,031		425,323		25,488	
Change		+12.5		+10.1		+8.8		+10.5
1966	228,842		13,250		462,554		28,174	
Change		+10.0		+15.9		−.4		+12.9
1967	251,831		15,363		460,893		31,809	
Change		+44.4		+46.3		+36.4		+39.4
1968	363,748		22,477		628,715		44,344	
Change		−22.2		−17.9		−16.8		−11.0
1969	282,969		18,449		523,306		39,478	

[1] Over 16 but not over 28 ounces, measuring not over 100 united inches.
[2] Includes thin sheet glass, window glass measuring over 100 united inches, and heavy sheet.

Source: Yearly data compiled and computed from official data of the U.S. Department of Commerce, FT 246 (1964–68); 1969 data from the U.S. Department of Commerce, IM 146 (December 1969).

TABLE 9.—WINDOW GLASS [1] U.S. SHIPMENTS, IMPORTS, AND CONSUMPTION YEAR TO YEAR AND 6-MONTH CHANGES, 1962 THROUGH 1969

[In 1,000 pounds]

	U.S. shipments		Imports		Consumption [2]	
	Quantity	Percent	Quantity	Percent	Quantity	Percent
1962	890,686		262,389		1,153,075	
Change		+3.8		−23.2		−2.3
1963	924,854		201,578		1,126,423	
Change		−.8		+22.0		+3.3
1964	917,356		245,943		1,163,299	
Change		−.8		−13.1		−3.4
1965	910,145		213,738		1,123,883	
Change		−5.3		+12.9		−1.9
1966	861,744		241,274		1,103,018	
Change		−3.0		+11.5		+.2
1967	835,735		269,053		1,104,788	
Change		+3.7		+44.7		+13.7
1968	866,880		389,364		1,256,244	
January to June 1968	390,481		177,272		567,753	
Change		+19.1		−16.7		+7.9
January to June 1969	464,932		147,667		612,599	
1967	[3] 814,030		269,053		1,083,083	
Change		+6.1		+44.7		+15.7
1968	[3] 863,504		389,364		1,252,868	
Change		+3.5		−21.3		−4.2
1969	[3] 893,664		306,372		1,200,036	

[1] Sheet glass weighing over 16 but not over 28 ounces.
[2] Excludes exports.
[3] Compiled and computed from U.S. Department of Commerce, CIR series MQ–32A.
Source: U.S. Tariff Commission, except where noted.

TABLE 10.—WHOLESALE PRICE INDEXES ON PLATE AND WINDOW GLASS, 1961-69
[1957-59=100]

	Plate [1]	Percent change	Window [2]	Percent change
1961	91.5		97.0	
1962	86.9		100.6	
1963	83.8		105.4	
1964	83.7		114.8	
1965	81.4		113.1	
1966	79.8		113.1	
1967	85.9		120.1	
1968	89.4		130.2	
1969	92.9		136.7	
1961-69		+1.5		+40.9
1966-69		+16.4		+20.9

	1967		1968		1969	
	Plate [1]	Window [2]	Plate [1]	Window [2]	Plate [1]	Window [2]
January	83.2	116.2	89.4	124.9	89.4	129.2
February	83.2	116.2	89.4	124.9	91.8	129.2
March	83.2	116.2	89.4	132.3	91.8	138.3
April	83.2	116.2	89.4	132.3	91.8	138.3
May	83.2	116.2	89.4	132.3	91.8	138.3
June	83.2	116.2	89.4	132.3	91.8	138.3
July	85.4	119.2	89.4	132.3	94.5	138.3
August	89.1	124.9	89.4	132.3	94.5	138.3
September	89.1	124.9	89.4	130.3	94.5	138.3
October	89.4	124.9	89.4	129.4	94.5	138.3
November	89.4	124.9	89.4	129.4	94.5	138.3
December	89.4	124.9	89.4	129.4	94.5	138.3

[1] ¼-inch plate glass.
[2] Single-strength window glass.

Source: 1961-66 data from Tariff Commission Publication 215, September 1967; figures from 1967 to 1969 compiled from Wholesale Prices and Price Indexes, U.S. Department of Labor.

TABLE 11.—PLATE AND FLOAT GLASS: [1] SHIPMENTS BY U.S. PRODUCERS, U.S. EXPORTS OF DOMESTIC MERCHANDISE, U.S. IMPORTS FOR CONSUMPTION, AND APPARENT U.S. CONSUMPTION, ANNUAL 1964-68, AND JANUARY-JUNE 1968 AND 1969

Item	1964	1965	1966	1967	1968	January-June 1968	January-June 1969
	Quantity (million pounds) [2]						
Shipments by U.S. producers:							
Plate glass	1,541.3	1,717.0	1,477.8	1,064.1	1,104.6	581.9	475.5
Float glass	71.9	234.3	468.3	684.3	1,064.0	442.2	635.3
Total	1,613.2	1,951.3	1,946.1	1,748.4	2,168.6	1,024.1	1,110.8
U.S. exports	65.2	91.6	102.3	89.5	62.9	30.4	39.9
U.S. imports for consumption [3]	93.8	97.4	131.2	145.1	178.1	91.9	83.2
Apparent U.S. consumption	1,641.8	1,957.1	1,975.0	1,804.0	2,283.8	1,085.6	1,154.1
	Percent of U.S. consumption						
Share supplied by—							
Shipments [4] by U.S. producers	94.3	95.0	93.4	92.0	92.2	91.5	92.8
U.S. imports for consumption	5.7	5.0	6.6	8.0	7.8	8.5	7.2

[1] Excludes polished wire glass.
[2] Converted to pounds from square feet by using factors developed by the Commission that take into account the various thicknesses of glass.
[3] Imports dutiable at most-favored-nation rates of duty. Excludes imports of 92,000 pounds from East Germany entered during the period January-June 1969.
[4] Excludes exports.

Source: Compiled from official statistics of the U.S. Department of Commerce and from information submitted to the U.S. Tariff Commission by the U.S. producers.

TABLE 12.—SHIPMENTS OF PLATE AND FLOAT GLASS 1964 THROUGH 1969

	1,000 square feet	Percent change
1964	692,526	
1965	825,538	
1966	808,594	
1967	740,799	
1968	901,950	
1964-68		+30.2
January to June 1968	429,891	+6.4
January to June 1969	457,476	
1967	[1] 508,889	
1968	[1] 610,084	+28.9
1969	[1] 655,877	

[1] Compiled and computed from U.S. Department of Commerce, CIR series MQ-32A.

Source: Compiled and computed from official data of the U.S. Tariff Commission, except as noted.

TABLE 13.—PLATE AND FLOAT GLASS U.S. SHIPMENTS, IMPORTS, AND CONSUMPTION YEAR TO YEAR AND 6-MONTH CHANGES, 1964 THROUGH 1969

[In 1,000 square feet]

	U.S. shipments		Imports [1]		Consumption [2]	
	Quantity	Percent	Quantity	Percent	Quantity	Percent
1964	692,526		40,273		732,799	
Change		+19.2		+2.5		+18.3
1965	825,538		41,261		866,799	
Change		−2.1		+31.9		−.4
1966	808,594		54,434		863,028	
Change		−8.4		+13.0		−7.0
1967	740,799		61,490		802,289	
Change		+21.8		+20.7		+21.7
1968	901.950		74,211		976,161	
January to June 1968	429,891		38,625		468,516	
Change		+6.4		−11.3		+5.0
January to June 1969	457,476		34,243		491,719	
1967	[3] 508,889		61,490		570,379	
Change		+19.9		+20.7		+20.0
1968	[3] 610,084		74,211		684,295	
Change		+7.5		−9.9		+5.6
1969	[3] 655,877		66,850		722,727	
1967-69		+28.9		+8.7		+26.7

[1] Imports dutiable at MFN rates of duty. Excludes imports of 38,000 square feet from East Germany entered during January to June 1969.

[2] Excludes exports.

[3] Compiled and computed from U.S. Department of Commerce, CIR series MQ-32A.

Source: U.S. Tariff Commission, except where noted.

TABLE 14.—PLATE AND FLOAT GLASS [1] U.S. PRODUCTION AND MAN-HOURS WORKED BY PRODUCTION AND RELATED WORKERS 1964 THROUGH 1968

	1964	1965	1966	1967	1968
Plate glass:					
Production (1,000 sq. ft)	686,741	745,214	654,355	498,291	479,536
Man-hours worked (1,000 hrs)	15,660	14,767	14,414	11,122	10,306
Float glass:					
Production (1,000 sq. ft.)	24,842	82,327	162,351	269,933	413,920
Man-hours worked (1,000 hrs.)	842	1,548	2,262	3,043	3,572
Total plate and float glass:					
Production (1,000 sq. ft.)	711,583	827,541	816,706	768,224	893,456
Man-hours worked (1,000 hrs.)	16,502	16,315	16,676	14,165	13,878

[1] Excludes polished wire glass.

Source: U.S. Tariff Commission.

TABLE 15.—PLATE AND FLOAT GLASS: OUTPUT PER MAN-HOUR
[In square feet]

	1964	1965	1966	1967	1968
Plate glass	44	50	45	45	47
Float glass	30	53	72	89	116

Source: See table 14.

TABLE 16.—TEMPERED GLASS: SHIPMENTS BY U.S. PRODUCERS, U.S. EXPORTS OF DOMESTIC MERCHANDISE U.S. IMPORTS FOR CONSUMPTION AND APPARENT U.S. CONSUMPTION, ANNUAL 1964-68 AND JANUARY-JUNE 1968 AND 1969

Item	1964	1965	1966	1967	1968	January-June 1968	January-June 1969
	Quantity (1,000 square feet)						
Shipments by U.S. producers	217,247	286,629	272,485	273,458	348,322	167,581	184,329
U.S. exports [1]	2,469	2,796	3,148	6,195	9,287	3,825	5,157
U.S. imports for consumption:							
APTA [2]		40	2,576	4,820	7,736	3,488	5,563
All other [3]	1,107	2,882	2,487	4,224	9,299	4,434	5,371
Total	1,107	2,922	5,063	9,044	17,035	7,922	10,934
Apparent U.S. consumption	215,885	286,755	274,400	276,307	356,070	171,678	190,106
	Percent of U.S. consumption						
Share suppled by:							
Shipments by U.S. producers [4]	99.5	99.0	98.2	96.7	95.2	95.4	94.2
U.S. imports for consumption:							
APTA		(5)	.9	1.7	2.2	2.0	3.0
All other	.5	1.0	.9	1.6	2.6	2.6	2.8
Total	.5	1.0	1.8	3.3	4.8	4.6	5.8

[1] Data as reported to the U.S. Tariff Commission by producers of tempered glass.
[2] Imports entered under the provisions of the Automotive Products Trade Act of 1965.
[3] All imports entered at MFN rates of duty.
[4] Less exports.
[5] Less than 0.05 percent.

Source: Compiled from official statistics of the U.S. Department of Commerce and from information submitted to the U.S. Tariff Commission by U.S. producers.

TABLE 17.—SALES OF GLASS DIVISION PPG INDUSTRIES, INC. 1964 THROUGH 1969

Year	Sales (millions of dollars)	Attributed to glass division (percent)	Glass sales (millions of dollars)	Change (percent)
1964	827.6	36	297.9	
				+5.4
1965	897.5	35	314.1	
				+1.9
1966	941.7	34	320.2	
				+3.1
1967	942.9	35	330.0	
				+10.7
1968	1,044.0	35	365.4	
				[1] +34.9
1969	1,146.7	[1] 43	[1] 493.1	

[1] It is not clear whether these figures are directly comparable to those reported for earlier years.

Source: Compiled and computed from data published in annual reports of PPG Industries, Inc. (1964-69).

CHART 1

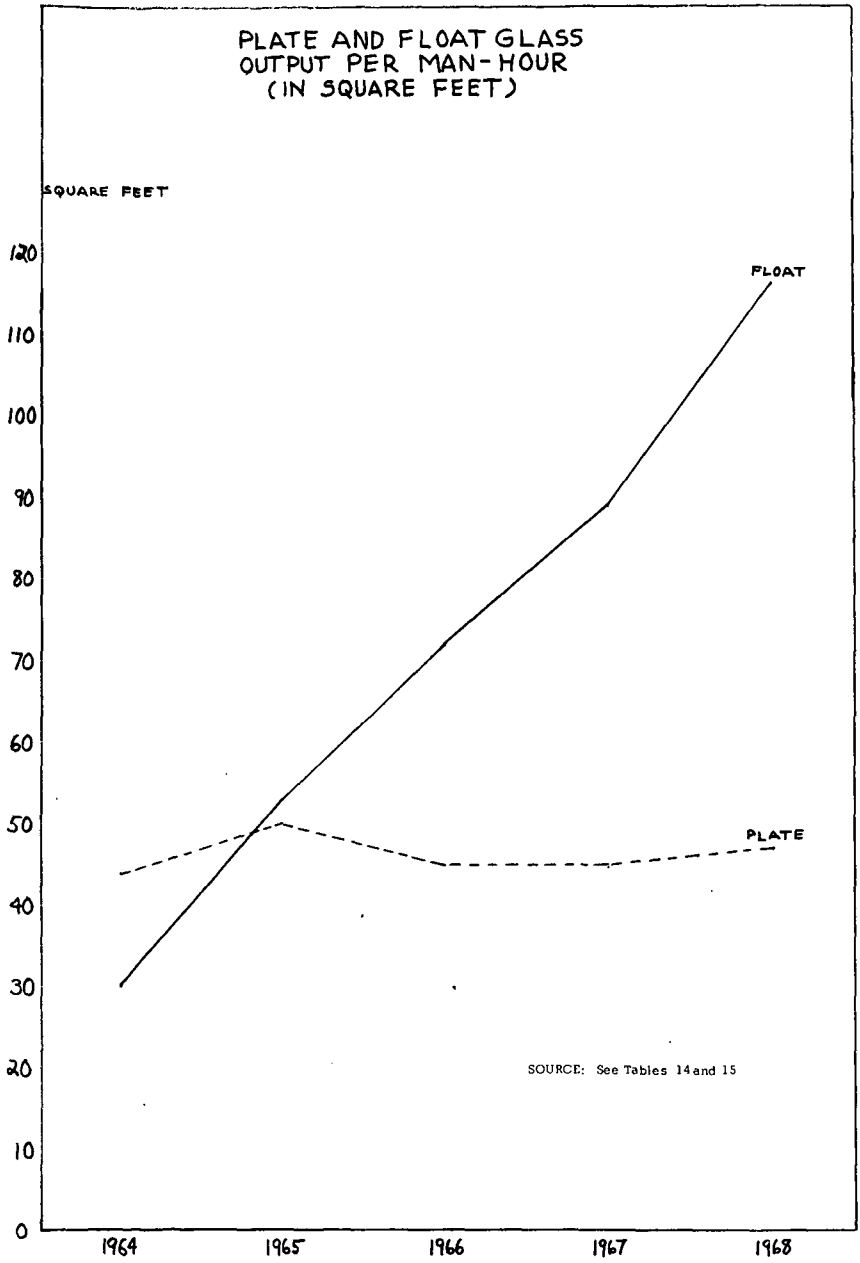


PLATE AND FLOAT GLASS
OUTPUT PER MAN-HOUR
(IN SQUARE FEET)
SQUARE FEET
120
110
100
90
80
70
60
50
40
30
20
10
0
FLOAT
PLATE
SOURCE: See Tables 14 and 15
1964
1965
1966
1967
1968

COX, LANGFORD & BROWN,
Washington, D.C., June 26, 1970.

Chairman WILBUR D. MILLS,
Committee on Ways and Means,
U.S. House of Representatives,
Washington, D.C.

DEAR MR. CHAIRMAN: The various legislative proposals before the Ways and Means Committee to impose quotas on imports of flat glass and take other special action for the benefit of the four principal domestic flat glass producers are totally unnecessary and contrary to the best interests of the United States. The proposals would hurt the U.S. consumer in order to insulate a few prosperous companies from normal competition.

We represent Glaverbel (USA) Inc., a Delaware corporation engaged in promoting the sale of Belgian flat glass in the United States. Belgian glass has been of great benefit to United States consumers for many years—in providing them with high-quality glass, in giving them an alternative source of supply, and in providing healthy competition for domestic suppliers.

The United States markets for flat glass products need the vitality provided by such competition. Flat glass is the most highly concentrated of the basic manufacturing industries of this country. Data compiled through the Census of Manufacturers shows that in 1958 four companies were responsible for 90 percent of the value of domestic flat glass shipments; and this percentage has increased each time it has been recomputed—to 92 percent in 1963 and 94 percent in 1966.

In particular sectors of the industry the concentration is even higher. *Three* companies account for nearly *100* percent of the production of *plate glass. Three* companies account for *100* percent of the production of *float glass. Three* companies account for over *78* percent of the total U.S. output of *tempered glass.* The President of one of the nation's four producers of rolled and figured glass testified before this Committee on June 15, 1970 that, "for all intents and purposes," his company and one other are the *only* domestic producers of *rolled glass.* Although the principal flat glass companies are subject to the provisions of an antitrust consent decree, this decree does not provide consumers with alternative sources of supply. Imports perform this function.

But domestic producers have waged for years a series of expensive and bitter campaigns to try to immunize themselves from the competition provided by imports of flat glass. Proposals for the imposition of quotas are only one line of attack. The domestic producers have alleged "injury" from imports when they knew both that they were not injured and that their problems were not caused by imports. They have enjoyed unnecessary escape clause relief on sheet glass for nearly a decade, and they have unsuccessfully sought escape clause protection for other flat glass products. They have instigated a whole series of unwarranted and harassing proceedings against imports under the antidumping and countervailing duty laws. Whatever happens to the level of demand or to market prices, or to other conditions in the industry, the domestic producers blame imports.

Imports are even blamed for conditions created directly by actions of the domestic producers. When a domestic company constructs a major new plant in a different part of the country (as when PPG Industries built a new sheet glass plant in California in 1968) and thus shifts the location of its production and causes a reduction of production and employment at the old plants, the domestic producers blame imports. When the new plant does not immediately reach full production (while normal engineering bugs are ironed out) and when the structure of prices in nearby markets softens as the new domestic production is added to the supply of glass, imports are blamed. When published prices are maintained at an artificial level in the face of reductions in demand for flat glass in the U.S. automobile and construction industries and all sellers—including all major U.S. producers—begin to negotiate sales below list prices, this phenomenon is characterized as "unfair competition" caused by foreign competitors. When domestic producers respond sluggishly to an improvement in demand and consumers turn to imports to meet their new needs (as in the case of sheet glass in 1968), the domestic companies scream about "market penetration." When domestic producers shift their emphasis from one type of flat glass to another (as in the case of the rapid expansion of float glass capacity) and build the new plants in new locations using largely new employees, they encourage public officials and employees from the old locations to come to Washington to badger their Congress-

men about imports. When a major domestic producer builds an obsolete plant in the face of changing technology (as American Saint Gobain did when it went into plate glass production), it tries to make imports the scapegoat for its own managerial miscalculations.

The proposals relating to flat glass now before this Committee, and the allegations which have been offered to support them, are thus only the latest chapter in a history of unremitting attacks on imports. These proposals have no more validity than earlier efforts to restrict imports, and, if adopted, would establish dangerous precedents in the field of trade policy.

It would, for example, be a most unusual and provocative step if Congress were to include in the current trade legislation a special provision for the particular benefit of the domestic producers of sheet glass which would increase duties on sheet glass to the "Column 2" (1930) rates, as those domestic producers have proposed. For Congress to increase duties on particular commodities in response to pleas from special interest groups would not only be an open invitation to similar demands by other industries but would inevitably lead to retaliatory action by legislative bodies in other major trading nations. The making of trade policy would soon become a shambles, both here and abroad.

The domestic flat glass producers have attempted to cloak the true nature of their suggestion by purporting to find a basis for it in the report of the Tariff Commission in the 1969 flat glass case. *There is no such basis.* The contentions of the domestic producers that the Commission's report "represents" a finding by four of the six Commissioners that the domestic sheet glass industry has been seriously injured by imports and that three Commissioners "recommended" a restoration of 1930 rates are wholly misleading. It is *not true* that three Commissioners found that an increase in duties would be necessary. One of the three supposedly taking this position, Commissioner Clubb, specifically suggested that the President should consider providing adjustment assistance rather than increasing duties—and this was precisely the course the President took.* The theory that a fourth Commissioner would have found injury, if the "major factor" test had been disregarded, is equally unfounded; it is based on attributing to Commissioner Leonard a position he never took. As his separate statement made clear, he did not consider it necessary to decide whether sheet glass was a case in which a domestic industry was suffering or threatened with "serious injury." He identified, as a separate test on eligibility for escape clause relief, the test of "whether the increased imports have been the major factor in causing or threatening to cause serious injury," and, after reviewing the industry's problems, he concluded (following the wording of the test as he had defined it) that "the increased imports have not been the major factor in causing or threatening to cause serious injury to the sheet glass industry." He explicitly did *not* decide that the industry's problems met the statutory test of "serious injury"; he used this term only to refer to statutory standards which he found, on another ground, had not been met.

Thus the action of the Tariff Commission in the sheet glass escape clause case provides absolutely no foundation on which Congress could legitimately increase to 1930 levels the existing duties on sheet glass even if Congress were prepared to revert to the nineteenth century practice of attempting to adjust individual rates of duty at the insistence of particular industries.

Another proposal of the domestic producers of flat glass would introduce a major change in the administration of the escape clause provisions of the Trade Expansion Act under which the findings of the Tariff Commission would be "final." The sheet glass proceeding is alleged to be an illustration of a case in which the result would have been different if the President had not been free to exercise discretion.

This is an amazing illustration of attempting to turn facts on their heads. In the sheet glass case the domestic producers failed to convince a majority of the Commission that they were suffering serious injury from imports. If the President had been barred from exercising discretion, the domestic producers would have received nothing. The opportunity to apply for adjustment assistance (which, we have reason to believe, no more than one sheet glass producer has taken the

*Although Commissioner Clubb agreed with Chairman Sutton and Commissioner Moore that, if the alleged injury were to be dealt with by increasing duties, "a duty of the amounts found by them would be required," he expressly denied that this determination constituted a recommendation that duties on sheet glass be increased. (See TC Publication 310, page 30.)

trouble to do) and the continuation of the remaining escape clause duties resulted, not from any action by the Tariff Commission, but from further consideration of the case in the Executive Branch.*

In the light of the Tariff Commission's 1969 report on the flat glass industry and the President's subsequent action in disposing of the sheet glass case there is also no basis for the domestic producer's further suggestion that quotas should be imposed on imports of flat glass. Quite apart from the general reasons for avoiding the use of quotas in dealing with the problems of international trade, quotas would be particularly unjustified in the case of flat glass. Domestic producers of the flat glass were free to propose in the 1969 escape clause proceedings that consideration be given to the use of quotas; but they did not do so. Such a proposal would have provided an opportunity to examine and expose the practical effects which a specific quota formula would have. The use of quotas could also have been considered by the President under the provisions of the Trade Expansion Act. We urge this Committee to reject the suggestion that it use the current trade legislation as the occasion for adopting quota proposals never even sugegsted by the domestic producers during the 1969–1970 escape clause proceedings dealing with flat glass.

Moreover, it is well known that quotas are an extremely inefficient and socially costly way of regulating international trade. To attempt to impose quotas by legislating complicated formulas is particularly dangerous, and involves all the same difficulties which arise when legislatures attempt to regulate rates of duty in response to representations of special interest groups.

Even when legislative formulas purport to be flexible and to permit imports to maintain a "fair" share of the domestic market, it is quite likely they will prove in practice to be much more restrictive than originally intended. The usual failure to make adequate provision for new products is an obvious illustration. Much less obvious is the effect of the usual technique of basing quota formulas on domestic consumption in a preceding year or several years. For the reasons explained in the next several paragraphs this technique results in a built-in bias which would in practice guarantee that imports would not maintain their share of the market.

We know from past experience that imports and domestic shipments tend to move in tandem—going up together when domestic consumption rises and going down together when domestic consumption declines. One series may lag the other, or the increases (or declines) may not be in the same proportions, but the general tendency seems clear and has been borne out by past experience with imports of flat glass products. It is also in accord with what one would expect.

When quota systems permit imports to increase only if domestic consumption increases in a previous period—for example, the preceding year—the effect is as follows: since, in general, imports will rise only in a year in which consumption also rises, consumption must increase in *two* consecutive years to permit an increase in imports.

When consumption decreases in a given year, the quota ceiling will not be reduced in that year. But imports will normally decrease without regard to ceilings. It will be in the second year of reduced consumption that the quota ceilings will be reduced. At the same time, however, imports will be at a lower level in response to the decrease in consumption, and the import ceiling may or may not have a practical impact. The principal impact of the import ceiling following any decline in consumption will be in the year in which the trend in consumption is reversed, and consumption again increases.

In the absence of the quota system one would expect imports to increase as

*The presentation of the domestic producers is also flatly misleading in suggesting that, before the Tariff Commission, the domestic industry presented its case "in a goldfish bowl" (when, in fact, the domestic producers threw a cloak of secrecy around the most critical information concerning conditions in the industry) and in implying that, before the Executive Branch, foreign producers were given greater opportunities to make "ex parte representations" than the opportunities given to and exploited by the domestic producers themselves. We assume this Committee does not wish us to burden the record with specific rebuttal to such an argument. Suffice it to say that the charges against the Executive Branch are entirely unfair. The President is clearly required by the provisions of the Trade Expansion Act (such as Section 302(a)) to consider a wide range of alternatives, with the assistance of appropriate Executive Branch officials, and with the broad purposes of the Act in mind. The Office of the Special Representative is specifically charged with the duty of making recommendations to the President on what action he should take. No basis has been shown for any change in these established procedures.

consumption increases; if a quota system is in effect, however, with quotas based on the preceding year's consumption, imports will be required to be reduced at the very time at which they would naturally increase. Therefore, *any system of quotas based on placing a ceiling on imports on the basis of circumstances existing in an earlier period has a built-in bias which will prevent imports from keeping up with the growth in consumption.* If consumption declines, imports will decline without regard to quotas. If consumption increases, imports will be prevented from increasing, except after a lag.

In conclusion, we submit that the restrictions on imports of flat glass contained in various bills before this Committee, and as proposed by the four domestic companies which dominate this industry, are entirely unjustified. Adoption of the anticompetitive measures urged upon this Committee would simply confirm the sheltered position of an existing oligopoly and increase inflationary pressures on the consumers of flat glass—notably, the construction and automobile industries. Indeed, given the highly concentrated nature of the production of the various types of flat glass, we suggest that the public interest would be better served by consideration of how imports of flat glass might be encouraged, as a means of maintaining a measure of competition in an important basic industry. The discrimination and totally unwarranted harassment to which foreign producers and importers of flat glass have been subjected for many years have hurt the best interests of the United States. The Belgian industry, which has been the principal target of this attack for at least the past twenty years, has nevertheless provided the U.S. market with vitally important quality competition and a necessary alternative source of supply. Congress must be careful to protect these benefits to the consumer rather than to protect the monopolistic position of the domestic producers.

Respectfully submitted,

COX, LANGFORD & BROWN,
Attorneys for Glaverbel (USA) Inc.

The CHAIRMAN. Our colleague from Alabama, the Honorable John H. Buchanan, Jr., is now in the room.

We are glad to recognize you, sir.

STATEMENT OF HON. JOHN H. BUCHANAN, JR., A REPRESENTATIVE IN CONGRESS FROM THE STATE OF ALABAMA

Mr. BUCHANAN. Mr. Chairman, I appreciate the courtesy of the committee hearing my testimony, and the patience and kindness of the chairman in rescheduling it for this morning from an earlier time.

The CHAIRMAN. We are glad to have you with us.

Mr. BUCHANAN. Mr. Chairman and members of the committee: I welcome this opportunity to testify before the House Committee on Ways and Means concerning a matter which has had an extremely adverse effect directly on many thousands of American citizens, and which is indirectly affecting the great majority of our Nation's people. I am, of course, referring to the tremendous growth in imports during recent years and the very critical effect which this trend has had on American jobs and domestic industries.

Because of these very concrete results of import penetration, our country's trade policies can no longer be considered theoretically or in the context of abstract ideals of free trade. The time is long overdue for us to consider these policies with a far greater emphasis on what is best for our economy and our own citizens. Mr. Chairman, few would question the rightness and preferability of trade among nations unhampered by tariff, quota, and other barriers at every port. But by definition "free trade" can only exist when it is practiced by all nations participating in any particluar commercial exchanges. The United

States cannot exist as an island of free trade in the middle of a protectionist sea and, in my judgment, it is both reasonable and responsible for us to provide for our citizens the same protection which other nations provide for theirs.

It is almost impossible to understand how we have allowed our Nation's foreign trade policy to continue on an essentially one-way course for 36 years, in spite of enormous economic changes both in the United States and throughout the world during this period of time. Under the so-called reciprocal trade program first enacted in 1934, our average tariff level has been reduced more than 80 percent and the full cuts agreed to under the Kennedy round have yet to take full effect. In our trade agreements we have consistently come out on the short end of the stick. In many instances, furthermore, other countries have not even honored the concessions they did make in such agreements.

The results of this trade policy have been amply delineated before this committee during its current hearings, and it can no longer be denied that our country's overall competitive position in world trade is weak. Since 1960 we have suffered an alarming sevenfold increase in our trade deficit in the broad group of products classified by the Census Bureau as "Other Manufactured Goods." In 1968 the trade deficit for these goods (which include iron and steel mill products, textiles, clothing, paper manufacturers, rubber manufacturers, metal manufacturers, glassware, pottery, footwear, etc.) was one of $5.473 billion. The full extent of our country's overall trade imbalance in competitive goods is, unfortunately, concealed by the method which our government uses to record trade statistics. Among other things, this method includes foreign aid shipments as exports and totals up imports at their foreign value rather than what they cost us here in this country.

But I am not here to talk about trade deficits per se or about the achievement of any particular balance between our Nation's exports and imports. I am here because of my very deep concern about the most critical result of our country's present trade policies—their extremely adverse effect on American industries and American workers. Mr. Chairman, in my judgment the American worker should be at the very heart of our concern in considering this matter—and for more reasons than one.

It is American workers who are losing jobs, facing the threat of job loss, or being denied job opportunities in a number of industries because of the inability of our firms to compete in domestic markets with foreign goods produced with such a tremendous cost differential. Here it is important to note that employment in the product lines constituting "Other Manufactured Goods" and which are experiencing large trade deficits exceeds by some 2 million workers employment in the limited lines in which our exports have been enjoying a surplus (most notably machinery, automobiles, aircraft, and computers). Ironically it is also American workers who, along with the companies employing them, have contributed through their taxes over the years to the U.S. foreign aid program which has in turn contributed greatly toward the building up of the very foreign industries now exporting to the United States and threatening our industries and workers. In many instances, furthermore, these heavy taxpayers are competing against industries owned or subsidized by their governments.

It is, furthermore, the wide disparity in worker compensation between the United States and various other countries in the world which has contributed so greatly to the overall cost differential preventing effective competition with imported goods. The wage aspect of this cost differential is, of course, rooted in the very nature of American society and American ideals. In our great country it is unacceptable for those who labor to produce the products which have contributed so greatly to our high standard of living not to share in this high standard of living. It is unacceptable for our workers to be forced to receive substandard wages in order to compete with products produced in other countries by workers receiving such wages.

There is one more matter with respect to American workers which I do think is relevant in considering trade policies so directly affecting them. I refer to the unabashed and outspoken patriotism exhibited by this portion of our citizenry through the years. This has, of course, been particularly evident recently in such things as the parade of some 100,000 workers in New York as a demonstration of their support for our country's efforts in Southeast Asia. It was exhibited by the longshoremen's stipulation that the unloading of one Russian ship will be contingent in each instance upon the release of 5 U.S. prisoners of war by Hanoi. While others in our population are shouting obscenities and at a time when genuine patriotism is considered "irrelevant" and antiquated by so many, countless American workers are daily demonstrating that national loyalty and love for country are not dead.

It is this quality on the part of so many American workers which, in my judgment, has a direct bearing on our consideration of another very important aspect of the problem of imports. This is the extent to which the United States can afford for security reasons to be dependent to any extent on other nations for the production of goods important or vital to our Nation's defense. As imports in such vital industries as steel continue to absorb larger percentages of our domestic markets, this question is no longer a theoretical one. Neutral and communist nations cannot, in my judgment, be counted on in times of national or international emergency to provide our vital defense needs. Our history has demonstrated, however, that the American worker can be counted on when the chips are down.

American workers are adversely affected by imports because, of course, the industries employing them are so affected. Our country's overall trade picture, referred to earlier, is even darker when we focus our attention on particular industries and I am especially concerned about the trend of imports in two vital American industries—the steel and the textile industry. The annual growth rate for steel imports from 1961 through 1969 was 23 percent, and in 1968 the share of the domestic steel market captured by imports was at an all-time high of 16.7 percent. The 1968 total for steel imports, approximately 18 million tons, represented more than a 50 percent increase over the previous record of 11.5 tons, set in 1967.

While the voluntary agreements announced in January, 1969 on the part of West European and Japanese steelmakers to limit steel exports to the United States resulted in a 3.926 billion ton decline in steel imports, that year was still the second highest year for steel imports ever recorded. The 1969 steel trade deficit was also nearly $1

billion—the highest such deficit in the world. These voluntary agreements, moreover, still allow for an annual import growth rate of 5 percent for the years 1970 and 1971, while the projected annual growth of the domestic steel market is about 2½ percent per year. Faced with these growing imports, our domestic steel industry must compete with products sold from a base of labor rates, as in the case of Japan, in the area of five times less than the American labor rate.

The city of Birmingham, Ala., which I have the privilege to represent in the Congress is one of the Nation's steel producing centers, and the continuing impact of steel imports is of vital interest to the people of my district.

Of particular concern to the Birmingham area are the import problems in two industries (cast iron soil pipe and fittings and malleable iron pipe fittings), which were called to this committee's attention earlier in testimony by representatives of the Stockham Valves and Fittings, Inc. and of Woodward Co. Because of the great increase in imported malleable iron pipe fittings, a total of 10 domestic producers have gone out of business since 1952, with 12 domestic producers remaining today. In recent years this domestic market penetration by such imports has gone from 4 percent of domestic consumption (in 1961) to 11 percent (in 1969), with another jump to 13 percent in the first quarter of 1970.

These problems have been compounded by difficulties and undue delays in the administration of the antidumping laws and the marketing requirements of the Tariff Act. Both cast iron pipe and fittings and malleable iron pipe fittings have been erroneously exempted by the Treasury Department from the Tariff Act marking requirements. This has resulted in subsidized imported pipe and fittings being commingled with American-produced products in the U.S. market. Even if domestic purchasers wish to favor American-made pipe and fittings, they do not have the benefit of the identification of origin which it is the basic policy of the customs laws to supply. In the case of cast iron soil pipe and fittings, this problem is further aggravated by the fact that much of the importation is from Poland, hence American jobs are being exported to a communist country by the inroads which that country's goods are making in this American market.

Growth in steel consumption in the Southern market which could have been met by expanded production by Southern and other domestic producers has instead been supplied by steel imports. From 1955 through 1968 the Southern steel market grew by 6 million tons (from 9 million tons in 1955 to 15 million tons in 1968). During this same period, however, foreign steel imports coming into the Southern market increased by 5.1 million tons (from 400,000 tons in 1955 to 5,500,000 tons in 1968). Thus an increase of 6 million tons resulted in an expansion in production for the Southern steel industry of only 900,000 tons. Non-Southern domestic producers have not, on balance, shared at all in the growth of this market.

The textile industry is also important to my district and State, and is another vital American industry suffering greatly from the impact of rapidly expanding imports.

The textile-apparel industry in the United States employs directly more than 2.4 million Americans, with additional hundreds of thousands involved in fiber production and a great variety of supply and service activities. Here, too, the wage-cost differential with other na-

tions is extreme (with wages some five-times higher in the United States than our large competitors) and particularly significant in an industry where such a high percentage of the cost of manufacturing represents labor costs. In addition to the 250,000 jobs already absorbed by textile imports, actual employment in the textile-apparel industry fell off 65,000 during the past 15 months.

Total textile imports during 1969 reached a new record level of 3.6 billion equivalent square yards, a 10 percent increase over 1968 and a level which is 230 percent greater than just 5 years ago. The textile deficit for this same year was close to $1 billion ($980 million), and a deficit of $825 million existed in 1968. Even imports of cotton garments, which have been regulated by agreement since 1962, had increased in 1969 to a level 65 percent higher than 7 years earlier.

In the face of this alarming growth in textile imports, we have all waited expectantly while for over a year the United States has patiently sought voluntary agreement with Japan and other nations to obtain orderly trade in textiles and apparel products. The commendable effort by the Nixon administration in this regard has met with a refusal to cooperate on the part of Japan, which enjoys the most favorable position of any nation in the U.S. textile market.

So, Mr. Chairman, it is obvious to me that the time for patient and thus far futile negotiations is running out. A force which affects our Nation's major industries in such a significant way as imports, affects the well-being of our entire economy. While some will attempt, through charges of protectionism, to impugn the motives of those who would begin to deal effectively with the above problems; I can only say that a trade policy which does not attempt to give our own industries and workers at least some degree of that protection provided to our competitors by other nations is both irrational and dangerous. On the other hand, in the true sense protectionism implies the voiding of competition and the legislative measures which my colleagues and I have sponosred are really aimed at making competition in our domestic markets possible. There can be no such effective competition with the tremendous cost disparity existing in our markets between imported and domestic products. The Fair International Trade Act, which I have joined a number of my colleagues in introducing, would allow for such effective competition by providing for expansion of imports in proportion to domestic consumption. With very few exceptions the bill would accept the attained penetration of our markets by imports and no import quotas would be established until imports should breach the market penetration ceilings for a period of 6 months. Instead of relying on after-the-injury and time-consuming adjustment assistance, the injury to our employment and industrial expansion would be controlled ahead of time.

Similar corrections of market disruptions due to imports in the textile, apparel, and footwear industries would be effectively obtained through the provisions of legislation introduced under the chief sponsorship of Chairman Mills—H.R. 16920. I have cosponsored a bill identical to H.R. 16920 (H.R. 16943), as well as bills aimed specifically at orderly trade in iron and steel mills products (H.R. 3330) and at textile articles (H.R. 16208).

The responsibility to take some such action on this critical problem now clearly lies with the Congress. I cannot urge too strongly that this committee lead the way toward this end.

Thank you for giving me this opportunity to appear before you today.

Mr. Chairman, before I close, I would like to compliment the testimony immediately preceding mine and say that Mr. Stewart has much more eloquently than could I, made a case in which I heartily concur as a cosponsor only of your bill, Mr. Chairman, but of the Fair International Trade Act. And representing as I do a district which is involved in steel and textiles and cast iron soil pipe, and malleable iron fitting industries which have experienced some of these problems of which I spoke. I appreciate the committee's attention to his remarks. I hope you will see fit to incorporate into legislation, not only the provisions of your own bill, Mr. Chairman, but some of the amendments which he did recommend.

Also, as has been earlier indicated this morning, in trade negotiations with other countries, the State Department in particular has conducted itself according to the Biblical admonition "It is more blessed to give than to receive," and they have ignored the equally true Biblical admonition that, "He that provideth not for his own is worse than an infidel."

This great committee must provide for our own American workers, and protect them against unfair competition.

Their patriotism in times of national emergency is a national resource beyond measure, one we cannot afford to forfeit. We dare not reach the position in which we are looking to neutral countries or even the Communist countries to supply a portion of the basic steel we must have for our Defense Establishment. In protecting America's workers, we protect America as well.

The CHAIRMAN. We thank you, Mr. Buchanan, for your very fine statement and taking the time from your very busy schedule to come to us and deliver it.

Mr. Pettis?

Mr. PETTIS. Mr. Chairman, thank you very much.

One part of our colleague's statement troubles me a great deal. That is on page 6. I wish he would expand on just that part for a moment. I find it very difficult to believe that cast iron pipe and fittings and this malleable pipe were exempted by the Treasury Department from the Tariff Act marking requirements. I hate to think that I might have bought some Polish pipe or some pipe from somewhere else that was not marked as to the country from which it came.

Would you explain that?

Mr. BUCHANAN. Yes, I certainly shall.

It is indeed the case that there are many domestic consumers who buy cast iron soil pipe and fittings, believing they are buying American, as GSA, for example, requires, or because their policies would be to buy American, who instead are unknown to them buying Polish or Indian pipe and fittings. This is because of an error made by the Treasury Department many years ago. In 1939 the Treasury Department had been instructed by the Congress by an amendment to the Tariff Act of 1930, the Customs Administrative Act of 1938, to, among other things, compile a list of those items which would be exempt from marking requirements, that is, where the country of origin had to be marked on the item.

This group which was to be exempt was to include only those items 1932 through 1936, that 5-year test period. There was no cast iron

which had been imported in substantial quantities during the years soil pipe, virtually none, imported during that period. The same is true of malleable iron fittings, notwithstanding which, malleable fittings, and cast iron soil pipe and fittings—on which the Alabama delegation has specifically written the Secretary of the Treasury twice now—were erroneously put on that list.

There was a second requirement of the law that not only had the goods on that list to be imported in substantial quantities during the test period, but also they should be items that had not previously had marking requirements of the Treasury Department. Yet in the case of cast iron soil pipe and fittings, the Treasury Department had 2 years earlier directed that these items be marked as to country of origin. So that in two particulars the law was not followed by the Treasury Department, an error was made, and erroneously this industry was put on the list.

Two years ago the Alabama delegation, Senator Sparkman and all members signed a letter to the then Secretary of the Treasury pointing up this problem and asking for relief and for the removal of this industry from the list. We pointed out the most flagrant abuse at that time, which was the Salem case in which a prominent American manufacturer was having Salem stamped on the pipe that was made in Poland and it was sold in this country and everyone naturally assumed it to be the American-made pipe. What happened was, eventually the Treasury Department did stop that. But now, instead, certain producers don't mark the pipe at all and commingle American with imported pipe so that the buyer does not know which he is buying, or that he is buying a mixture.

This is a very serious problem and one that I think deserves some attention by the Treasury Department. We have written a more recent letter to the Secretary of the Treasury again asking for relief and for a change of this error. I hope he is going to act favorably. If he does not, I certainly would appreciate the help of this great committee in persuading this part of the great bureaucracy to change this old, old error that is causing such a great problem to one of our domestic industries and the people who work for it.

Mr. PETTIS. Mr. Chairman, I thank my colleagues for this further explanation. I have no further questions.

Mr. WATTS. May I ask one question?

The CHAIRMAN. Mr. Watts.

Mr. WATTS. What would be wrong with requiring all imports coming into this country to have a label on them saying where they were made?

Mr. BUCHANAN. Nothing at all, sir. There are many people who desire to buy American, and GSA requires people to do so. I think there would be nothing wrong at all in requiring marking on all importation, so that the people in this era of consumer protection could have the choice as to whether they bought Polish pipe or American pipe, or Indian pipe or American pipe. I think people deserve that choice. I would like to see the marking apply to all items coming into this country.

Mr. WATTS. I think I noticed in your statement that you feel pretty much about the State Department as I do in their efforts to protect American industry.

Mr. BUCHANAN. Exactly so. I appreciate the efforts of this com-

mittee in the past, sir, to do something about that. I hope you will take the further action that has been recommended this morning, because they consider political and diplomatic considerations and somehow I feel they lose in their order of priorities the rights of American workers and the welfare, at times, of our own country, which is a matter of great concern to me.

Mr. WATTS. I have often thought of introducing some legislation that required everybody in the State Department at the policymaking capacity and up to take an additional oath to the effect that they would look with equal favor upon American industry and Americans as they do the foreigner.

Mr. BUCHANAN. I would certainly vote for your legislation, sir.

Mr. WATTS. Thank you, sir.

The CHAIRMAN. Are there any further questions?

If not, we again thank you for coming to this committee and giving us a very fine statement.

Mr. BUCHANAN. Thank you, Mr. Chairman.

The CHAIRMAN. Our next witnesses are in a panel in behalf of the Stone, Glass and Clay Coordinating Committee.

Will you please come forward?

Mr. Chester, do you want to identify the group? You will be recognized in the order in which you present them.

Mr. CHESTER. My name is Howard Chester. I am executive secretary of the Stone, Glass and Clay Coordinating Committee.

This is Mr. Lester Null, who is international president of the International Brotherhood of Operative Potters.

This is Mr. Ralph Reiser, who is international president of the United Glass and Ceramic Workers.

This is Mr. Hollan Cornett, who is vice president of the Stone and Allied Products Workers.

The CHAIRMAN. We are glad to have all of you with us.

You are recognized, Mr. Chester.

STATEMENTS BY PANEL OF STONE, GLASS, AND CLAY COORDINATING COMMITTEE: HOWARD P. CHESTER, EXECUTIVE SECRETARY, STONE, GLASS, AND CLAY COORDINATING COMMITTEE; LESTER NULL, PRESIDENT, INTERNATIONAL BROTHERHOOD OF OPERATIVEP OTTERS; RALPH REISER, INTERNATIONAL PRESIDENT, UNITED GLASS & CERAMIC WORKERS; AND HOLLAN CORNETT, VICE PRESIDENT, STONE & ALLIED PRODUCTS WORKERS

Mr. CHESTER. Mr. Chairman, before I proceed I have three statements that three of our colleagues would like to have submitted for the record.

The CHAIRMAN. They will be entered into the record at the conclusion of the remarks of the group at the table.

Mr. CHESTER. Thank you, sir.

In the interest of saving time, instead of giving my full statement, and in each case with our colleagues here, we have briefed them down and will go through our statements in a brief fashion.

Mr. Chairman and members of the committee:

Our Stone, Glass, and Clay Coordinating Committee is composed of seven international unions, all affiliated with the AFL-CIO, who

have joined together to cooperate on mutual problems that affect any one of our seven affiliates. We have a combined membership of 250,000 workers, with active locals in almost all of the 50 States.

We have a direct concern in U.S. trade policy and appreciate this opportunity to express our views on this vital subject. As previously announced, you are considering the President's Trade Act, introduced November 19, 1969; Chairman Mills' bill, H.R. 16920, introduced April 13, 1970; and other legislation on trade pending before the committee, such as the Fair International Trade Act.

We have analyzed the bills named above, and with the exception of the Fair International Trade Act, we feel the proposed legislation can be compared to applying a band-aid to a gaping, mortal wound. Only a small portion of the problem is taken care of, and many, many industries excluded from any help are supposed to lay over and play dead until the date for their funeral has been assigned.

We, nor the labor movement as a whole, do not intend to stand on the side lines as spectators in the liquidation of industry after industry and the jobs of American workers who work in these industries, to the all-consuming appetite of the powerful free trade, global, multinational corporations, whose only concern is the profit motive and could care less about working people, United States or foreign.

You may say that is a rather harsh position to take; however, in all of the testimony I have read on "private foreign investment" given before Subcommittees of Ways and Means (1958), Foreign Affairs (1969), any mention of the effect on American labor was either scarce or nonexistent. What conclusion do you reach? There is no concern for labor, only as a cost of doing business and if labor can be found elsewhere in the world at lesser cost, move to that area and establish facilities to take advantage of lower labor costs and increase profits. This is the present corporate philosophy: global production, global markets, earnings returned or reinvested as they desire is their wish, concurred in by our Government who guarantees loans, legislates corporations (OPIC), urges foreign investment as a foreign policy instrument.

Under this policy who suffers? Labor suffers! Capital is mobile while labor must stay within the boundaries of the United States and watch their employment exported to the 130 other nations in the world, where only 37 have a democratic form of government. Labor has great cause for concern and this concern is being voiced by organized labor's parent body, the AFL–CIO, departments of the AFL–CIO such as the IUD, MTD, as well as many international unions stressing the need for "fair" trade as opposed to "freer" trade, and that priority be given to maintaining employment in this country and immediate consideration to put a halt to unregulated imports and foreign investment.

Most of us were born in this country, are raising families, paying taxes, have served our country when called, sincerely believe we live in the best country in the world—but we do not believe in the present policy of exporting American jobs—a policy promoted by the executive branch and global corporations under present U.S. trade policy and foreign investment practices.

The Congress, our only hope, is showing great concern with our foreign trade policies, and bills have been introduced to establish import quotas on specified products, to amend the Trade Expansion

Act, to amend the Anti-Dumping Act, to provide for orderly marketing, to amend the Fair Labor Standards Act of 1938, to establish ceilings and, if penetrated, quotas under the Fair International Trade Act. Since it is imperative for the Congress to have the accurate facts at their disposal so they can regulate foreign commerce and preserve this Nation's economic well-being, let's examine the facts.

PRIVATE FOREIGN INVESTMENT

United States foreign investment—and, as a substantial part of this category, U.S. private foreign investment—must be given full consideration as an inseparable part of our foreign trade policy. The following chart "A" will serve to show the astounding increases in our U.S. foreign investments, rising from some $19 billion in 1950 to $101.9 billion in 1968; chart "B", the area distribution of U.S. direct private foreign investments; chart "C", the industry distribution of U.S. direct private foreign investments. (The sources of information for charts A, B, and C were the 1958 hearings by the Subcommittee on Private Foreign Investment, and the Department of Commerce "Survey of Current Business," September 1967 and October 1969.)

(Charts A, B, and C follow:)

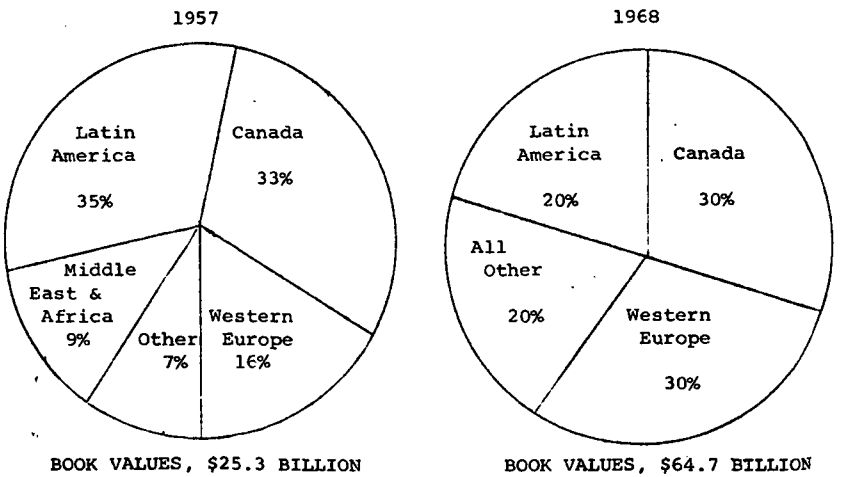
CHART A.—U.S. PRIVATE INVESTMENT ABROAD

[In millions of dollars]

	1950	1957	1966	1968
Private investments	$19,004	$36,812	$86,235	$101,900
Long term	17,488	33,588	75,565	88,930
Direct	11,788	25,252	54,562	64,756
Portfolio	5,700	8,336	21,003	24,174
Short term	1,516	3,224	10,670	12,970

CHART "B"

AREA DISTRIBUTION OF
U.S. DIRECT PRIVATE FOREIGN INVESTMENTS

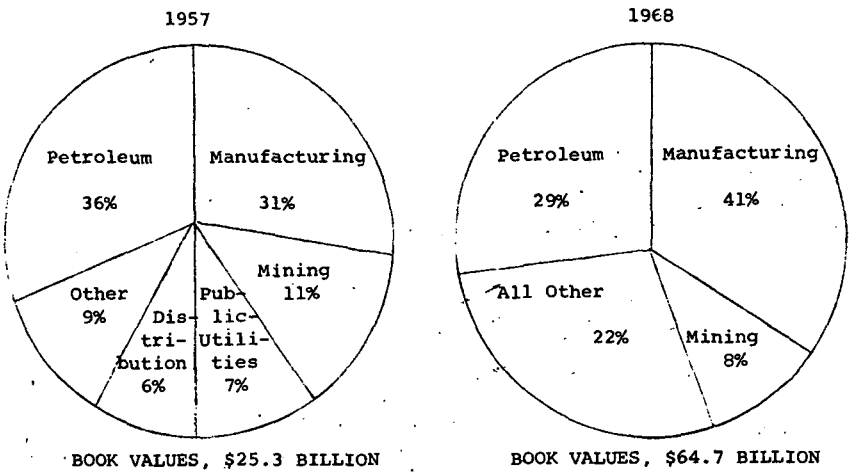


BOOK VALUES, $25.3 BILLION

BOOK VALUES, $64.7 BILLION

CHART "C"

INDUSTRY DISTRIBUTION OF
U.S. DIRECT PRIVATE FOREIGN INVESTMENTS



Mr. CHESTER. In chart "A" we find that total U.S. private investment abroad in 1968 has increased by 436 percent over the 1950 figure of $19 billion. In all divisions of private foreign investment, comparing 1950–1957–1966–1968, there have been tremendous increases in the holdings of U.S. companies and private investors abroad.

In chart "B" comparing the area distribution of direct private foreign investment for 1957 with 1968 we find that considerably more investment dollars went into Western Europe, with a 14 percent increase, so that investment flow is to the developed countries, in Western Europe and to Canada, while the less developed and under-developed countries in Latin America, Africa and the Middle East dropped considerably in investments to their areas. And this happened despite the emphasis, stated in the 1958 hearings, on the necessity of changing the private investment pattern to encourage more flow to Latin America. Middle East and Africa to deter the Soviet economic offensive in those areas.

Chart "C" compares the industry distribution of U.S. direct private foreign investments in 1957 with 1968. You will note a strong upward thrust in manufacturing investment, a 10 percent increase over 1957, a decline in petroleum and mining. Manufacturing leads all other industry investment with a 1968 foreign total of $26.3 billion in all areas, while petroleum is in second place with $18.8 billion.

The three charts which show the increases in U.S. private foreign investment bear out a prediction made by Mr. Robert M. Mitchell, vice president of the Whirlpool Corp., in hearings held on the subject of private foreign investment by the Subcommittee on Foreign Trade Policy, December 1958. After Mr. Mitchell's testimony, questions were asked by Congressman John W. Byrnes, as follows:

Mr. BYRNES. As I gather the basis of your concern here, among other things, is the fact that you foresee a necessity as far as American business is con-

cerned to shift from an export business to manufacturing abroad, an investing and going through the manufacturing process abroad; is that right?

Mr. MITCHELL. That is correct, Mr. Byrnes.

Mr. BYRNES. Do you attribute that trend in part to this common market trend, the European Common Market and the proposals for a common market in other area? Is there any other factor that gives rise to that?

Mr. MITCHELL. Basically that is it, Mr. Byrnes. In many of the Latin American countries at the moment for practical purposes it is impossible to export particularly consumer durable goods. There is a rising nationalism in many of these countries, and they are trying to industrialize, and to raise their standard of living. So that American companies, if they are going to have a part of that market at all, must invest in some form or other.

Mr. BYRNES. You don't see a great future then as far as the export of finished commodities from this country. You see that contracting, I gather, and an increase in manufacturing abroad and with foreign labor?

Mr. MITCHELL. I think that is the way it will happen, yes, sir.

Mr. BYRNES. Great emphasis has been put on the fact of the importance of the trade-agreements program and all of the rest of it, and the increase in our exports, and the developing of this freer trade. I gather that you would suggest at least by your testimony that we may be getting into a period where that is going to be reversed?

Mr. MITCHELL. I think that that is quite right, sir.

Mr. BYRNES. That is all.

This prediction of increasing investment abroad and the decrease in the export of finished commodities from this country has come to pass. This increased foreign capacity can only serve to decrease our exports and increase our imports, and since capital is mobile and labor is not, the result has been loss of American jobs and loss to those American industries that do not choose to move or that do not have the capital to make such a move.

Many of these global corporations are showing their concern against any restriction to their access to the U.S. market. They recognize that free access to U.S. markets is in their corporation interest; they want to invest abroad, enjoy the markets and low-wage labor; and they also want to enjoy the U.S. market from abroad, in some cases in direct competition with their domestic operation or other domestic producers of the same product.

As stated by former Assistant Secretary of Commerce William H. Chartener, "Efforts to improve the U.S. foreign trade balance are being hampered by growing competition from U.S. corporate affiliates abroad." (Washington Post, Sept. 26, 1968.)

The time has come for a reevaluation of this expanded investment program in terms of the U.S. economy, employment, outflow of capital, loss of revenue to the United States and effect of imports on U.S. industry and labor.

BALANCE OF TRADE

The table on the following page shows the real figures that must be used to evaluate the U.S. position in trade. Contrary to the widespread opinions and published figures showing trade surplus, to properly figure where we really stand on balance, two considerations must be accounted for: (1) our imports figured on a c.i.f. basis instead of f.o.b., and (2) our exports must exclude U.S. Government subsidies on agricultural exports such as Public Law 480, Food for Peace, et cetera.

(The table referred to follows:)

BALANCE OF TRADE, 1960-69

[In billions of dollars]

	Total exports	Less Government financed exports	Commercial exports	Total imports (f.o.b.)	Estimated imports (c.i.f.)	Overall balance	Commercial balance
	(1)	(2)	(3)=(1)−(2)	(4)	(5)[1]	(6)=(1)−(4)	(7)=(3)−(5)
1969	37.4	2.2	35.2	36.0	39.0	+1.4	−3.8
1968	33.0	2.9	30.1	32.0	34.7	+1.0	−4.6
1967	30.9	2.8	28.1	26.8	29.0	+4.1	−.9
1966	29.4	2.7	26.7	25.6	27.7	+3.8	−1.0
1965	26.7	2.6	24.1	21.4	23.2	+5.3	+.9
1964	25.7	2.8	22.9	18.7	20.3	+7.0	+2.6
1963	22.4	2.6	19.8	17.1	18.5	+5.3	+1.3
1962	21.0	2.1	18.9	16.4	17.7	+4.6	+1.2
1961	20.2	1.7	18.5	14.5	15.5	+5.7	+3.0
1960	19.6	1.6	18.0	14.7	15.7	+4.9	+2.3

[1] Imports including the cost of insurance and freight; derived by adding factor of 8.3 percent to f.o.b. figures.

Source: Survey of Current Business.

Mr. CHESTER. The official valuation of U.S. imports is based on foreign value of the merchandise abroad prior to shipment, and therefore, excluding ocean freight and insurance charges. The major alternative method in use by most other countries is referred to as c.i.f. valuation; to the value of the goods in the country of origin is added the cost of ocean freight and insurance involved in shipment to the importing country. The resulting reported value of imports is thus higher than the foreign value by the amount of ocean freight and insurance.

Government subsidies have a tremendous effect on U.S. trade statistics: To reflect a true figure for calculating a surplus or deficit in trade, subsidies must be considered. In order to find the true figures of our exports that move in commercal competition or for dollar sales, we must know the breakdown of the subsidized products and shipping costs paid for by the U.S. Government. These figures are shown in column 2, page 10 (the table).

The table on page 10 clearly shows that the United States has sustained sizable deficits in the trade account in the last 4 years, 1966–1969, contrary to the published figures misleading the public into believing we have been in surplus for this 4-year period and that we were in far greater surplus position in the years prior to 1966 than we actually were.

Our trade statistics should truly show our position in trade, so that trade policy decisions can be based on accurate figures and not figures that undervalue imports and overvalue exports.

EFFECT ON LABOR OF U.S. TRADE POLICY

All working Americans are affected by U.S. trade policy; our Nation requires maximum employment and healthy industries to maintain a healthy economy, and without a healthy economy our position as a world power and leader of the free world will quickly deteriorate, and just as quickly be replaced by another country less generous than the United States.

The tremendous rise in American investment and transfer of technology abroad, added to rising capacity of foreign firms—with the resulting decrease in exports and increase in imports—eliminates existing jobs and job potential, and reduces domestic industry's capacity to operate at a healthy level and properly share in our country's growth.

Most industries are willing to share in the growth of U.S. markets with the foreign producers, but they are not willing to have this growth completely absorbed by imports or to have present productive capacity and employment displaced by imports.

With 41 percent of direct private foreign investment, or $26.3 billion at the end of 1968, invested in manufacturing abroad, what effect will this have on U.S. imports and displacement of U.S. labor?

Manufactured products incorporate more steps of labor than do raw products. On the following page is a chart with data pertinent to manufactured product. A manufactured product may go through a number of processes and fabrications in each of which additional labor is applied. A raw product goes through a minimum of steps, possibly only one or two exclusive of transportation. Semimanufacturers fall into a halfway slot between raw products and finished manufacturers. Let's look at the trend in manufactured products shown in the following table.

(The table referred to follows:)

DATA PERTINENT TO MANUFACTURED PRODUCTS

[Dollar amounts in billions]

	1960	1969	Average annual rate of growth, 1960–69 (percent)
U.S. exports (f.a.s.)	$12.6	$26.8	8.8
U.S. imports (f.o.b., origin)	$6.9	$23.0	14.9
Manufactured product content of GNP	$140.9	$228.9	5.6
Ratio, exports to domestic product (percent)	8.9	11.7	
Ratio, imports to domestic product (percent)	4.9	10.0	

Source: Derived from data in tables C-9 and C-86, app. C, Annual Report of the Council of Economic Advisers to the President, 1970; U.S. Department of Commerce, Survey of Current Business, February 1970, table 7, p. 9

Mr. CHESTER. As shown by these data, U.S. imports of manufactures are growing at an average annual rate nearly three times that of the growth of manufactured products in the Nation's GNP. Furthermore, the import penetration of manufactured products has doubled during the decade of the sixties while U.S. exports of manufactures increased by less than one-third.

If U.S. imports were valued in accordance with the practice of virtually all other developed countries, on their c.i.f. value, it would be seen that the value of imports in 1969 equaled or exceeded that of U.S. exports. A favorable trade balance of more than $5 billion in manufactured products has been virtually erased during the decade of the sixties.

In our group of seven international unions who represent members in industries that produce labor-intensive products, the displacement of jobs has been tremendous and certainly points out what happens to labor when imports of manufactured products penetrate to the extent

they have in the sixties. Our seven unions are concerned with products that are extremely import sensitive, products such as: TV tubes, pottery, ceramic tile, illuminating and table and art glassware, cement, potash and flat glass. We are not alone in our concern; many other industries and unions are showing their concern.

We submit that for labor-intensive industries to compete with the like product produced in foreign countries, who have our technology and production system, plus a lower wage structure, can only be destructive to our U.S. economy.

How destructive? Let's look at the pottery industry where, since 1954, 21 plants have closed their doors, where employment has dropped from 12,000 workers to 3,600 workers, yet imports have really invaded the domestic market, taking 90 percent of the chinaware and 40 percent of the earthenware markets, where foreign value of chinaware and and earthenware imports in 1954 was $19.2 million and has now reached in 1969 the astounding figure of $93 million—with Japan far in the lead as the source of imports.

That is only one striking example. We have glassware plants who have closed their doors, sheet glass plants, cement plants, ceramic tile plants—with many plants that are still operating working at greatly reduced capacity and many workers laid off. Other industries have been similarly affected, electronics, textiles, shoes, steel, toys, handbags, gloves, and so forth, to the point that a great many international unions are joining together to voice their concern in a united fashion evidenced by conferences such as the recent Industrial Union Department on the developing crisis in international trade, the resolution passed at the AFL–CIO convention in October 1969 on international trade—so the labor movement is seriously concerned about present U.S. trade policy and is advocating changes to meet present day problems.

The U.S. must create an economic climate to strengthen U.S. manufacturing within the U.S., and also strengthen and advance the interests of the American working people.

The worker bears most of the heavy burden of the administration's policy of severe monetary restraint, as well as the impact of rapid technological change. Add to these dual impacts the further impact of excessive imports and U.S. corporations moving overseas, and you have the worker saddled with a burden too heavy to carry and one that will break down our system. Workers have great stakes in their jobs and their communities—skills that are related to the job or industry; seniority and seniority-related benefits; investment in a home, in a neighborhood, schools, church, et cetera, and are considerably less mobile than capital or top management.

This point was made with great clarity by Deputy Undersecretary of Labor George Hildebrand in a speech to the National Foreign Trade Council's Labor Affairs Committee in September, 1969:

> It has often been assumed that high U.S. wages and better working conditions were largely offset by high U.S. productivity and a strong internal market. Increasingly, however, the spread of skills and technology, licensing arrangements and heavy investment in new and efficient facilities in foreign lands have all served to increase foreign productivity without comparable increases in wages. The problem we have is to assure that the social and economic gains of the American worker and the purchasing power that goes with it are not undermined by competitive goods produced and exported on the basis of much lower standards which some may view as an exploitation of human resources.

LEGAL REMEDY

With our balance of trade in deficit for the last 4 years, $10.3 billion, and our trade account tying in directly with our balance of payments account, which is in very serious deficit in excess of $40 billion, we have become a debtor Nation and our creditors mostly in Western Europe have acquired the influence over us in the field of economic policy.

We have a legal remedy open to us as a member of the General Agreement on Tariffs and Trade (GATT), and that is to invoke article XII of the agreement, which authorizes a contracting party to impose restrictions on imports when necessary to prevent a serious decline in its foreign-exchange reserves and maintain equilibrium in its balance of payments.

Members imposing restrictions for balance of payments purposes under the authority of article XII are required to consult with the contracting parties annually. A committee on balance of payments restrictions represents the GATT in these consultations, in accordance with procedures established at the 17th session of the contracting parties. It is also necessary to consult with the International Monetary Fund.

There is an awareness of all other countries of the U.S. balance of payments deficit problem and many of these countries have invoked the GATT Agreement in their balance of payments difficulties. For example, in 1967 the following 10 countries invoked the GATT Agreement: Chile, Finland, India, Indonesia, New Zealand, Pakistan, South Africa, Spain, Tunisia, and Turkey.

The advantage of invoking article XII is that other nations would not have the right to retaliate, particularly in view of the fact that in the past many countries have used the GATT Agreement to restrict U.S. imports on balance of payments grounds, and we have been agreeable to such action.

SUMMARY

The time is past due for action on the question of U.S. economic survival. We must ask the question, Can we survive indefiitely as a strong Nation if we continue dissipating our resources and giving away our wealth to nations all over the world?

The answer is—no. For years the United States has been supplying military and ecoomic assistance to most of the nations in the world, from 1946 through 1969 we have expended a grand total of $182.5 billion. Of this sum, $60.5 billion represents interest we paid on money we have borrowed to give away in this grand scheme.

Moreover, the U.S. public debt exceeds the public debt of all other nations of the world combined by an estimated $57 billion as of December 31, 1968. With the magnitude of our present debt we cannot continue to give away our wealth, nor can we afford the substantial deficits we have been incurring in our international trade account. Not only because we need a surplus in our trade account to help make up for outflows, but with unemployment growing and less puchasing power available, the individual and corporate tax payments to Federal, State, and local governments will be substantially reduced.

Our Nation must have a trade policy geared to maximum employment and healthy industries instead of the present policy geared to

"freer" trade and the foreign policy illusion that we can remake continents.

We should immediately invoke article XII of the GATT, as previously discussed under legal remedy.

We should proceed to regulate U.S. private foreign investment and also repeal Tariff Code 807, to prevent exportation of American jobs.

We should report our imports on a c.i.f. basis and withdraw Government subsidies in reporting exports for a true picture of our trade account.

Moving on the above three priority items together with responsible attention to our public debt and our serious balance of payments deficit could put the United States back in a strong economic position so necessary in our world today.

On behalf of the Stone, Glass and Clay Coordinating Committee, I want to thank you for this opportunity to express our convictions before this committee.

The CHAIRMAN. Are there any others at the table who desire to be heard?

Mr. CHESTER. Yes, they do. Every one has a brief statement, beginning with Mr. Null.

The CHAIRMAN. Mr. Null, you are recognized, sir.

STATEMENT OF LESTER NULL, INTERNATIONAL PRESIDENT, INTERNATIONAL BROTHERHOOD OF OPERATIVE POTTERS

Mr. NULL. Mr. Chairman, my name is Lester H. Null, Sr. I am president of the International Brotherhood of Operative Potters, AFL–CIO, a union which represents the vast majority of the workers in the American pottery industry—or what is left of the American pottery industry.

I appreciate the opportunity to appear before the committee, to testify in support of the Fair International Trade Act, which has been sponsored by some 65 Members of the House of Representatives. I have already submitted to the committee a copy of our full position paper on this matter. In the interests of saving the time of this committee, I would appreciate it if the entire text of my prepared statement be included in the record—and I will limit myself to just a few brief remarks, and then, of course, be available for any questions which the committee might wish to ask.

Mr. Chairman, our industry is in deep trouble. American industries with long and proud histories of supplying the pottery for the consuming public have been forced to go out of business. American craftsmen, also with long and proud histories of producing quality products likewise have been forced out of their jobs. The American producers of the raw materials which go into these products have been forced either to find new markets or to curtail operations.

In other words, we are on a dizzy, downward spiral—one which is adversely affecting the American economy in a variety of ways. Communities are being deprived of the economic base which these industries provide. Federal, State and local governments are being deprived of the taxes which these industries were paying. And the workers who have lost their livelihood have been forced onto unemployment com-

pensation rolls and public assistances rolls, instead of staying on payrolls. They have become tax users, instead of being taxpayers.

This is true for many American industries; it is particularly true for the American pottery industry and the craftsmen it employed—as the figures in our accompanying presentation make clear.

The cause of this decline has been unfettered foreign imports—for we have been forced into direct competition with an overseas industry whose chief, if not only, advantage over the American industry lies in lower wage costs—wage costs which are the byproduct of the wretched standards of living in these countries, which are so far from the standard of living which we take for granted in this country.

Apart from the price differential, our industry—like so many others in the United States—has been the victim of subsidies which foreign governments pay their producers who export goods, and we have been victimized by the barriers to imports which these countries have erected. On the one hand, the United States has been the most open market in the world to imports; on the other hand, our producers have been restricted in their sales of goods because of direct and indirect barriers imposed by other governments.

It is against that backdrop, Mr. Chairman, that we support the Fair International Trade Act, and urge the committee to report favorably on it so that we can get on with the task of saving American industry—and particularly the American pottery industry—while there is still time.

I heard Congressman Buchanan of Alabama say that the foreign country should stamp the names of the country on the manufactured product so that the people in this country could have the opportunity to purchase an American-made product or a foreign-made product. If there is not something done soon, you will not have that opportunity to buy American dinnerware. It is my opinion if something is not done in the near future there will be no such product on the shelves of the stores for the American public to buy.

(Mr. Null's prepared statement follows:)

STATEMENT OF LESTER NULL, INTERNATIONAL PRESIDENT, INTERNATIONAL BROTHERHOOD OF OPERATIVE POTTERS

The International Brotherhood of Operative Potters, AFL–CIO, appreciates this opportunity to present to the Committee on Ways and Means its views concerning the impact which foreign imports have had on the industry which provides the source of our members' livelihoods.

Our union represents practically all of the workers in the American pottery industry—production workers in most of the plants making glazed and unglazed, vitreous and absorbent clay products in the United States. So the economic health of our members and the economic health of this industry go hand in hand—and, unfortunately, we must tell the Committee that our collective health is not good.

For the pottery industry, the history of the past two decades has been a history of decline—declining sales, declining production facilities, declining job opportunities. Just look at the statistics:

Twenty years ago, there were 28 companies affiliated with the U.S. Potters Association. There are only six companies left today.

Twenty years ago, these companies employed 15,000 members of our union. Today they provide jobs for only 5,000 of our members.

In the art and novelty industry, there were 20 American companies in business two decades ago. Today, their ranks have dwindled to only five companies.

The art and novelty industry provided jobs for 3,000 members of our Brotherhood two decades ago. Today these jobs have shrivelled to only 700.

In a 20-year period, the number of man-hours of employment in American plants engaged in the dinnerware field has declined from 25,700,000 to only 6,200,000—so employment opportunities now are only one-quarter what they were.

The output of American plants engaged in this trade has declined, in a 20-year period, from 27,500,000 dozens to only 7,740,000 dozens. Like the number of jobs which this industry offers, the output represents a drop of three-quarters. We emphasize this to show that something other than worker productivity is at the root of the problem.

Let me make it plain that the cause of this sharp decline in the American pottery industry is not the result of any decline in consumer demand. Over a period of some 20 years, American consumption of pottery, cups, plates, saucers, etc., has remained constant—at somewhere close to the 31-million-dozen level each year.

What has happened is that there has been a massive takeover of vital segments of this industry by imports—particularly those from Japan. Business has been booming for foreign operators; it has been nosediving for American operators. In 1947, according to figures of the U.S. Tariff Commission, there were 2 million dozen pieces of dinnerware shipped into the United States. By 1967, the last year for which statistics are available, the figure had soared to 25 million dozens—a 1200 percent increase.

In short, this American industry is fighting for its life—and the members which the Brotherhood represents are fighting for their livelihoods.

The United States can produce pottery as efficiently as any nation. The basic ingredients—clay and fuel—are found the world over, and America has more than its share. The basic know-how has been handed down from father to son for generations—in America as in any other country producing pottery. New processes have been installed to increase labor productivity—in the United States as elsewhere—although this industry, irrespective of the country in which it operates, is one which does not lend itself to a high degree of automation. To the extent that the pottery industry can be made less labor intensive, the industry has moved in this direction and our union has cooperated in these endeavors.

But despite this fact, many segments of the pottery industry have been rendered virtually extinct. And the reason is the direct competition from abroad. American pottery workers enjoy the benefits of the American standard of living—although it should be added that pottery workers are often below the economic levels of their unionized brothers and sisters in other American industries. But even though our members are not enjoying the full benefits of the American economic system, they still stand head and shoulders over their counterparts abroad. And, of course, the ingredients which go into our product cost American manufacturers more than they cost foreign manufactures, because it is an axiom that the relatively higher American standard of living pushes up the cost of everything—raw materials as well as finished products.

When foreign wages are only 15 percent of American wages, as is the case in the pottery industry; and when we can assume that the same ratio holds true with respect to raw materials, transportation, sales, etc., it stands to reason that the foreign producers can beat the brains out of the American producers in the consumer market.

In short, the American pottery industry and the workers it employs are caught in a vise—the vise of low-cost foreign imports, produced at sweatshop wages, which are putting American firms out of business and putting American workers on the unemployment lines.

Our union recognizes that to oppose this glut of foreign imports is to invite the charge that we are "protectionists." But we are not protectionists—at least not in the 19th Century concept of the word. We are realists.

At the end of World War II, the United States embarked on a great program of aid to the war-ravaged countries of the world to help them repair and rebuild. We gave these countries capital goods and consumer goods. Of even greater importance, we shared with them our "know-how"—sending technical exports to help plan and design modern production facilities. We taught them our skills and our methods. We brought them to the United States to observe and learn so that America's fantastic production systems and processes could also become theirs.

All of this aid was extended to both developed and developing nations—to ally, neutral and foe. In addition, we in the American trade union movement stood in the forefront of those who lent their support to the concept of healthy world trade. As the members of this Committee, and the other members of Congress, are aware, we fought for the development of programs to assist trade—not to restrict trade.

We believe in trade; it is necessary to the economic welfare of every nation.

There is no question but that expanded world trade should be our goal. But trade expansion must be based on equity. "Free trade" is a fantasy. Every country of the world regulates, to some extent, its commerce with other nations. No country allows the "theory" of free trade to interfere with the reality of its domestic needs. And the United Staates should be no exception.

Our citizens have shouldered one of the highest tax burdens in the world in order to make it possible for other countries to become our partners in trade. But it must be a partnership in free trade

Trade must be a two-way street. It is unfair, and dangerous, for products of low-wage, foreign-government-assisted corporations to continue to be exported to the United States, while at the same time all kinds of official and unofficial barriers are erected to keep the production of U.S. workmen out of their countries.

This is true for all American industries. It is particularly true for the American pottery industry, which has suffered so extensively at the hands of these cheap foreign imports.

Attached to this report is a list of domestic firms that have ceased production of pottery, art and novelty products, earthenware, table and kitchen articles in the past 20 years. These plants which have disappeared were capable of handling approximately 63 percent of our total domestic consumption.

Many of these plants are located in areas where America needs to be finding ways to stimulate employment—not contributing to already high rates of unemployment.

To the workers in the Ohio River Valley communities, in the West Virginia hills, and the hard-pressed areas of Pennsylvania, the facts are crystal clear: The need once filled by our American workers is now being filled by foreign workers.

It is on their behalf, that the International Brotherhood of Operative Potters expresses its unqualified support for the Fair International Trade Act now pending in the Congress, and expresses its appreciation to the more than 60 members of the House of Representatives who have joined in sponsorship of this legislation.

This legislation would not turn the hands of the clock back to the protectionism of the 19th Century. But it would provide some sensible, reasonable safeguards calculated to preserve the employment opportunities of our members who must live in this expensive 20th Century of ours.

What we are asking for is a ceiling on imports—which would be the effect of the Fair International Trade Act.

What we are asking for is that the industry with which we are associated be permitted to survive—and this could be accomplished through the mechanism of the Fair International Trade Act.

What we are asking is that America not export any more of the jobs of our members because they, too, must survive so that they can continue to make a contribution to the vitality of the American economy.

The International Brotherhood of Operative Potters commends the Ways and Means Committee for the way in which it is tackling this critical problem. We pledge our support for constructive legislation which will achieve the goals we all seek—the assurance that world trade is fair trade, so that it will make possible expanded employment at home and abroad, and so that it will lead to the improvement of living standards and working conditions at home and abroad.

ATTACHMENT TO STATEMENT OF INTERNATIONAL BROTHERHOOD OF OPERATIVE POTTERS PRESENTED TO COMMITTEEE ON WAYS AND MEANS, U.S. HOUSE OF REPRESENTATIVES

FACTORIES THAT HAVE BEEN FORCED OUT OF BUSINESS DUE TO IMPORTS

1950—Warwick China Co., Warwick, W. Va. (250 employees); Grindley Artware, Sebring, Ohio (220 employees).

1951—Carr China Co., Grafton, W. Va. (250 employees).

1954—Continental Kilns, Chester, W. Va. (250 employees); Green Artware, Sebring, Ohio (140 employees); Cronin China Co., Minerva, Ohio (400 employees); Spaulding China Co., Sebring, Ohio (400 employees).

1955—Weil of California, Los Angeles, Calif. (160 employees); Crown Potteries Co., Evanston, Ill. (320 employees).
1956—Paden City Pottery Co., Paden City, W. Va. (1,000 employees); American Limoges China Co., Sebring, Ohio (600 employees); Southern Potteries Co., Erwin, Tenn. (950 employees).
1957—Santa Anita Potteries, Los Angeles, Calif. (190 employees); Hollydale Pottery, Hollydale, Calif. (170 employees).
1958—Vernon Kilns, Los Angeles, Calif. (230 employees); Crooksville China Co., Crooksville, Ohio (300 employees); Pope-Gosser China Co., Coshocton, Ohio (190 employees).
1959—Steubenville Pottery Co., Steubenville, Ohio (250 employees).
1960—Universal Potteries, Inc., Cambridge, Ohio (1,200 employees).
1961—W. S. George Pottery Co., East Palestine, Ohio (480 employees); Stanford Art Pottery, Sebring, Ohio (160 employees).
1962—Edwin S. Knowles China Co., Newell, W. Va. (800 employees).
1964—French Saxon China Co., Sebring, Ohio (380 employees).
1965—Watt Pottery, Crooksville, Ohio (147 employees).
1966—Stetson China Co., Lincoln, Illinois (1,000 employees).
1967—Salem China Company, Salem, Ohio (500 employees); Red Wing Pottery, Red Wing, Minn. (135 employees).

The CHAIRMAN. Mr. Chester.

Mr. CHESTER. Mr. Reiser is next.

STATEMENT OF RALPH REISER, INTERNATIONAL PRESIDENT, UNITED GLASS & CERAMIC WORKERS OF NORTH AMERICA

Mr. REISER. Mr. Chairman, my name is Ralph Reiser, international president of the Glass & Ceramic Workers.

The CHAIRMAN. Glad to have you, sir. You are recognized.

Mr. REISER. Thank you, sir. I, too, will make my remarks brief and have a prepared statement. I would like to make a general observation at the beginning. You have been pretty well briefed on the flat glass problem. I will address most of my remarks to the ceramic or floor and wall tile. I would like to make the first observation and report to you gentlemen that our members are frustrated and bewildered that something like this could happen to their jobs.

We keep them pretty well briefed on what is going on, and they just can't visualize or absorb that something like this that happened to the glass workers could happen to them. We, too, are an old industry, old union. We originally belonged to the Knights of Labor, Local Assembly 300. So it has been a generation cycle. Now this has come up, and not only losing the jobs but also breaking that cycle. We are exposed, not only to tariffs, but the recent treaty with Canada on automotive production. We get the full brunt of that also.

Although we were proud of Apollo's achievement and landing on the moon, I think their report was that most of the material on the moon is glass. And I am sure that when the first payload ever comes from the moon it will contain a glass product. That seems to be our history.

Under the Trade Expansion Act of 1962, it has been considered impossible to get a favorable ruling from the U.S. Tariff Commission in an escape clause action. An industry and its workers must prove (1) that imports have been the major cause of serious injury, and (2) that the increase in imports was caused in major part from reductions in U.S. tariffs. As can be readily seen, imports are only one of many factors which may adversely affect an industry, and

there may be other considerations than reductions in U.S. tariffs which result in increased imports.

Nevertheless, domestic manufacturers and the United Glass and Ceramic Workers of North America, AFL–CIO–CLC, initiated an escape clause action which was heard by the U.S. Tariff Commission in October 1969. The facts with respect to sheet glass were presented in great detail, at which this brief report can only hint. Increases in imports following reductions in U.S. tariffs established the casual relationship. The relationship of increased imports to the decline of the domestic industry was painstakingly documented.

Five Commissioners treated sheet glass as a separate case, and wrote opinions accordingly. A sixth Commissioner lumped four cases—one involving plate and float glass, another involving patterned glass, another involving tempered glass, and another involving sheet glass—together and wrote an opinion as if all four were a single case.

Of the five who properly treated sheet glass as a separate case, three Commissioners—a majority—found that the industry was being injured in major part by imports and that increased imports were the result in major part by tariff reductions. The "impossible" had been accomplished. The recommendation of the majority was that sheet glass import duties should be raised to their 1930 level.

The findings of the Tariff Commission were then studied by the Office of the Special Representative for Trade Negotiations with participation by representatives of the State, Defense, Labor, and Commerce Departments. While the full substance of their comments is not known, it is known that the State Department recommended that the remaining duty increases granted by President Kennedy in 1962 and partially reduced by President Johnson in 1967 be removed. (State's recommendation ignored the finding of all six Tariff Commissioners who stated that a reduction of existing duties would be an immediate disaster to the domestic sheet glass duties.)

Congressmen from all affected States—Pennsylvania, Ohio, West Virginia, Missouri, Louisiana, Oklahoma, and California—appealed to the President for favorable action. The entire delegations of Pennsylvania and West Virginia signed joint letters. Senator, Scott Randolph, Baker, and Bellmon went personally to the Whie House in a group.

The net result was that the President agreed to continue the present rates of import duty on sheet glass for 2 years "to give the industry time to prove injury." The loss of one-third of the domestic market, the idling of facilities and the loss of 2,800 jobs out of 8,200 is not proof of injury? The continuation of present rates of duty is meaningless. It is under these rates of duty that the sheet glass industry has been brought to the brink of disaster.

The President also decreed that the firms and workers injured may apply for "adjustment assistance." This sounded very magnanimous in the press, but on examination the benefits amount to very little as far as sheet glass workers are concerned.

If a group of applying workers is certified by the Department of Labor they may become eligible for 65 percent of their base pay—or 65 percent of the national manufacturing average—whichever is

less. These payments continue for a year while they are being "retrained" to do work thought to be less vulnerable to import competition.

Since sheet glass workers' base pay is 37 percent higher than the national average of manufacturing, they will receive adjustment assistance payments amounting to 48 percent of the base pay they earned while working.

Also, since sheet glass jobs have been eroding over the 15 years, there have been no new hires for a long time. The average age of the work force is abnormally high. These are not men who will take readily to retraining. Many sheet glass factories are in small cities—Arnold, Pa.; Jeannette, Pa.; Clarksburg, W. Va.; Henrietta and Okmulgee, Okla.; and Mt. Vernon, Ohio. As well paid, substantial citizens, these men own comfortable homes. In such cities, there is limited job opportunity in other industries. If a retrained man must move to another city, he stands to lose a substantial part of the investment in his home when he tries to sell it in the face of shrinking industrial employment. Also, this middle-aged man loses all of his accumulated seniority and must start all over again on a job where, as the last man hired, he is the first to be laid off.

"Adjustment assistance," on which the administration prefers to rely rather than any form of import controls, is a high-sounding name to apply to the bucket of worms that a displaced worker actually gets.

Free traders argue that the U.S. jobs are displaced by imports only in labor-intensive industries where wage rates are low and jobs, therefore, are least desirable. This is not the case with flat glass. Flat glass manufacture is capital investment-intensive as well as labor-intensive. Capital investment employed in the flat glass industry is nearly twice that of the average of 500 largest U.S. companies, $27,000 for glass compared to the 500 average of $14,000. Nor is sheet glass manufacture a low-wage industry. It stands at the very top of the U.S. wage rate pyramid.

(The prepared statement referred to follows:)

STATEMENT OF RALPH REISER, INTERNATIONAL PRESIDENT, UNITED GLASS AND CERAMIC WORKERS OF NORTH AMERICA, AFL-CIO

SHEET GLASS

No long-term growth or decline in the U.S. consumption of sheet glass is evident from the figures. In 1955, 1,815 million pounds were used, and, in 1968, 1,945 million pounds. During the period, consumption rose as high as 2,080 pounds (1959) and fell as low as 1,416 million pounds (1958). This is a mature industry and the amount of glass used is a function of population and disposable income.

In 1955, 1 out of 8 pounds of sheet glass used in the U.S. was foreign-made. In 1968, 1 out of every 3 pounds. As imports have increased in the face of relatively stable consumption, shipments of U.S. producers have necessarily fallen.

By 1961, as a result of reductions in U.S. tariffs on imported sheet glass, the foreign sheet glass share of the U.S. market had risen from 12.6% to 22.8%. Kennedy raised the import duties on sheet glass in 1962 and while imports did not decline from their 1961 level, neither did they increase. In the years following Kennedy's action the import share of U.S. consumption was 20.6%, 23.8%, 21.8%, 25.2%. In January 1967, Johnson reduced sheet glass tariffs from the level established by Kennedy. Imports again rose to 27.1% in 1967 and 32.3% in 1968.

In 1955, there were 8,237 production workers employed in sheet glass manufacture. By 1968, this number had fallen to 5,923. Not all of this loss of 2,314 jobs is attributable to imports. Obviously there was some improvement in productivity per man-hour, and the production of a given amount of glass would require fewer workers in 1968 than in 1955. (In 1955, according to consolidated figures, one man-hour produced 95.8 pounds of sheet glass. In 1968, 110.9 pounds.)

The number of man-hours displaced by imports is properly calculated on the number of man-hours it would have taken *in that year* for U.S. workers to produce the pounds of glass imported in that year.

In 1955, it would have taken 2,402,000 man-hours to have made the 231,000,000 pounds of glass that were imported. At 2,000 hours per year per employee, that means that 1,000 men had lost their jobs to imports.

In 1968, it would have taken 5,589,000 man-hours to have made the 629,000,000 pounds of glass that were imported. At 2,000 hours per year, a total of 2,799 men had lost their jobs to imports—1,799 more than in 1955.

Price of foreign sheet glass, delivered to customers in the U.S., has enabled foreign manufacturers to take business away from domestic producers. Even with wharfage and handling costs at ports of origin and entry, ocean freight, insurance, customs clearance, U.S. inland freight and applicable import duties added to the foreign value, quotations on foreign glass for many years have been 12% to 20% below prices of domestic glass. This is a sufficient price advantage to get orders. When domestic manufacturers have raised prices, foreigners have follows, always maintaining the same relative prices, however. When domestic manufacturers have lowered prices, foreigners have been able to lower their prices, again maintaining their same percent of advantage.

The reason foreigners can undersell American producers is simple. Wherever sheet glass is made in the world, it is made on similar machines. No meaningful advantage in productivity, due to superior machines and processes, is therefore possible to maintain. Under those circumstances, it is plain that differences in wage rates per hour closely approximate differences in the wage costs of producing sheet glass.

Sheet glass is a labor intensive product. In the U.S., wage payments to production workers amount to 40% of the total manufacturing cost of the product—the raw materials used (sand, limestone and soda ash) being low cost, as they are throughout the world. Sheet glass wages per hour in the U.S. are 3 to 7 times foreign wages. Since wage costs are 40% of total sheet glass manufacturing costs in the U.S., and since productivity is comparable, a company paying one-third the U.S. wage rate has a cost advantage of ⅔ x 40% or 27%. In other words, if the U.S. cost per unit is $1.00, and a mark-up of 25% is added, the U.S. selling price is $1.25. But at one-third the U.S. wage, the foreign price, *adding the same 25% mark-up*, would be 73¢ plus 15¢ or 88¢. By the same token, a company paying one-seventh of the U.S. wage could sell at 805 and still have the same mark-up on costs. At present low import duties, less than 5¢ will cover tariff, port handling and all other costs to deliver the product to the U.S. customer. Obviously, in either case, the foreigner can sell profitably at a price *well below*.

U.S. MANUFACTURING COSTS

The validity of the foreign cost advantage has been amply demonstrated. In an effort to defend its domestic market, the U.S. sheet glass industry has tried to compete price-wise. No matter how low U.S. price quotations have been, foreign prices have maintained their 12% to 20% advantage—margin enough to get the business. Because of this price competition, the margin of pre-tax profit on sales of the U.S. industry has dropped from an average of 12.2% in the 1955–1961 period to 3.1% in 1967–68. With imports taking a larger and larger share of the U.S. sheet glass business, costs increase in domestic plants as production decreases. One factory at Arnold, Pa., has closed down completely with the loss of 600 jobs. Every remaining factory has substantial idle capacity and a long list of laid-off workers.

Free traders argue that U.S. jobs are displaced by imports only in labor-intensive industries where wage rates are low and jobs therefore least desirable. This is not the case with glass. Flat glass manufacture is capital-intensive as well as labor intensive. Libbey-Owens-Ford's capital investment per employee, for example, is nearly twice that of the average of the 500 largest U.S. companies ($27,000 for L–O–F compared to the 500's average of $14,000). Nor is

sheet glass manufacture a low-wage industry. It stands at the very top of the U.S. wage rate pyramid.

Under the Trade Expansion Act of 1962, it has been considered impossible to get a favorable ruling from the U.S. Tariff Commission in an Escape Clause Action. An industry and its workers must prove 1) that imports have been the major cause of serious injury, and 2) that the increase in imports was caused in major part from reductions in U.S. tariffs. As can be readily seen, imports are only one of many factors which may adversely affect an industry, and there may be other considerations than reductions in U.S. tariffs which result in increased imports.

Nevertheless, domestic manufacturers and the United Glass and Ceramic Workers of North America, AFL–CIO–CLC, initiated an Escape Clause action which was heard by the U.S. Tariff Commission in October, 1969. The facts with respect to sheet glass were presented in great detail, at which this brief report can only hint. Increases in imports following reductions in U.S. tariffs established the causal relationship. The relationship of increased imports to the decline of the domestic industry was painstakingly documented.

Five Commissioners treated sheet glass as a separate case, and wrote opinions accordingly. A sixth Commissioner lumped four cases—one involving plate and float glass, another involving patterned glass, another involving tempered glass, and another involving sheet glass—together and wrote an opinion as if all four were a single case.

Of the five who properly treated sheet glass as a separate case, three Commissioners—a majority—found that the industry was being injured in major part by imports and that increased imports were the result in major part by tariff reductions. The "impossible" had been accomplished. The recommendation of the majority was that sheet glass import duties should be raised to their 1930 level.

The findings of the Tariff Commission were then studied by the Office of the Special Representative for Trade Negotiations with participation by representatives of the State, Defense, Labor and Commerce Departments. While the full substance of their comments is not known, it is known that the State Department recommended that the remaining duty increases granted by President Kennedy in 1962 and partially reduced by President Johnson in 1967 be removed. (State's recommendation ignored the finding of all six Tariff Commissioners who stated that a reduction of existing duties would be an immediate disaster to the domestic sheet glass duties.)

Congressmen from all affected states—Pennsylvania, Ohio, West Virginia, Missouri, Louisiana, Oklahoma and California—appealed to the President for favorable action. The entire delegations of Pennsylvania and West Virginia signed joint letters. Senators Scott, Randolph, Baker and Bellmon went personally to the White House in a group.

The net result was that the President agreed to continue the present rates of import duty on sheet glass for two years "to give the industry time to prove injury."(!) The loss of one-third of the domestic market, the idling of facilities and the loss of 2,800 jobs out of 8,200 is not proof of injury? The continuation of present rates of duty is meaningless. It is under these rates of duty that the sheet glass industry has been brought to the brink of disaster.

The President also decreed that the firms and workers injured may apply for "adjustment assistance." This sounded very magnanimous in the press, but on examination the benefits amount to very little as far as sheet glass workers are concerned.

If a group of applying workers is certified by the Department of Labor they may become eligible for 65% of their base pay—or 65% of the national manufacturing average—whichever is less. These payments continue for a year while they are being "retrained" to do work thought to be less vulnerable to import competition.

Since sheet glass workers' base pay is 37% higher than the national average of manufacturing, they will receive adjustment assistance payments amounting to 48% of the base pay they earned while working.

Also, since sheet glass jobs have been eroding over the past 15 years, there have been no new hires for a long time. The average age of the work force is abnormally high. These are not men who will take readily to retraining. Many sheet glass factories are in small cities—Arnold, Pa., Jeannette, Pa., Clarksburg, W. Va., Henrietta and Okmulgee, Okla., and Mt. Vernon, Ohio. As well-paid,

substantial citizens, these men own comfortable homes. In such cities, there is limited job opportunity in other industries. If a "retrained" man must move to another city, he stands to lose a substantial part of the investment in his home when he tries to sell it in the face of shrinking industrial employment. Also, this middle-aged man loses all of his accumulated seniority and must start all over again a job where, as the last man hired, he is the first to be laid off.

"Adjustment assistance", on which the Administration prefers to rely rather than any form of import controls, is a high-sounding name to apply to the bucket of worms that a displaced worker actually gets.

IMPACT OF IMPORT COMPETITION

I would like to bring to the attention of this committee an outstanding example of the Crisis in International Trade. It concerns a small industry which now stands severely injured because of the most intensive import competition you could possibly imagine.

The ceramic tile industry, composed of small manufacturers distributed across the United States, has faced two contradictory trends in the postwar years.

On the one hand, the demand for ceramic tile (floor and wall tile) has grown at a much faster rate than the demand for U.S. products generally. On the other hand, the industry's firms and workers have been denied the new markets they have built. Altogether, imports have absorbed 37 percent of the U.S. market for ceramic tile.

The consequences have been the severe erosion of profits, the closing of plants, and the loss of jobs. The companies that have been able to keep their plants open have been denied the opportunity to grow with the rest of the economy. Our workers and our union have suffered badly.

The tragic feature of the industry's demise is that, following a series of substantial duty cuts in U.S. trade negotiations, the industry's decline has been accelerated by grossly unfair methods of competition used by foreign firms when selling here. Furthermore, the United States government has been an unwitting accomplice. First, our international trade enforcement agencies have been generally ineffective in dealing with unfair trade practices of foreign firms. Second, U.S. monetary policies have killed housing construction these past few years. The combined effect has helped foreign firms to capture an increasing share of a badly shaken market. The United Glass and Ceramic Workers of North America, then, are the victims of government policies and agencies incapable of coping with the developing crisis in international trade and incapable of fighting inflation without destroying the U.S. construction industry and its key supplier industries.

I want to give some background on the industry. I want to stress that, unlike many other industries affected by severe import competition, this industry does not serve a declining market in a long-term sense.

The rate of growth in the market for ceramic tile in the United States since World War II has been far greater than that of commercial and residential building construction. Up to the collapse in building a few years ago, for example, residential construction, as measured by housing starts, increased 43 percent between the two five-year periods 1947–1951 and 1959–1963. During this time, however, ceramic wall tile consumption increased 184 percent, or four times as much.

The consumer has not failed to benefit from continuing reductions in the final installed cost of tile. The U.S. industry has made this cost its primary concern. Major technical advances in installation methods and development of new tile uses were achieved by the Tile Council of America, an industry association. Their development of a new dry-set mortar alone cut in half the installation cost of wall tile despite substantial wage gains made by the tile setter unions.

Another significant fact is that the United States ceramic tile industry—firms, unions, and workers—working together have increased productivity faster than the average for U.S. manufacturing firms. For example, in the period from 1959 to 1963, output per manhour in the industry rose about two and one half times faster than for all United States manufacturing.

The ceramic tile industry is, therefore, in every sense, dynamic. The manufacturers, while small, have allotted an unusually large proportion of their sales revenue to new machinery for productivity improvements, product development, and sales promotion—with important gains accruing to customers. The union

has been constructive in its approach and has cooperated to achieve improvements in manufacturing efficiency.

Despite all the progress made by manufactures and workers to increase manufacturing efficiency, build markets, and lower costs to consumers, imports have taken over substantially all the new demand in the United States in recent years. They virtually dominate the U.S. market. For example, imports of ceramic tile now account for some 37 percent of the entire United States market. Of the two major parts of the market, there is wall tile, where imports rose from virtually zero in 1947 to about 30 percent in 1969. The trend is duplicating that of floor tile, where imports now account for 70 percent of the United States market.

Labor has borne the brunt of the avalanche of imports. A decade ago, there were more than 12,000 production workers in the domestic industry. Now, there are fewer than 7,000, despite the fact that the use of tile has more than doubled. We calculate that, even after taking productivity improvements into account, tile imports have caused a loss of 9,000 jobs—5,000 actual and 4,000 potential jobs.

The principal initial force responsible for the title industry's decline was the continuing series of duty cuts, particularly those since World War II. These duty cuts allowed foreign firms to penetrate the U.S. market, underbid U.S. producers, and seize most of the market growth which U.S. firms generated following World War II through their market building programs. Between 1949 and 1963, for example, duty cuts accounted for 57 percent of the decline in the price of imported wall tile. Consequently, these imports were able to capture 31 percent of the market growth. The same is true of ceramic mosaic or floor tile. The U.S. industry, badly weakened, was a ripe target for foreign firms bent on capturing the growing U.S. market at all costs.

Methods employed by foreign producers, according to the U.S. industry, have included the use of unfair methods of competition when selling ceramic tile here. Consider these actions by foreign firms:

(1) They have dumped large quantities of ceramic wall tile in the United States.

(2) They have falsely applied United States Government standard grade labels to cartons of tile which cannot meet these specifications.

(3) They have misrepresented the country of origin of their products.

(4) They have imitated and misappropriated trademarks and trade names of United States producers.

(5) They have offered secret rebates or kickbacks and have falsified official U.S. customs' invoices.

Consider now the effects of just one of these unfair business practices, dumping. In 1967, the United Kingdom's manufacturers shipped 8.4 million square feet of tile to the United States. About that time, spurred on by devaluation, they started dumping large quantities of tile into our declining construction markets. Selling here at from 25 to 35 percent below U.K. home market prices, they were able to increase sales to about 20 million square feet by 1969. This increase in imports of 11.6 million square feet represents a loss of about 350 jobs in only two years. Here, then, is a foreign industry with two main producers. They are organized into a registered cartel which sets both domestic and export prices. Competition between them has been eliminated. This cartel chose to zero in on the U.S. market by dumping and, before we knew it, hundreds of jobs were destroyed. When our industry went to the United Kingdom to inquire about this cartel and its operations in the U.S., they got the same answer our government has gotten from the Board of Trade—"It's none of your business".

It is no wonder that we of the United Glass and Ceramic Workers of North America believe there is a Crisis in International Trade which demands the immediate attention of the Administration.

WHAT WE CAN DO

The United Glass and Ceramics Workers of North America believe it is time for action. When imports reach some critical level—say one third of the U.S. market—the government should declare a moratorium and take time to discover why. Nothing is lost by allowing time for intelligent investigation. No foreign industry has any inalienable right to simply plow ahead and destroy jobs and firms, particularly if unfair methods of competition are used.

Second, the government must work out a method of fighting inflation without

throwing most of the burden on industries supplying the construction trades. There is a Joint Resolution being proposed to Congress on this issue which merits your support. It carries the designation, House Concurrent Resolution 371 and Senate Concurrent Resolution 41. The purpose is to express the sense of Congress that, in view of the impact of current monetary restrictions upon U.S. industries whose products are used principally in residential and commercial construction, the executive branch should take action to reduce imports of the same or similar products from other countries. Steps should be taken under the Trade Expansion Act or other authority to negotiate trade agreements or voluntary quota arrangements reducing imports to such levels as may be necessary to preserve intact U.S. manufacturing facilities until the current monetary emergency is over. Mr. Patman, Chairman of the Joint Economic Committee, has said, "It is not the intention of the resolution to exempt the ceramic tile industry, or any other industry dependent upon housing, from the anti-inflationary moves of Government. Its only purpose is to assure that, in a market curtailed by governmental action, imports of the same commodities should be reduced to a level that will assure the continued existence of U.S. facilities in the period of contraction."

Altogether, there is a Crisis in International Trade. Capital can move—particularly overseas—and it frequently has. But workers and communities remain to bear the brunt of import competition. Such competition is frequently grossly unfair—competition which foreign governments would not tolerate. But, our government does tolerate such competition, or it has proven incapable of dealing with it in an integrated manner. This is the tragic aspect of current industrial life, and it is why this Conference is so timely.

Mr. REISER. Now I will go to the other end of the spectrum. We also represent the floor and wall tile, which is a low-paid industry.

I would like to bring to the attention of this committee an outstanding example of the crisis in international trade. It concerns a small industry which now stands severely injured because of the most intensive import competition you could possibly imagine.

The ceramic tile industry, composed of small manufacturers distributed across the United States, has faced two extraordinary trends in the postwar years.

On the one hand, the demand for ceramic tile (floor and wall tile) has grown at a much faster rate than the demand for U.S. products generally. On the other hand, the industry's firms and workers have been denied the new markets they have built. Altogether, imports have absorbed 37 percent of the U.S. market for ceramic tile.

The consequences have been the severe erosion of profits, the closing of plants, and the loss of jobs. The companies that have been able to keep their plants open have been denied the opportunity to grow with the rest of the economy. Our workers and our union have suffered badly.

The tragic feature of the industry's demise is that, following a series of substantial duty cuts in U.S. trade negotiatons, the industry's decline has been accelerated by grossly unfair methods of competition used by foreign firms when selling here. Furthermore, the U.S. Government has been an unwitting accomplice. First, our international trade enforcement agencies have been generally ineffective in dealing with unfair trade practices of foreign firms. Second, U.S. monetary policies have killed housing construction these past few years. The combined effect has helped foreign firms to capture an increasing share of a badly shaken market. The United Glass and Ceramic Workers of North America, then, are the victims of Government policies and agencies incapable of coping with the developing crisis in international trade and incapable of fighting inflation without destroying the U.S. construction industry and its key supplier industries.

I want to give some background on the industry. I want to stress that, unlike many other industries affected by severe import competition, this industry does not serve a declining market in a long-term sense.

The rate of growth in the market for ceramic tile in the United States since World War II has been far greater than that of commercial and residential building construction. Up to the collapse in building a few years ago, for example, residential construction, as measured by housing starts, increased 43 percent between the two 5-year periods—1947–51 and 1959–63. During this time, however, ceramic wall tile consumption increased 184 percent, or four times as much.

The consumer has not failed to benefit from continuing reductions in the final installed cost of tile. The U.S. industry has made this cost its primary concern. Major technical advances in installation methods and development of new tile uses were achieved by the Tile Council of America, an industry association. Their development of a new dry-set mortar alone cut in half the installation cost of wall tile despite substantial wage gains made by the tilesetter unions.

Another significant fact is that the U.S. ceramic tile industry—firms, unions, and workers—working together have increased productivity faster than the average for U.S. manufacturing firms. For example, in the period from 1959 to 1963, output per manhour in the industry rose about 2½ times faster than for all U.S. manufacturing.

The ceramic tile industry is, therefore, in every sense, dynamic. The manufacturers, while small, have allotted an unusually large proportion of their sales revenue to new machinery for productivity improvements, product development, and sales promotion—with important gains accruing to customers. The union has been constructive in its approach and has cooperated to achieve improvements in manufacturing efficiency.

Despite all the progress made by manufacturers and workers to increase manufacturing efficiency, build markets, and lower costs to consumers, imports have taken over substantially all the new demand in the United States in recent years. They virtually dominate the U.S. market. For example, imports of ceramic tile now account for some 37 percent of the entire U.S. market. Of the two major parts of the market, there is wall tile, where imports rose from virtually zero in 1947 to about 30 percent in 1969. The trend is duplicating that of floor tile, where imports now account for 70 percent of the U.S. market.

Labor has borne the brunt of the avalanche of imports. A decade ago, there were more than 12,000 production workers in the domestic industry. Now, there are fewer than 7,000, despite the fact that the use of tile has more than doubled. We calculate that, even after taking productivity improvements into account, tile imports have caused a loss of 9,000 jobs—5,000 actual and 4,000 potential jobs.

The principal initial force responsible for the tile industry's decline was the continuing series of duty cuts, particularly those since World War II. These duty cuts allowed foreign firms to penetrate the U.S. market, underbid U.S. producers, and seize most of the market growth which U.S. firms generated following World War II through their market building programs. Between 1949 and 1963, for example, duty cuts accounted for 57 percent of the decline in the price of im-

ported wall tile. Consequently, these imports were able to capture 31 percent of the market growth. The same is true of ceramic mosaic or floor tile. The U.S. industry, badly weakened, was a ripe target for foreign firms bent on capturing the growing U.S. market at all costs.

Methods employed by foreign producers, according to the U.S. industry, have included the use of unfair methods of competition when selling ceramic tile here. Consider these actions by foreign firms.

(1) They have dumped large quantities of ceramic wall tile in the United States.

(2) They have falsely applied U.S. Government standard grade labels to cartons of tile which cannot meet these specifications.

(3) They have misrepresented the country of origin of their products.

(4) They have imitated and misappropriated trademarks and trade names of U.S. producers.

(5) They have offered secret rebates or kickbacks and have falsified official U.S. customs' invoices.

Consider now the effects of just one of these unfair business practices, dumping. In 1967, the United Kingdom's manufacturers shipped 8.4 million square feet of tile to the United States. About that time, spurred on by devaluation, they started dumping large quantities of tile into our declining construction markets. Selling here at from 25 to 35 percent below United Kingdom home market prices, they were able to increase sales to about 20 million square feet by 1969. This increase in imports of 11.6 million square feet represents a loss of about 350 jobs in only 2 years. Here, then, is a foreign industry with two main producers. They are organized into a registered cartel which sets both domestic and export prices. Competition between them has been eliminated. This cartel chose to zero in on the U.S. market by dumping and, before we knew it, hundreds of jobs were destroyed. When our industry went to the United Kingdom to inquire about this cartel and its operations in the United States, they got the same answer our Government has gotten from the board of trade—"It's none of your business."

It is no wonder that we of the United Glass and Ceramic Workers of North America believe there is a crisis in international trade which demands the immediate attention of the administration.

WHAT WE CAN DO

The United Glass and Ceramics Workers of North America believe it is time for action. When imports reach some critical level—say, one-third of the U.S. market—the Government should declare a moratorium and take time to discover why. Nothing is lost by allowing time for intelligent investigation. No foreign industry has any inalienable right to simply plow ahead and destroy jobs and firms, particularly if unfair methods of competition are used.

Second, the Government must work out a method of fighting inflation without throwing most of the burden on industries supplying the construction trades. There is a joint resolution being proposed to Congress on this issue which merits your support. It carries the designation, House Concurrent Resolution 371 and Senate Concurrent Resolution 41. The purpose is to express the sense of Congress that,

in view of the impact of current monetary restrictions upon U.S. industries whose products are used principally in residential and commercial construction, the executive branch should take action to reduce imports of the same or similar products from other countries. Steps should be taken under the Trade Expansion Act or other authority to negotiate trade agreements or voluntary quota arrangements reducing imports to such levels as may be necessary to preserve intact U.S. manufacturing facilities until the current monetary emergency is over.

Mr. Patman, chairman of the Joint Economic Committee, has said:

> It is not the intention of the resolution to exempt the ceramic tile industry, or any other industry dependent upon housing, from the anti-inflationary moves of Government. Its only purpose is to assure that, in a market curtailed by governmental actions, imports of the same commodities should be reduced to a level that will assure the continued existence of U.S. facilities in the period of contraction.

Altogether, there is a crisis in international trade. Capital can move—particularly overseas—and it frequently has. But, workers and communities remain to bear the brunt of import competition. Such competition is frequently grossly unfair—competition which foreign governments would not tolerate. But, our Government does tolerate such competition, or it has proven incapable of dealing with it in an integrated manner. This is the tragic aspect of current industrial life, and it is why this Conference is so timely.

Thank you, Mr. Chairman, and members, for your time.

The CHAIRMAN. Mr. Chester.

Mr. CHESTER. We have Mr. Cornett with a brief statement.

The CHAIRMAN. You are recognized, sir.

STATEMENT OF HOLLAN CORNETT, INTERNATIONAL VICE PRESIDENT, UNITED STONE AND ALLIED PRODUCTS WORKERS OF AMERICA, AFL–CIO/CLC

Mr. CORNETT. Mr. Chairman, members of the House Ways and Means Committee, I am Hollan Cornett, international vice president of the United Stone and Allied Products Workers of America, AFL–CIO/CLC.

Our union is one of the seven combined international unions to make up the Stone, Clay, and Glass Coordinating Committee. Combined, we represent a membership of some 250,000 workers. All seven of our international unions are being affected by the present U.S. trade policy, as our members' jobs are being exported to other countries, leaving the U.S. citizens, whom we represent, with no means to earn a living, except unemployment compensation or public welfare.

One of the most glaring examples of this is what has happened and is continuing to happen to the domestic potash industry.

Gentlemen, potash is one of the three primary plant-food elements for which there is no substitute. Without this basic ingredient, the U.S. farmer cannot produce sufficiently to feed our growing population, which is estimated to be 300 million persons by the year 2000.

For several years now, over 90 percent of the U.S. domestic potash production has been concentrated in Carlsbad, N. Mex., among seven producing companies, with a small amount being produced at Trona, Calif., and one operating mine at Moab, Utah.

Prior to World War I, we, the United States, were wholly dependent upon foreign sources for our potash. When the war came, these sources were cutoff and the United States had to pay a dear price for this basic element. Prices soared to over $200 per ton.

Our Federal Government spent several million dollars during and after World War I, to find other or domestic sources of potash.

In 1931, the first domestic potash was shipped from Carlsbad, N. Mex. At the start of World War II, we had three operating companies producing potash in Carlsbad, N. Mex. When imports were cut off during World War II, the American producers were able to expand their mines and refineries to meet our domestic needs. During the postwar period, other companies started producing in the Carlsbad area. As the U.S. market grew, the domestic production grew to a point where, in 1965, we had a total of seven producing mines and refineries in the Carlsbad, N. Mex., area.

Also, in 1963, the Texas Gulf Sulphur Corp. opened a potash mine in Moab, Utah, which employed some 400 workers.

During the calendar year of 1966, employment in the Carlsbad potash industry hit the alltime high of 3,952 employees.

Then, in late 1966, our domestic producers found their domestic market being taken over by imports from Canada, West Germany, and France.

Four of the same companies who were producing potash in the Carlsbad area opened mines in Saskatchewan, Canada. Several other companies were either in production or had mines under construction in the Saskatchewan ore body. Today, there are eight companies in production in Saskatchewan, and two additional mines are under construction.

In 1967, the domestic producers, due to the foreign imports taking over their markets, were forced to curtail their production and lay off workers.

In July 1967, International Minerals and Chemical Corp., cut their New Mexico production by 50 percent and laid off some 385 employees.

In November 1967, U.S. Borax closed down their Carlsbad, N. Mex., operation completely and laid off 850 employees. They opened a mine in Saskatchewan, Canada, and are now supplying their domestic customers with potash produced from foreign soil.

Every company who produces potash in the United States has had to reduce their work force and curtail their production.

Today, there are less than 2,500 workers working in the potash industry in Carlsbad, N. Mex.

The Texas Gulf Sulphur Co., is either closing or has closed their mine in Moab, Utah. This puts another 400 workers out of a job.

In 1967, the U.S. Treasury Department was requested to investigate possible violations of the Anti-Dumping Act of 1921. After much prodding and urging by Senators Montoya and Anderson, of New Mexico, the Treasury Department found that there had been dumping by the Canadian, West German, and French producers.

A hearing was held during the week of October 6, 1969, by the U.S. Tariff Commission. The Tariff Commission issued a favorable ruling and determined that the New Mexico potash industry was

being injured and was likely to be injured and assessed special dumping duties on the products from Canada, West Germany, and France, that had been sold on the U.S. market at less than fair market value.

This did, of course, give the New Mexico potash industry some relief.

However, it took over 2 years to implement the machinery to enforce the present Anti-Dumping Act. This was too long. During those 2 years, over 1,500 U.S. potash workers were put out of work. Some of the smaller potash companies were forced to the brink of complete shutdown. In fact, during this 2-year period, the entire U.S. domestic potash industry was nearly put out of business.

This alone points out the need for immediate enactment of H.R. 17605, Congressman Fred B. Rooney's bill to amend and strengthen the Anti-Dumping Act of 1921.

However, this alone will not save the domestic potash industry from being put out of business by the importation of potash from Canada.

There are sufficient reserves in New Mexico to supply the entire U.S. requirements for the next 50 years. But, due to the high grade of the Saskatchewan ore body and the tax concessions given to the producers by the Canadian Government, the U.S. domestic producers are and will continue to move to Canada. They will not be making capital improvements to the plants in New Mexico; neither will they be opening new mines.

Unless we are able to secure passage of a tariff quota bill to protect the domestic industry from the Canadian imports, in 10 years, the potash mining and refining industry in the United States will completely disappear.

This would not only be disastrous to New Mexico, it would be disastrous to the American farmer.

When the domestic industry is put out of business, the American farmer will again have to pay a dear price for this one basic fertilizer ingredient.

Senator Joseph M. Montoya has introduced S. 2883, which would allow 30 percent of the U.S. requirements of potash to be imported into this country duty free. Once this 30 percent figure was exceeded, a 40-percent ad valorem tax would be assessed against amounts which exceed the 30-percent figure.

This would allow both the Canadian and domestic producers to increase their production capabilities to meet the growth of the market.

It would also preserve a vital domestic industry for the United States.

Gentlemen, the impact of the Canadian imports has been disastrous to the city of Carlsbad, N. Mex.

In 1965, Carlsbad was a thriving little city of 35,000 persons. According to the preliminary figures of the 1970 census, Carlsbad is now a dying city of only 21,000 persons.

Over 1,500 persons have lost their jobs in the potash industry alone.

We have had to close three of our elementary schools within the last year. Another will be closed this coming school year.

American workers' jobs are being exported to Canada. Yet, the do-

mestic potash workers cannot go to Canada to follow the jobs. Neither can they find jobs in the mining industry in New Mexico today.

The United States cannot afford to allow this very vital industry to be taken over by foreign imports.

It is very important that we continue to have a strong plant-food industry in the United States, if we are going to be able to feed the citizens of the United States in the future.

If our future generations have to depend upon foreign countries for the potash they will need to produce the food they will eat, then the United States will be subservient to those foreign powers, whether they be friendly or unfriendly.

I urge you gentlemen to enact Senate bill S. 2883, or a comparable tariff quota bill to save this vital domestic industry and the jobs of the U.S. potash workers.

(The three additional statements previously referred to follow:)

STATEMENT ON BEHALF OF UNITED CEMENT, LIME & GYPSUM WORKERS INTERNATIONAL UNION, AFL–CIO, FELIX C. JONES, PRESIDENT

This statement is submitted to the House Committee on Ways and Means on behalf of the United Cement, Lime and Gypsum Workers International Union, AFL–CIO. We wish to recite developments in the antidumping area since the October 1968 legislation amending the Antidumping Act of 1921 and to examine the relationship between these developments and H.R. 17605, the pending bill to amend the Antidumping Act.

At the outset, we wish to express support of H.R. 17605. Our interest in antidumping legislation is dictated by the premise that what injures the domestic cement industry, or any industry for that matter, likewise injures the workers in that industry. A protection of the rights and jobs of the workers requires the same degree of protection for the domestic industry in the market place.

The October 1968 amendment to the Antidumping Act established the supremacy of the Act over the International Antidumping Code, the amendment provided that nothing in the International Code shall be construed to restrict the discretion of the Tariff Commission in performing its duties and functions under the Antidumping Act, and directed both the Tariff Commission and the Treasury Department to resolve any conflict between the Code and the Act in favor of the Act, and to take the Code into account only insofar as it is consistent with the Act.

The October 1968 amendment has been completely effective insofar as the Tariff Commission is concerned. The current injury standard of the Commission is fully consistent with the Act. Treasury, however, under the guise of compliance with the International Code or of following precedent of extremely doubtful legal validity, has ignored not only the provisions of the Antidumping Act as amended in 1954, but also the spirit, if not the letter, of the October 1968 amendment.

The Antidumping Act in no way authorizes Treasury to consider any issue other than whether there have been sales at less than fair value, i.e., the arithmetical and mechanical computation of whether dumping prices have been charged. In fact, Congress specifically amended the Act in 1954 to preclude Treasury from inquiring into or evaluating any issue relating to injury, and delegated the responsibility for the injury determination solely to the Tariff Commission. Encroachment by Treasury into the injury consideration is inconsistent with the clear division of functions between Treasury and the Tariff Commission that had been established by Congress.

In spite of the clear division of functions specified in the Antidumping Act, Treasury continues to insist that all dumping complaints made be accompanied by evidence of injury. This action is clearly inconsistent with the 1954 amendment, as well as inconsistent with the 1968 amendment.

Treasury's practice of dismissal of complaints, even though sales at dumping prices are found, whenever the exporter revises its prices so as to eliminate dumping margins, precludes the Tariff Commission from considering injury even though dumping has occurred and has created an inevitable collision with the Tariff Commission.

In the case of *Aminoacetic Acid (Glycine) From France*, February, 1970, Treasury found that imports of glycine from both France and Japan had been sold at less than fair value, but the Japanese complaint was nevertheless dismissed on the basis of assurances that there would be no further dumping. A statutory majority of the Tariff Commission, however, expressed disagreement with Treasury, and concluded that under the statute it should not confine its decision to French imports. Accordingly, the Commission majority made an affirmative finding of injury from dumped imports from *both* France and Japan, and even found that *the Japanese imports had been the "principal disruptive force in the U.S. Market."*

The *Glycine* determinations by Treasury and the Commission thus represent a direct collision between the two agencies on an issue vital to the administration of the Antidumping Act.

This conflict between Treasury and the Tariff Commission was also reflected in the Commission's March 1970 decision in *Ceramic Floor and Wall Tile* under the adjustment assistance provision of the Trade Expansion Act. The Commission majority pointed out that Treasury had found that Japanese tile had been dumped, but had dismissed the complaint on assurances of discontinuance of dumping. The Commission emphasized this was done although the "price discrimination was an extremely significant factor in the Japanese ability to obtain quickly so large a share of the U.S. tile market." This suggests that the Commission would have found injury if the dumping complaint had been referred to it by Treasury.

This collision underscores the need for a resolution of the conflict by Congress. H.R. 17605 would reaffirm the policy which Congress established in 1954 that Treasury be limited to the arithmetical and mechanical computation of whether dumping prices have been charged, and preclude Treasury from dismissing cases on the basis of assurances of discontinuance or other such injury considerations. There is justification for dismissals in certain instances, but this authority needs to be vested solely in the Tariff Commission, which under the Antidumping Act has sole authority to consider injury aspects of a dumping complaint. Where the Tariff Commission concludes that an acceptance of an assurance of discontinuance is warranted, a procedure comparable to antitrust consent decrees should be required, with mandatory compliance reports to be submitted periodically.

Treasury has continued to take an inordinate amount of time before final disposition of a dumping complaint. The case of *Potassium Chloride (Muriate of Potash) From Canada, France and West Germany*, November, 1969, which involved substantial quantities of imports and which was a very significant case for all parties concerned, remained pending at Treasury for more than two years. Cases on file at Treasury from one to two years before action seem to be the rule rather than the exception.

It thus remains difficult for domestic industries to obtain meaningful relief under the Antidumping Act because Treasury takes such extended periods of time to reach its dumping decision. Consequently, there is a compelling need for some form of time limitation on Treasury's investigation of dumping complaints. It is not unreasonable to suggest that such investigations be limited to six months with an additional 90 days authorized conditioned on publication of the reasons therefor in the Federal Register.

The Tariff Commission's position on the definition of injury and industry under the Act, and with respect to consolidation of complaints, is the most favorable to domestic industry since the Commission began making injury determinations in 1954.

An affirmative finding of injury is required whenever dumped imports are found to have caused more than *de minimus* or immaterial injury to a United States industry. This standard is consistent with the Act's definition of "injury to an industry in the United States" and is eminently reasonable.

Congress should reaffirm and ratify the present injury position of the Tariff Commission and require an affirmative finding of injury where imports sold at dumping prices have caused or are likely to cause more than *de minimus* or immaterial injury.

A regional market approach in the determination of an industry standard certainly makes sense for an injury to a part of a national industry is an injury to the whole industry.

The nation as a whole cannot properly be defined as the cement industry's

market area. Admittedly, cement is sold everywhere in the nation and the cement industry is a national industry, but the very nature of the industry requires a market place of distinctive geographical areas limiting sales of cement in such areas principally to the plants operating within the areas. And an injury by dumped imports to a regional market derivately injures the whole industry. Consequently, the only reasonable definition of industry is one that insures that distinctive geographical markets are considered and this can best be accomplished by the use of the well-established antitrust test of whether an industry has been injured "in any line of commerce in any section of the country."

Where Treasury has found dumping from more than one foreign source, consideration must be given to the cumulative effect of all such dumped imports. If unfair imports be divided along country lines, the chances of a finding of injury are reduced, and ignored is the fact that a domestic industry can be injured as much by small amounts of dumped imports from many sources as it can by the same amount from one source. The common sense test that an industry may be injured by dumped imports of the same product regardless of the country or countries of origin is supported by the language of the Antidumping Act to consider imports of the "same class and kind of merchandise." Treasury should not be allowed to separate complants by country of exportation involving the same imported product and refer each complaint piecemeal to the Tariff Commission. Congress should require Treasury to consolidate complaints directed at the same class or kind of merchandise imported from various foreign sources and refer one consolidated case to the Tariff Commission.

CONCLUSION

Since October 1968, the Tariff Commission has been comparatively receptive to dumping complaints filed by domestic industries and has taken a more reasonable approach to administering the injury and industry provisions of the Antidumping Act. It has complied fully with the directive in the 1968 amendment and has not applied the International Code. The Commission is, however, subject to change in the composition of its members and there is nothing to insure continuation of its present policies. H.R. 17605 would have Congress adopt and ratify the Commission's position on the definition of injury, the definition of industry, and the treatment of the cumulative effect of dumping from more than one source. With respect to these provisions, H.R. 17605 is manifestly reasonable as a result of its consistency with recent Tariff Commission decisions.

On the other hand, Treasury has continued to ignore the division of responsibilities specified by Congress in the 1954 amendment. Treasury insists upon dismissal of complaints on grounds which have been reserved in the Act as the sole responsibility of the Tariff Commission. The inevitable collision with the Commission occurred in the recent *Glycine* decision where Treasury dismissed the complaint on assurances, but the Commission found that the dumped imports had caused injury to the U.S. industry. Treasury also continues to insist upon submission of injury evidence with dumping complaints. Finally, Treasury still takes an unreasonable and interminable amount of time to complete a dumping investigation.

Since no case can reach the Tariff Commission unless referred there by Treasury, the more enlightened position of the Commission will be meaningless unless there is some reform of Treasury's procedures. Accordingly, there is an urgent need to enact the provisions of H.R. 17605 which would limit Treasury to the single function of the mathematical determination of dumping assigned to it by the 1954 amendment to the Antidumping Act. This would preclude Treasury's practice of dismissing a complaint with a determination of no dumping on the basis of assurances of discontinuance of dumping. The provision in H.R. 17605 for a six-month limitation on Treasury investigations is urgently required by the maxim that "justice delayed is justice denied."

The October 1968 legislation merely prevented the International Dumping Code from emasculating the Antidumping Act of 1921. Hence, that legislation only preserved a status quo of an Act which had not consistently provided effective relief to industries injured by the unfair trade practice of dumping. Legislation such as H.R. 17605 is needed to strengthen and modernize the Act, and to insure that the positions recently adopted by the Tariff Commission are not reversed in the future. The need to resolve the conflict between Treasury and the Commission and to eliminate the obvious difficulties encountered by domestic industries at Treas-

ury makes this a particularly appropriate time to enact the provisions of H.R. 17605.

For these reasons our Union strongly urges this Committee to seek enactment of H.R. 17605 and to take all other appropriate steps to strengthen our domestic antidumping laws.

STATEMENT OF GEORGE M. PARKER, INTERNATIONAL PRESIDENT, AMERICAN FLINT GLASS WORKERS' UNION OF NORTH AMERICA, AFL-CIO

Mr. Chairman and Gentlemen of the Committee: Our Union is comprised of thirty-five thousand members engaged in the production of both machine and hand-made table and art glassware, laboratory and scientific glass, industrial and electronic glass components. Our members also manufacture and repair all of the glass forming molds used in the American glassware industry.

Organized in 1878, we are one of the oldest American trade unions. We are proud of the workers we represent and of our democratic traditions. I am confident all members of this Committee are familiar with the beautiful, useful and scientific glass products that our members produce. The homes of the early settlers of this country and many in rural areas today obtain their lighting from glass lamp chimneys blown by members of our Union. Our skills produced the glass envelopes that encased Tom Edison's first electric bulb. The fine hand-made glassware in your home or handed down from grandmothers day was produced by the skilled artisans affiliated with our Union.

I am here to report to you that the number of skilled men and manufacturing plants that produced these useful and beautiful hand-made products has now leveled off at a low level after a steady decline extending over a thirty year period. Throughout our nation there were many towns that depended on the glass factory for their economic well being. These hand-made glassware factories stand as silent, empty and ghostly reminders of the effect of low wage imports from abroad. The skilled work force of hand-made glass blowers and pressers has declined by seventy-five percent. The semi-skilled work force is down by at least fifty percent. The primary cause of the decline of this American industry has been the constant and ever-increasing flood of low wage imports from abroad. Throughout the years Americans who produced glass by hand have been unable to compete with the low wages of their counter-parts abroad.

On practically every occasion that trade matters were before the Congress, officers and members of our Union have appeared before the committees of our government and also made personal contact with their elected representatives in an effort to protect their livelihood. We have not been successful. Our government obviously has been more interested in "free trade" than in protecting the jobs of its own workers in the glass industry. Our problem in the past revolved around the production of hand-made glass. The making of hand-made glass is basically the same overseas as in America. It has not changed much since the time of the Egyptians. The largest basic cost is, of course, in labor. We desire to protect the small segment that is left of this fine industry. We are now calling your attention to the fact that more than half of this industry is already gone.

However, my purpose in appearing here today is to put forth every effort to obtain relief and justifiable protection for one of our countrys most essential, technical and efficient industries that is today threatened by similar unfair imports from abroad. I am speaking of the television tube and electronic industry that has employed thousands of our members in the states of New York, Indiana, Ohio, Michigan and Pennsylvania. A glass television tube is perhaps the most precision made piece of glass used in mass production American industry. Literally millions of dollars have been expended in research and production facilities. The amount of engineering and technical know-how that has gone into the production of black and white and color television tubes is limitless. In the 1940's and throughout the 1950's, we experienced continual expansion of this industry. However, in the past few years it has gone into a sharp decline. In 1950 the Corning Glass Works, one of the largest manufacturers of glass television envelopes, had five plants producing black and white tubes. Presently one plant is engaged in this type of manufacture. In the past five years the number of black and white tubes produced has dropped from more than seven

million to approximately four million. While the black and white production has declined in this country, there has been a sharp increase in black and white sets having their origin abroad, principally from Japan. Approximately three million black and white television sets came into this country in 1969. In December of 1969 alone three hundred and forty-eight thousand sets were imported and this figure was a seven month low. It was, however, an increase of approximately forty-nine percent over a similar month in 1968.

The importation of color television sets is also up drastically and increasing by leaps and bounds. Most of these color sets are produced in Japan but an ever larger share of the manufacturing market is moving to Taiwan, Hong Kong and Mexico. We would point out to this Committee that color television is now on the same path as black and white television. The jobs are rapidly moving abroad to low wage areas. This business was conceived, born and developed in the USA with American capital and American workmen.

Mr. Amory Houghton of the Corning Glass Works, one of the leaders of this industry, summed the situation up as follows:

"I am convinced that unless the United States government and industry work more closely together (1) American television manufacturers will either go abroad or wither.

(2) American employers, employes, and Labor Unions will rightfully demand an accounting because of serious

(a) loss of jobs

(b) loss in U.S. contributed value

(c) loss in export market."

We have reason to believe that many of the television sets being sold in America are at prices substantially below the price at which they enter the Japanese distribution system. In other words, we believe there is a substantial amount of "dumping" going on.

I am here, of course, representing the working men and women affiliated with our Union. Daily we live with the effects of layoffs and reduced earnings for the many thousands of members and their families employed in the television and electronic industry. With the cost of living continuing to increase and jobs being eliminated, as a result of unfair competition from abroad, there is growing unrest in the plants. A fellow who had a high paying job last year or the year before is now downgraded and is working at a lesser paying job in the plant as a result of cutbacks and the application of our seniority agreements, or he is out of work completely. It is this American worker who has the largest stake in this problem and he is looking to his elected officials for redress.

This Committee should have all of the information available from which to make its deliberations. I would, therefore, take the liberty to quote from a statement made by Joseph S. Wright, Chairman of the Zenith Radio Corporation made at the 1970 meeting of the stockholders of that corporation. It is as follows:

FOREIGN TRADE AND IMPORT

"The fact is that our industry has been the subject of an organized assault by our Japanese friends, to the point that as of the end of last year, less than 2% of the personal portable radios sold in the United States were made in this country, and nearly half the black-and-white TV units were imported. Some 38% of the phonograph and hi-fi units and one out of six color sets, our industry's most sophisticated product, originated offshore. We are convinced by the evidence that a great deal of this merchandise has been dumped into the United States market at prices far below the Japanese home market price, which is a violation of all the principles of free trade, and in violation of our U.S. laws. We are further convinced that the Japanese government subsidizes in a very substantial way her electronic exports to this country, by such things as making export loans available at rates less than half the regular interest rates of 10 to 12% by remission of commodity taxes on exports, by accelerated depreciation and other tax breaks for exporters.

"We are going to hear a lot in the next few months about "protectionists" and "free traders" as Congress takes up the President's recommended trade bill. Our foreign friends will be in the forefront of a propaganda battle against the "protectionists" who they say will be attempting to restrict the consumer's choice and raise prices. Ironically, they care a great deal about the American consumer, but their own consumer in Japan is carefully preserved from any extensive importation of American goods which would upset their own industry.

Japanese prices are kept far higher than those in the United States despite very much lower wages and income.

"Japan maintains duties at least three times as high as our U.S. duties on electronics, and imposes them on the CIF landed cost, rather than FOB Japan, as our duties are calculated.

"I don't like to be called a protectionist—at Zenith we have fought long and hard to open up export markets around the world—but I hate to see us taken in by the propaganda of the most protectionist industrial country in the world.

"I don't know whether there will be any change in government policy and attitude. We cannot count on it; therefore, we must, as corporate managers, develop productive facilities in the low-labor cost countries of the world where we can compete with the Japanese. For that reason, we are planning to establish a new plant in the Orient and are looking into a number of other similar projects. It will not be a particularly pleasant way to live, nor do I think it will be a good thing for the country as a whole. The negative trade balance in consumer electronic products should be in the neighborhood of $1 billion in 1970 and could run substantially higher in the years ahead.

"This would also involve a very large loss of employment in the United States—at the very time we are seeking to broaden the employment opportunities for the minority people who have so long been shut out of free access to good employment opportunities.

"While we are hopeful that our government will adopt a realistic and hard-nosed attitude about insisting on reciprocity as a basis for free trade, we have no doubt that there will be a great deal of fuzzy oratory which may lead to a continuance of a policy which could very well have a serious effect on our standard of living.

"As stockholders, I hope that you will take a lively interest in this great debate and express yourselves as often and as effectively as you can."

CONCLUSION

We have pointed out what has happened over the years in the hand-made glassware division of the American Flint Glass Workers' Union. Our automatic machine production of which television production forms a major share is now under increasing and direct attack. We cannot compete with the low wage hand-made glass workers abroad. Likewise when low wage workers abroad are given the very latest in machine tools and technical know-how, our position becomes even more serious. "Protection" somehow has become a word to be distained by many in this country. I for one, however, am proud to use it here. I believe the time is long overdue for our government to consider the American workmen first. The time is late. As you know there is no "free trade" for other governments throughout the world, including the Japanese, are doing their best to protect their own industry. I hope this Committee in its sincere deliberations will be able to bring more hope and yes "protection" to the members of our Union and the industry that they work in and depend upon for the security of their families and communities.

Thank you.

STATEMENT OF HARRY W. BAUGHMAN, JR., NATIONAL PRESIDENT, WINDOW GLASS CUTTERS LEAGUE OF AMERICA, AFL–CIO

Mr. Chairman and Members of the Committee: My name is Harry W. Baughman, Jr. I am National President of the Window Glass Cutters League of America, AFL–CIO. Our Union consists of approximately 750 members who are employed in the manufacturing of window glass in eleven different factories throughout the United States. Our Headquarters are located at 1078 South High Street, Columbus, Ohio, 43206.

Of the eleven glass plants referred to, four are located in the heart of Appalachia. Three are in Clarksburg, West Virginia, and one is in Charleston, West Virginia. The remaining seven plants are located with one each in Jeannette, Pennsylvania, Arnold, Pennsylvania, Mt. Vernon, Ohio, Fort Smith, Arkansas, Henryetta, Oklahoma, Okmulgee, Oklahoma, and Shreveport, Louisiana.

Our concern is directed to the United States trade policy and its adverse effect on the working people in many United States industries and the window glass

industry in particular. Labor has exerted, and will continue to exert, its every effort in trying to convince the Congress of the United States to enact positive legislation that will allow the American worker to earn his way in the most industrialized nation in the world.

At a time when the window glass industry is thriving in low wage earning countries, our American workers are forced to accept unemployment from that industry and stand on the sidelines or in the lines of the unemployed seeking meager handouts from State or Federally sponsored assistance programs. All we are asking for are the jobs that rightfully are ours. This disregard for workers, and their jobs, in favor of foreign investments and increased profits has become a malignant growth that must be stopped.

EFFECT ON EMPLOYMENT: The Libbey-Owens-Ford Company which operates plants in Charleston, West Virginia and Shreveport, Louisiana, hasn't hired a glass cutter since a lay-off of 40 of our members in 1959. At that time the Company employed about 360 of our members in its two plants. Some will argue that automation brought about the present situation, when it is reported that only 150 of our members are employed by Libbey-Owens-Ford. If this argument is factual, then we ask: why is the Company only operating five of its twelve furnaces in the two plants? Charleston plant alone has five of the eight furnaces shut down because of the nonexistent window glass business for the American manufacturer. The 150 remaining members employed by Libbey-Owens-Ford are and have been working on curtailed production for more than a year. If it were not for contractual obligations and provisions of the contract between the parties, the remaining 150 members would be reduced to less than 100.

At present, P.P.G. Industries is operating three plants where there are members represented by the Window Glass Cutters League of America. They, like Libbey-Owens-Ford, are operating at approximately 50% capacity. In the depressed community of Henryetta, Oklahoma, where P.P.G. Industries has a window glass plant, our members have experienced 29 months of lay-offs out of the last 38 months beginning with March of 1967. Out of the 100 members of that local, 35 have been on complete lay-off for 24 months. The remaining members have been working under drastically curtailed production, with earnings cut almost in half. For the same period referred to above, the production facilities of the plant have been operating at about 50% of capacity. At the Company's plant in Clarksburg, West Virginia, three of the four furnaces will be shut down as of June 30. This will mean that approximately three-fourths of our approximately 100 members working at that plant will be added to the rolls of the unemployed.

Considering the high inventories, with few orders on hand, the outlook for the Clarksburg plant of P.P.G. Industries is very dim. Unless we are able to convince the Congress to pass immediate and positive legislation, the same fate is in store for the remainder of the window glass industry.

The American-St. Gobain Corporation has been trying desperately to maintain some sort of production within its three window glass plants. Their plant in Arnold, Pennsylvania, was forced to close down in February of 1968. Not until July of 1969 did the plant produce any glass whatsoever. The Company, relying on the projection of an increase in building and construction, spent over a million dollars in rebuilding their furnaces and buying new equipment and machinery. They resumed production in July, 1969. However, after being in production for only three months, they were again forced to close down the Arnold plant and lay off approximately 600 employees, including 85 represented by the Window Glass Cutters League of America. This plant is still closed down, except for a skeleton crew being used to process a few sheets of stock into commercial sizes. The unions representing members in that plant had anticipated a minimum of four years of production from the new furnaces and equipment. This investment by the Company, has, in our opinion, been lost to the foreign producers of window glass. The Jeannette, Pennsylvania plant of the same company closed down one furnace in April of 1969 with no scheduled date of starting back into production. With only one furnace still operating in that plant our members are, by contractual obligations, pro-rating work on a weekly basis at drastically reduced earnings. The employees of that plant, along with the employees of many plants, are forced to depend on unemployment compensation payment to maintain their homes and families, while the low wage foreign workers and producers of window glass are allowed to further penetrate the American market.

Another plant of the American-St. Gobain Corporation, located in Okmulgee, Oklahoma, hasn't suffered lay-offs as yet, but have been working at approxi-

mately 60% of capacity for 18 months. Warehouse inventories are at an all time high with thousands of stock sheets (un-cut) on hand. This plant will also be forced to shut down production facilities in the near future if they are unable to corner part of the market for their product. This seems to develop into a lost cause, since they are unable to compete with the foreign imports being dumped on our shores. The window Glass producers in the United States have tried every means at their disposal to compete with the foreign producer. But they in turn have boldly said they would undersell us regardless of any price cut, freight payments, or any means that may be used to compete price-wise. Any effort made to improve on the already crippled window glass industry seems to be lost when we, within the industry, see more and more of our badly needed jobs exported to foreign lands.

The Rolland Glass Company, with two plants in Clarksburgh, West Virginia, has also been forced to curtail their production by not operating one of their plants in that city except for one cutting machine which employs only twelve people. Along with their Harding plant in Fort Smith, Arkansas, inventories have reached a point whereby it now becomes a matter of being able to reduce that inventory in the very near future or curtail operations, as was done at the Rolland plant. This would mean a further reduction in employment, and add to the already high percentage of unemployed League members. This same company only a few months ago advertised a reduction on its prices for window glass in the amount of 10%, in an effort to reduce its inventory and thereby be able to continue operating its production facilities. This move had very little effect in reducing the company's inventory, because the jobbers were unable to market their huge stockpiles of foreign made glass.

We again ask: are we, the laboring forces of the United States, going to be forced to remain on the sidelines and watch a one-sided game whereby imports will again double its penetration into the American market as it did in the last decade?

The Stone, Glass and Clay Co-ordinating Committee, consisting of seven National and International Unions, of which the Window Glass Cutters League of America is a member, have used every means at their disposal, both legal and moral, trying to convince those in authority to grant the American manufacturer and worker some type of relief against the unfair odds he must face in competing with low cost foreign manufacturing and labor. The unfair conditions under which international trade is conducted today can only lead to the United States becoming a nation of unemployed with its capital in the banks of the Asian and European countries. We do not oppose foreign trade nor object to sharing in the growth of the United States markets with foreign producers. We do object to having the growth of the United States market completely absorbed by imports which add further to the rolls of our unemployed.

Because of the great reduction in the manufacturing of window glass which was brought about by the high percentage of imports (approximately 40% of domestic consumption) the employees with less seniority have been advised both by labor and management to seek other employment, rather than to expect a recall from long periods of lay-off. Consequently, the average of those still employed is 46 years. These employees have spent the greatest part of their lives accumulating seniority, trying to pay for their homes, properly educate their children, and building up benefits for retirement. Other employment for workers in this age bracket is just not available, and if it was it would be sub-standard employment. This would force our members to lower their living and cultural standards and support those workers in low wage earning countries, and surrender what it has taken them a life time to accumulate. It is unfair to ask the American worker to lower his standards in every respect and allow the foreign interests to elevate their standards beyond that which we are able to enjoy.

If foreign capital expenditures are permitted to continue as they have in the past 10 years, then the products manufactured from such expenditures should be marketed in the country of its origin and not dumped on American shores for the sole purpose of excess profits. If we, the American workers, are to be regarded as expendable in a particular industry, then there surely must be intolerable fallacies within the United States trade policies.

I want to re-assure the Committee that we do not oppose foreign trade, if the terms of foreign trade are fair and on an orderly reciprocal basis. Such a basis is needed in the interest of the American worker.

We ask only that we be given the opportunity to earn our living in one of the most respected industries in the world by allowing the American producers of sheet glass to become competitive worldwide, and be given the same opportunity to sell its product made by us, the American worker. The American worker cannot move his ability and his willingness to work to a foreign land, as can capital and industry. Therefore, we must depend on the American industry to earn a living and remain a part of the laboring forces of the United States and not a statistical among the unemployed.

On behalf of the Window Glass Cutters League of America, and all of its members, I urge you, Mr. Chairman, and the entire Committee to recommend to the Congress passage of the Fair International Trade Act. Our position within the window glass industry has gone beyond the critical point, and without passage of the above mentioned legislation, or a substitute bill providing the same or near results, I fear for the continued existence of an already crippled industry.

Thank you for the opportunity to express the opinions and convictions of our Union before this Committee.

The CHAIRMAN. We thank all of you for bringing your statements to the committee. We appreciate very much your appearance.

Are there any questions of this group?

If not, thank you very much.

Mr. CHESTER. Thank you, Mr. Mills, for your patience in holding with us.

(The following statements were received for the record:)

STATEMENT ON BEHALF OF U.S. EARTHENWARE DINNERWARE EMERGENCY COMMITTEE, R. S. REESE, CHAIRMAN, PROTEM

This is a statement filed on behalf of the Earthenware Dinnerware Emergency Committee, comprised of the nine undersigned companies who, to the best of our knowledge account for more than 80 percent of the earthenware dinnerware[1] produced in the United States today.

Production of earthenware dinnerware similar to the type made in the United States today began before 1900 in the general area of East Liverpool, Ohio, and, unless something is done to stop the decimation of this industry, it will probably end there in the not too distant future.

DECLINE IN U.S. DINNERWARE INDUSTRY AND RISE OF IMPORTS

Continuing a decline which started after foreign industries had recovered from World War II, U.S. shipments of earthenware dinnerware fell 24 percent from 1959 to 1969 (Table 1). In this same period the number of producers dropped from 20 to 13, kiln capacity declined about 20 percent, employment declined more than 45 percent, and the exports, small in 1959, declined more than 60 percent.

Meanwhile, the quantity of imports of earthenware dinnerware increased 124 percent and the quantity of directly competitive imports of china dinnerware increased 370 percent from 1959 to 1969! Imports of all earthenware table and kitchen articles, as distinguished from dinnerware, rose 31 percent in the same period (Table 2).

WHAT DINNERWARE IS AND HOW IT'S MADE

Earthenware dinnerware comprises all articles for service of food at the table at meal time. It is made primarily from clay, silica, and feldspar, which are mixed together with water to make the whole plastic or fluid, and formed in plaster molds by "jiggering" or casting. The formed ware is dried, fired, glazed and refired, or dried, glazed and fired once, depending on the procedure desired and whether or not the ware is to be decorated under the glaze. Over-glaze decorations are applied on the glaze and the ware is reheated. Much ware is decorated by putting color in the glaze.

[1] Including fine stoneware, which is dutiable in the same tariff items as fine earthenware.

China dinnerware is made of much the same materials and in much the same way as earthenware; merely different proportions and different firing temperatures are used.

THE PLANT SIZES AND LOCATIONS

The presently operating earthenware dinnerware plants employ from less than 50 to more than 1,000 workers in the production of such ware; the average is less than 500. Three plants each are located in Ohio and West Virginia, two each in Pennsylvania and California, and one each in New Jersey, Michigan and Oklahoma.

The industry has made great efforts to mechanize as much as possible and, although the producers were largely mechanized by the middle 50's they were able to increase output per man-hour further between 1959 and 1969. Despite increased productivity, this is still a labor-intensive industry, and much of the labor required is highly skilled.

SALES CHANNELS, PRICING, AND PRICES

U.S. producers of earthenware dinnerware sell a small amount of their ware to wholesale distributors but primarily to department and specialty stores, mail order houses, and premium outlets. The latter market is very volatile.

INDUSTRY TRENDS

It is difficult to show the true trend of output of an industry plagued with attrition of producers, as is the earthenware dinnerware industry; for, each time an industry survey is made, information is available only from the survivors. Thus, not only is data from the closed firms lost, tending to show a lesser decline in business than actually took place, but the survivors may actually get a little benefit in business by "feeding on the bones of the victims".

FACTORIES IN DEPRESSED AREAS

Many of the closed potteries as well as those still operating are in Appalachia and other areas of depressed employment. Increased production of pottery, because of its high labor content, could be one of the best sources of increased employment in Appalachia.

Import competition has restricted price increases and as a result they have been much smaller than the increase in cost of living.

IMPORT TRENDS OF EARTHENWARE AND COMPETITIVE CHINA DINNERWARE

Imports of earthenware dinnerware and of china dinnerware selling in the wholesale price range of about $13 to $32 per 45-piece set together supplied more than one-fourth of the U.S. market for low-to-median-priced ceramic dinnerware in 1959. They both increased almost uninterruptedly since 1959 and now supply more than one-half the U.S. market for ceramic dinnerware in the low-to-medium-price range. These dinnerware imports (under tariff items 533.25, 533.36, 533.28, and 533.65) sell at prices which effectively cover the price range of U.S. earthen ware dinnerware. Table 3 shows the relationship of the foreign export values of the 77-piece norm, on which the value brackets of import items covering dinnerware are based, and approximate U.S. wholesale prices of 5-piece and 45-piece sets of imported dinnerware.

TARIFF RATE REDUCTIONS AND THEIR EFFECT

The 10-year increase of 124 percent in imports of earthenware dinnerware occurred under rates of duty which during 1959–67 averaged about 55 percent lower than the 1930 rate. The average rate was 60 percent lower in 1968, and 63 percent lower in 1969. These rates on earthenware dinnerware will be reduced further under the "Kennedy round", to an average of about 74 percent below the 1930 rates by 1972, when they will be equivalent to about 14 percent ad valorem (Table 4)!

The enormous increase in imports of china dinnerware competitive with U.S. earthenware entered during the entire 10-year period, 1959–69, under a rate of duty about 20 percent lower than the 1930 rate. The reduced rate effective September, 1955 is equal to about 60 percent ad valorem. The easy access to the U.S.

market at the current rate strongly indicates that not only the reduced rate of duty, but also the 1930 rate, is inadequate to prevent competition injurious to the U.S. earthenware dinnerware industry.

The impact of the increase in imports on the U.S. earthenware dinnerware industry has been great—particularly because china is competing with earthenware, and sometimes at lower prices. (The average value per dozen pieces of the imported earthenware dinerware imported in 1969 was 50 cents greater than the average value per dozen pieces of china dinnerware imported in that year under tariff item 533.65).

Imported earthenware dinnerware is made in shapes and patterns much like those made in the United States; it is sold in the same channels of trade, and is distributed throughout the country.

THE PREMIUM MARKET

In 1961, less than one percent of the imports of earthenware dinnerware went to the market for ceramic dinnerware premiums and little if any imported china dinnerware went to that market. Imported ceramic dinnerware is now reported to have taken more than 30 percent of that growing market (for all commodities, at an annual rate of 10–14 percent).

PRINCIPAL FOREIGN SUPPLIERS

Japan is, of course, the chief supplier of the imports of ceramic dinnerware here discussed, supplying more than 95 percent of the china dinnerware imported under tariff item 533.65 and the majority of the earthenware dinnerware. That country supplies the bulk of imported earthenware dinnerware in all but the highest value bracket and in that category is exceeded only slightly by the United Kingdom.

NEED FOR RELIEF

The U.S. earthenware dinnerware industry is obviously in need of drastic relief from injurious import competition. Any weak firms in the industry 15 years ago have long since closed and the constant pressure from imports has weakened even some of those which were then strong.

EFFORTS TO OBTAIN RELIEF

The industry has made efforts more than commensurate with its meager finances to obtain relief. It has petitioned this Committee in past hearings; it has conferred with the appropriate offices of the State and Commerce Departments; it has undergone an escape-clause investigation by the Tariff Commission under the current law; it has even sent emmissaries to Japan to confer with representatives of the ceramic dinnerware industries in that country—all without results.

NEEDED CHANGES IN THE "ESCAPE-CLAUSE"

The rules for obtaining relief from injury to industries producing articles like or directly competitive with imports need to be changed. Relief of an industry should be based on actual or threatened serious injury, a substantial cause of which is an actual or relative increase in imports, regardless of when or whether the duty was reduced. There are many reasons why increased imports may not follow soon after duty reductions. One is that negotiators often request reductions on specific items, based less on present prospects than on hopeful plans for the future.

In determining if an industry has been injured the data for a firm should be limited to that portion of the firm allocable to the production of the articles like or directly competitive with the alleged injurious imports. Tariff items are not described in terms of the products of an entire firm or establishment. A firm producing articles described in three tariff items may have no import competition on one, moderate competition on another, and injurious competition on the third. Several multi-product firms in an industry in which the remaining firms produce only the offending imported articles, might affect the industry statistics in a way to prevent the industry from satisfying the injury criteria.

The criteria for injury and relief should be the same for industries, firms, and workers. If the most efficient industry of its kind in the world is not worth saving neither are its component firms; and instead of receiving a temporary stay, its workers should be retrained to other pursuits and perhaps moved to other areas.

SUMMARY

In 1959 the U.S. earthenware dinnerware industry had already lost about 10 substantial producing firms to import competition in the previous five years. In the ten-year period beginning in 1959 the number of firms, employment, shipments, and exports declined an additional one-fourth to one-half.

Meanwhile imports of earthenware and lower-priced china table and kitchen articles almost tripled from 1949 (after some recovery from World War II) to 1959. From 1959 to 1969 imports of earthenware and lower-priced china dinnerware (as distinguished from all table and kitchen articles), the kinds with which U.S. earthenware dinnerware directly competes, increased 240 percent.

To save the earthenware dinnerware industry the escape-clause needs to be revised so that:

(1) Injury can be found regardless of when or whether the duties were reduced on the injurious imported articles;

(2) Relief can be granted if an increase in imports, either actual or relative, is a substantial cause of serious injury or threat thereof, and;

(3) The U.S. industry is defined as those firms or appropriate subdivisions thereof which produce the articles that are like or directly competitive with the injurious imports.

These changes, with one exception, are embodied in Title II of Chairman Mills bill, H.R. 16920. The one exception is contained in the words "either actual or relative" with respect to increased quantities of imports. This wording was originally used in Section 7 of the Trade Agreements Extension Act of 1951, as amended, and we advocate its resurrection as directed toward more accurate and realistic economic analysis.

If this Committee should decide to impose quotas on other imported products, as a result of its findings pursuant to these hearings, it is submitted that there is an equal need for imposition of quotas on earthenware dinnerware and low-priced china dinnerware. Tariffs do not provide a complete remedy for the problem of injurious imports, as witnessed by the impact that low-priced china dinnerware—dutiable at 60% ad valorem—has had on earthenware dinnerware.

TABLE 1.—CERAMIC DINNERWARE:[1] U.S. IMPORTS FOR CONSUMPTION OF LOWER PRICED CERAMIC DINNERWARE AND EXPORTS OF DOMESTIC EARTHENWARE, 1959–69

Year	Quantity			
	Imports for consumption			Exports of earthenware table and kitchen articles (1,000 doz. pieces)
	Earthenware sets valued over $3.30 per norm[2] (1,000 doz. pieces)	Chinaware sets valued $10 to $24 per norm[2] (1,000 doz. pieces)	Total (1,000 doz. pieces)	
1959	3,022	2,756	5,778	838
1960	3,420	2,931	6,351	642
1961	3,176	2,506	5,682	484
1962	3,923	3,063	6,986	398
1963	5,112	4,933	10,045	349
1964	5,054	6,999	12,053	375
1965	4,891	6,937	11,828	337
1966	5,839	6,895	12,734	459
1967	5,483	8,325	13,808	405
1968[3]	6,231	10,150	16,381	323
1969[3]	6,775	12,981	19,756	293

[1] Dinnerware is ware for service of complete meals at the table.

[2] The "norm" consists of 77 pieces—12 each of dinner plates, bread and butter and salad plates, tea cups and saucers, soups, and fruits and 1 each of platter, vegetable dish, sugar, and creamer. If soups or fruits are not available, cereals are substituted.

[3] Preliminary.

Source: U.S. Tariff Commission, except for domestic shipments in 1968 and 1969.

TABLE 2.—EARTHENWARE TABLE AND KITCHEN ARTICLES: U.S. IMPORTS FOR CONSUMPTION BY VALUE CATEGORIES, 1962–69

[In 1,000 dozen pieces]

Period	Value category			
	Bottom	Middle	Top	Total
1959	3,800	961	3,194	7,955
1960	4,668	1,063	3,500	9,231
1961	3,944	947	3,249	8,140
1962	3,292	1,101	4,393	8,786
1963	2,170	1,069	4,905	8,144
1964	1,224	929	5,389	7,542
1965	1,350	727	5,574	7,651
1966	1,284	762	6,639	8,685
1967	1,326	778	6,323	8,427
1968	1,468	876	7,432	9,776
1969	1,155	837	8,403	10,395

Source: U.S. Tariff Commission.

TABLE 3.—RELATIONSHIP OF FOREIGN EXPORT VALUE OF 77-PIECE NORM AND U.S. WHOLESALE PRICES OF 5-PIECE AND 45-PIECE SETS OF DINNERWARE

77-piece norm, foreign value [1]	U.S. wholesale price (approximate)	
	5-piece place setting [2]	45-piece set [3]
$3.30 [4]	$0.40	$4
$7.00 [4]	.90	9
$10.00 [5]	1.30	13
$12.00 [4]	1.50	15
$24.00 [5]	3.20	32

[1] Also export or dutiable value.
[2] Dinner plate, salad plate, bread and butter plate, teacup, and saucer.
[3] 8 each of dinner plate, salad or bread and butter plate, soup or cereal, teacup and saucer, and 1 each of platter, vegetable dish, sugar, and creamer.
[4] Earthen dinnerware tariff class value limits.
[5] China dinnerware tariff class value limits.

TABLE 4.—CERAMIC DINNERWARE: RATES OF DUTY EFFECTIVE IN SPECIFIED YEARS 1930–72: AND AD VALOREM EQUIVALENTS OF THE DUTIES BASED ON IMPORTS IN 1969

Tariff item		1930		1955		1968		1969		1972	
No.	Description	Rate of duty	Ad valorem equivalent	Rate of duty	Ad valorem equivalent	Rate of duty	Ad valorem equivalent	Rate of duty	Ad valorem equivalent	Rate of duty	Ad valorem equivalent
533.25 and 533.26.	Earthern dinnerware valued $3.30—$12 per norm.	10 cents dozen plus 50 percent.	56	10 cents dozen plus 21–37 percent.	28	10 cents dozen plus 21–33.5 percent.	28	10 cents dozen plus 21–30.5 percent.	28	10 cents dozen plus 21 percent.	27
533.28	Earthen dinnerware valued over $12 per norm.	do	53	10 cents dozen plus 21 percent.	24	9 cents dozen plus 18.5 percent.	22	8 cents dozen plus 16.5 percent.	19	5 cents dozen plus 10.5 percent.	12
	Total over $3.30		54		25		22		20		14
533.65	China dinnerware valued $10–$24 per norm	10 cents dozen plus 70 percent.	75	10 cents dozen plus 55 percent.	60	10 cents dozen plus 55 percent.	60	10 cents dozen plus 55 percent.	60	10 cents dozen plus 55 percent.	60

STATEMENT OF H. A. HARVEY, JR., PRESIDENT, HARVEY INDUSTRIES, INC.

My name is H. A. Harvey, Jr. I am president of Harvey Industries, Inc. located in Clarksburg, West Virginia.

Our company manufactures glassware for lighting fixture and lamps. Our manufacturing process is primarily by the hand-blown method.

My purpose in coming here is to briefly outline the serious competitive disadvantage we must combat in the "market-place" due to the relentless reduction of our tariffs. Also, I want to add my support to the Fair International Trade Bill. This Bill is the *minimum necessary* if the domestic producers are to survive.

Our paramount problem in competing with foreign produced glassware is their labor-cost advantage.

Of course to meet this challenge it may be argued that we should increase our efficiency through modernization of factories and equipment so that we may increase our output per man-hour. In my company's case we have taken this course of action and built the most modern hand blowing facility in this country.

In addition, we have installed extensive budgetary controls and have maximum utilization of accepted management techniques. I have been told by other industry members that our management is inventive. Our glassworkers are fully skilled and produce at a pace not exceeded overseas.

My point in mentioning these facts is that we have taken steps from an investment stand-point and internally to meet this foreign invasion of our markets. *We are not guilty of inefficiency.* On the contrary, my company has been capable in all instances of competing with domestic sources. Still, without tariff or quota help, we can not, and have not, overcome the foreign labor cost advantage.

Specifically, and as an example, we find our company combating daily the invasion of glass products from Mexico. Recently we lost the contract to supply a major lighting fixture manufacturer a glass part running approximately 30,000 units per month to the Mexican source after they cut the price thirty-eight per cent. This price cut came after we had already reduced our original price by eighteen per cent because of the volume involved.

In this case the Mexican glass part is an exact copy of our original and was only introduced after the part became a "winner."

I can introduce many such specific examples. In almost every instance the foreign produced part is a copy of our original. Currently our company is feeling such competition from products produced primarily in Mexico, Poland, France, and Yugoslavia.

There are volumes of statistics available on the specific amounts of illuminating glassware imported by these and other foreign countries. Foreign lighting glassware is gaining month-by-month, year-by-year, a larger share of our market. I am sure that this committee sees the ominous threat to a company and its employees such as the one I represent.

Something must be done soon to keep the imports within reasonable bounds of growth. *Of course I personally feel that this country's tariff rates should be increased.* Realistically, facing the Kennedy Round, that eventually looks bleak. Therefore, the minimum action necessary to support companies such as ours seems to be the passage of the Fair International Trade Bill.

It is my understanding that this bill would set ceilings on particular products that have been hurt over the past ten years by severe foreign competition.

In effect, this action accepts the attained penetration by foreign producers of our domestic market. The foreign producers would be permitted to grow with our market, but they would not be permitted to run "wild" because they pay labor rates illegal in this country.

Therefore, the Fair International Trade Bill is the minimum acceptable if we are to survive. Any lesser approach will mean continual erosion of our market and ultimately the surrender of our domestic market to foreign producers. The consequences of any lesser action to the company I represent and our employees is unacceptable.

STATEMENT OF WEST VIRGINIA, PENNSYLVANIA, OHIO, AND INDIANA GLASS WORKERS' PROTECTIVE LEAGUES, SUBMITTED BY HUBERTA M. PATTERSON, SECRETARY, WEST VIRGINIA LEAGUE

Mr. Chairman, the West Virginia, Pennsylvania, Ohio and Indiana Glass Workers' Protective Leagues, representing glassworkers, not only in the above

mentioned States, but throughout the entire Country, wish to present the following brief statement to the House Ways and Means Committee for consideration.

The continual rise in imports of cheap foreign made glass products has had adverse effect on the American glassworker, plus the fact that American glass corporations operating plants in foreign Countries, has become a threat to the future of our industry.

Imports from foreign producers and U.S. foreign affiliates, are displacing U.S. jobs, not just in the glass industry, but almost every industry. Organized Labor is seriously concerned about U.S. Trade Policy.

To glassworkers the import statistics on table and art glassware for 1968 and 1969 tell a morbid story. Imports in 1969 are up over 1968 by some four million pieces and an increase of approximately six million dollars. West Germany is the leader in value. Japan remains the leader in quantity of items followed by Italy and France.

We find, according to the U.S. Department of Commerce official statistics, the total quantity from all foreign Countries was 70,054,270 in 1968. In 1969 the quantity increased to 74,415,929. The foreign value in U.S. dollars was 29,109,988 in 1968 and in 1969 that value increased to 35,121,134. What will the increase be in 1970? We are afraid to even think of it.

How much longer can we survive? We have lost many plants over a short period of years. The industry is working way below 100% of productive capacity. Furthermore, excessive unemployment is not conducive to a stable economy.

We wish it to be fully understood that we do not want to see imports completely curtailed. Our economy demands trade. However, we don't wish to destroy the standards that have been so laboriously built up through our efforts of many many years. The American glassworker is a highly skilled craftsman, yet he cannot compete with the low wage craftsman of any other Country.

Our circumstances require a new look at the trade situation. Legislation should be enacted that would change the picture. All we ask is a fair shake. We truly believe that charity should begin at home.

The issue is crystal clear. Are we to live or be sacrificed.

We ask you, as members of the House Ways and Means Committee, to report out a fair Trade Bill. We will co-operate in every way, to have a fair Bill passed.

The CHAIRMAN. Without objection, the committee will recess until 2 p.m. Our first witness will be Mr. Murchison.

(Whereupon, at 12:30 p.m., the committee recessed, to reconvene at 2 p.m. of the same day.)

AFTER RECESS

Mr. ULLMAN. The committee will be in order.

Our first witness this afternoon will be the Honorable R. Lawrence Coughlin of the State of Pennsylvania. Please come forward, sir, and we will be glad to hear your statement.

STATEMENT OF HON. R. LAWRENCE COUGHLIN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF PENNSYLVANIA

Mr. COUGHLIN. Mr. Chairman, the direction of U.S. trade policy on import controls is a matter of importance to my congressional district and to the Commonwealth of Pennsylvania. Therefore, I urge you to consider seriously the desirability of adoping temporary and limited import controls designed to ease the crisis in certain industries, notably ceramic tile.

On September 24, 1969, Congressman George Goodling and I introduced House Concurrent Resolution 376, urging policies to offset the impact of restrictive monetary policies in certain industries. The resolution called for imposition by the President of temporary, limited

controls. Along with 31 similar resolutions, it was referred to your committee.

The lack of available long-term credit has triggered a crisis in the housing market. In 1969, less than half of the units contemplated by the Housing and Urban Development Act were constructed. This, in turn, deprives the ceramic tile industry of its major sales opportunity. Ceramic tile manufacturers, many from Pennsylvania, assure me that there has never been greater need for forthright action by the Congress and the President.

House Concurrent Resolution 376 recognizes the unfairness of making a narrow segment of the economy bear the principal burden of the fight against inflation when a logical and reasonable means of relief is available.

Our trade policies for the next decade should be tailored to deal with monetary emergencies of this kind. The ceramic tile industry in subsequent testimony before you will, I am told, urge consideration of an amendment to the proposed Trade Act which would implement House Concurrent Resolution 376 and similar measures. I hereby express my wholehearted support of that amendment, asking that you give every consideration to my testimony and the others presented in behalf of the ceramic tile industry.

Mr. NILMAN. Are there any questions? If not, thank you for your appearance here today.

Our next witness this afternoon is Mr. David C. Murchison.

We are happy to welcome you before the committee this afternoon, Mr. Murchison. If you will identify yourself for the record, and also your colleague, we will be happy to hear you.

STATEMENT OF DAVID C. MURCHISON, ON BEHALF OF CERAMIC TILE MANUFACTURERS OF THE UNITED STATES; ACCOMPANIED BY ROBERT W. STEELE

Mr. MURCHISON. Yes, Mr. Chairman.

My name is David C. Murchison, of the law firm of Howrey, Simon, Baker & Murchison, of Washington. I am accompanied by Robert W. Steele, a member of the same firm. I appear on behalf of Ceramic Tile Manufacturers of the United States.

Mr. Chairman, I had no knowledge this morning that a previous witness, a Mr. Ralph Reiser, would testify in some detail about the problems of the ceramic tile industry. Therefore, rather than read my prepared statement in its entirety, I shall attempt to shorten it and to summarize it.

Mr. ULLMAN. We would appreciate that very much. Without objection, your full statement will appear in the record. You may then proceed as you see fit, sir.

Mr. MURCHISON. Thank you.

The ceramic tile industry favors a liberal foreign trade policy. It subscribes to the principles set forth in the President's message of November 18, 1969, and it supports the proposed Trade Act of 1969, H.R. 14870.

However, it believes that this bill can be strengthened in several critical respects without departing from its basic purposes.

In this connection, Mr. Chairman, I take up in my statement two subjects, both of which involve factual situations adverse to the ceramic tile industry and which raise very important questions of trade policy.

The first concerns the highly injurious activities of foreign cartels which are presently engaged in exporting ceramic tile in large quantities to the United States. In our view, existing law appears to be inadequate to deal with these activities, which not only comprise a substantial non-tariff barrier to free trade, but threaten the continued existence of the industry.

You will recall that this morning a representative of organized labor testified in some detail on the adverse effects of existing trade practices of these foreign cartels.

Mr. ULLMAN. Let me say in that connection that the testimony certainly was good, and we appreciate your avoiding the repetition, but adding to it, however.

Mr. MURCHISON. On page 13 of my statement, we make a legislative proposal designed to reduce the adverse effects of cartel practices on the import trade of the United States. I would like to return to that in a few moments.

The second subject concerns the impact upon the ceramic title industry of Government monetary policies.

As the committee knows, virtually all ceramic tile produced goes into new construction. The level of residential and commercial construction thus largely determines the amount of tile produced and consumed in this country.

My statement makes the point that the recent unavailability of mortgage credit has had an impact that has not been shared equitably by the domestic industry and foreign firms exporting to the United States.

Thirty-three Members of the House have introduced concurrent resolutions expressing the sense of Congress that, if construction starts are substantially reduced as a proximate result of Government monetary restrictions, then the executive branch should negotiate temporary trade agreements or negotiate quota arrangements adjusting downward imports of products which are principally used in new construction. These quantitative limitations would be temporary, only, and would last only so long as the cause for them is preesnt, namely, Government monetary restrictions. The sponsors of these resolutions are listed on page 16 of my prepared statement.

The ceramic tile industry supports the 33 concurrent resolutions that have been introduced, and urges the committee to act favorably upon them.

On page 19 of my prepared statement we suggest an amendment to title II of H.R. 14870 which we believe will give substantive effect to the intent of these resolutions.

Now I should like to return to the first subject of my testimony, namely, the nature and extent of the injurious activities of foreign cartels.

In the view of the ceramic tile industry, a principal barrier to international trade and one that warrants the searching attention of this committee is the recent dramatic increase in the activity of foreign cartels in the import trade of the United States. The trade-

restraining practices of these cartels are the very antithesis of free trade, and they have caused and are continuing to cause serious and substantial injury to the U.S. ceramic tile industry.

I might say that given conditions of fair competition, and by "fair" I do not mean protected competition, but free and open competition, the ceramic tile industry is fully able to compete successfully against any foreign producer or group of producers.

This industry is neither a dying industry nor is it threatened by the normal processes of competition. Indeed, it leads the world in ceramic technology. Its plants are the most modern and efficient. Its increases in productivity have outstripped other leading segments of our economy, and it is fully able to compete.

The major problem that is facing the industry, however, stems from the practices of foreign producers that restrain and restrict competition.

Now, specifically, the British ceramic tile cartel, which is headquartered in the United Kingdom, has adopted a concrete program to penetrate the U.S. market and to increase its share of that market. To assure the success of the program, the constituent British firms that make up the membership of the cartel have agreed to do certain things.

First, they have agreed among themselves to fix the price that will be charged to buyers in the United States.

Second, in deciding upon the price to be fixed, the cartel drops its price below prevailing U.S. market prices.

Third, it charges higher prices at home, thus subsidizing its collusive price cuts by charging more to its own citizens.

Then, finally, the cartel in Great Britain has chosen to make its program even more damaging by misrepresenting the grade and quality of the tile that it ships here. In this connection, it represents that the tile produced in the United Kingdom meets standards of the General Services Administration, the Department of Commerce, and the Federal Housing Administration, when in fact the tile fails to meet these requirements.

As noted, one of the features of the British cartel program is to dump tile in the United States. I would like to point out that the Dumping differentials presently in effect range as high as 30 percent, which has had a devastating effect on the market. As a result, in slightly over 1 year, the British cartel has been able to double its share of the U.S. market.

Just recently, Mr. Steele, who is with me at the table, conducted an investigation and was able to develop facts which show that British tile in cartons bearing a U.S. standard grade label was supplied recently to a very large hospital project in a leading city, even though the tile contained in the cartons did not meet the standards of the General Services Administration as required by the procuring authority.

This is typical of the activities being engaged in by this cartel.

As you heard this morning, the total share of the U.S. market now held by imports, has now risen to about 40 percent.

In ceramic floor tile, the Japanese hold a 70 percent position in the market. In ceramic wall tile, the Japanese have approximately 15

percent, and the British, which are actively engaging in these cartel practices, threaten to become the dominant factor.

What relief do we seek? We say that these unfair methods of competition have resulted in loss of sales, loss of profits, loss of facilities, and, as you heard this morning from organized labor, loss of jobs.

All that we ask is that the law either be enforced against the members of the British cartel, or, if this cannot be done for reasons of jurisdiction or of comity, that appropriate legislative action be taken.

The President very correctly pointed out that, in the 1970's we must take into account the very complex changes that have taken place in patterns of world trade. The issue is no longer a simple matter of tariffs. The activities of the British cartel, for example, is at the root of the ceramic tile problem. We urge the committee to recognize the interrelationship of antitrust and trade policies and to take legislative action which affects a coalescence of these policies.

Now, specifically, we recommend, that section 337 of the Tariff Act should be amended to require that foreign cartels doing business here should file an annual report with the Department of Justice setting forth the terms and conditions of their cartel agreements.

If the Department of Justice, after examining the report, and after conducting any investigations that it feels to be in the public interest, believes that a violation of section 337 is present, then it would send the matter to the Tariff Commission for action.

Now, many persons are not familiar with section 337 of the Tariff Act, because it has been used so seldom. This section provides, in effect, that the Tariff Commission may investigate unfair trade practices, practices which would also violate section 5 of the Federal Trade Commission Act and sections 1 and 2 of the Sherman Act. If the Tariff Commission finds that these practices are taking place, it may enter an order of exclusion, excluding the product from importation until these trade restraints have been removed.

One problem is that the order cannot be effective unless or until the President concurs in the evidence. If the President concurs in the evidence, then the order of exclusion may issue.

We are saying that, if our government sincerely desires to have a liberal trade policy, let us be sure that those who export products to this country, at least ceramic tile products, be required to obey our laws and thus be placed on the same footing with U.S. producers.

If jurisdiction *in personam* is technically absent because they are not present and found here, then an *in rem* proceeding under section 337 should be used.

Finally, I would like to say that this subject of foreign cartels is most meaningful to the ceramic tile industry, because the case of the British cartel I have described is not the first experience that it has had with cartels.

The Japanese, beginning in 1958, organized a massive cartel which succeeded in virtually monopolizing the U.S. market. Its market share at the beginning of the cartel program was 12 percent. At the end of the program, after the Japanese Government itself moved to take corrective action, was 64 percent, a true monopoly position.

This was achieved by fixing prices among themselves, allocating

markets, dropping the collusive price below the prevailing U.S. price until they had driven the U.S. producers out of certain cities, then, of course, they raised their prices.

This program resulted in very sharp increases of imports and of relative market position.

As a result of this, instead of taking antitrust action against the cartel, the domestic industry requested the Tariff Commission to institute an escape clause proceeding. In 1961, the Tariff Commission unanimously held in favor of the complaint.

While the action was on the President's desk for approval or disapproval, while he was considering it, members of the Japanese cartel prepared a petition to set aside the decision, which was filed with the American Consul in Nagoya. This petition, which was addressed to President Kennedy, represented that a quota procedure would be adopted by them which would halt the increase in exports to the United States, and that other actions would be taken.

The petition then was transmitted to the President by the State Department. Thereafter, the President set aside the unanimous decision of the Tariff Commission. Very soon exports to the United States increased even more sharply, until, as I said before, they achieved a monopoly position of 64 percent.

For all of these reasons we think that the problem of cartels ought to be considered by this committee as part of its study of nontariff barriers. We urgently request favorable action on our recommendation.

Mr. WATTS (presiding). Thank you very much for your very fine statement.

I am assuming that you want these statements filed with the Attorney General, because the statement sets out the full policy of the cartel, how it is going to operate, what it is going to do to grab the market. Is that the idea?

Mr. MURCHISON. Yes.

This proposal stems from a conference that I had at the Department of Justice with Mr. Richard McLaren, the Assistant Attorney General in charge of the Antitrust Division. I asked Mr. McLaren if he would be able to obtain for us from London a copy of the British tile cartel agreement, that is to say, the agreement among the British firms making up the cartel. He said he would try.

I then received a letter from Mr. McLaren saying that he had made the request of a Mr. Allott of the Board of Trade in London, who had replied that the agreement was "confidential", and "not available" to the U.S. Government.

This attitude is puzzling and would suggest that improvement is needed in our trade relations with Great Britain.

Incidentally, I have not yet asked the Department of Justice to file a proceeding against the British cartel, because the Bureau of Customs is currently conducting an anti-dumping investigation of the British cartel and the Federal Trade Commission is investigating its false labeling practices.

However, it may be that, notwithstanding, the jurisdictional problem I have mentioned, such a complaint should be filed.

Mr. WATTS. Are you not afraid that if all we do is ask that the agreement be filed with the Attorney General before they can do any busi-

ness in this country, they will in the future so write those agreements that you don't really get the picture?

Mr. MURCHISON. This is possible.

Mr. WATTS. Not only possible. It is probable, is it not?

Mr. MURCHISON. I will not assume that they are deliberate wrongdoers in that respect.

Mr. WATTS. You just got through telling about the Japanese entering into an agreement to curtail their exports, and then, before the ink got dry, they increased them. You must assume they would not live up to their word.

Mr. MURCHISON. Here is the problem. The Department of Justice cannot proceed against members of a cartel unless they are "present and found" in a Federal district of the United States. Secondly, the Department may not proceed against a foreign producer if it considers that it is unwise to do so for reasons of comity.

I must say that I do not fully comprehend the meaning of the word "comity," but I believe that it gives the Department wide latitude in determining the cases it will bring in the foreign trade fields.

In any event, it seems to me that an *in re* proceeding under section 337 of the Tariff Act is preferable to a Sherman Act proceeding due to the problem of jurisdiction I have mentioned.

Mr. WATTS. I can see where the proceeding under 337 might be effective, because you say, "Look, you can't trade here any more because you violated the other law."

I was wondering if the mere filing of a statement of policy or whatever you call it, of the cartel would set out all the methods by which they expect to trade. In other words, if I were running a cartel over there, and you got after me, I would change that statement.

Mr. MURCHISON. I would hope that, if the statement claimed that they were not fixing prices, when in truth they were fixing prices, a diligent investigation would disclose this fact, and further, that having lied about it, perhaps more harsh charges could be filed.

Mr. WATTS. One of the the big problems as I see it facing this committee is that various industries that have come in here and testified, most of them have a different approach as to what they think ought to be done. It is going to be very difficult to incorporate all those different approaches in a piece of legislation.

I think the committee is convinced that we have been taken to the woodshed time after time, and that if we are not careful, we are going to wind up as a country of consumers without any production of any kind in this country. We cannot live with that because if we can't produce anything, we won't have anything to consume with.

But it does bother me that each industry does come in with a different viewpoint. I guess we will have to work in between them and do the best we can.

Mr. MURCHISON. While I have not heard other witnesses testify to the effect that, "Look, give us a chance to compete. We are perfectly willing to compete."

We do not ask for any quota bill, for example. We are simply urging that foreign producers be required to observe the same rules of the game. It seems to me that this position is quite reasonable.

Mr. WATTS. There is no question about its having a reasonableness

to it, but some people come in here and want quotas. Some people come in here and want relief under 337. You are talking about going to the Attorney General.

It seems like each group has some little special assistance of its own that they want. I can understand that, but the only thing I was trying to do was to point out to you that maybe we are not able to do exactly what you want to do, but we will try to do something in the field that will be fair and equitable to anybody, and protect our industry.

What we really need is a good hard-headed trade in some of these trade agreements, because the minute we get the trade made, before the ink is dry on it, they have figured out some way to dodge it.

Mr. Betts?

Mr. BETTS. Mr. Murchison, I want to pursue a little further this comment you made about violation of label requirements of the Department of Commerce.

I think that is about the first time we have really run into that. I am wondering what is back of it. Does the Department of Commerce specify what kind of labels must be on the package?

Mr. MURCHISON. Yes, they do.

Mr. BETTS. If there is a violation, what happens? Can they prohibit the entry into the country of any products that don't conform to the requirement?

Mr. MURCHISON. Not to my knowledge, Mr. Betts.

What is taking place is this. The Department of Commerce issued many years ago a standard grade label under a so-called simplified practice procedure of the Department of Commerce.

Mr. BETTS. Is that based on some law?

Mr. MURCHISON. Yes, sir.

Now, the British are affixing this label to cartons before the cartons are shipped from Great Britain. The label represents that the contents conform to standard grade requirements. In the case of British tile, it does not meet requirements relating to water absorption, warpage, facial defects and thickness.

We have brought the facts to the attention of the Federal Trade Commission, which is presently considering whether a deceptive labeling practice is present which violates the Federal Trade Commission Act.

Mr. BETTS. What can happen if they find that it is?

Mr. MURCHISON. In theory, a cease-and-desist order could be issued by the Federal Trade Commission.

Mr. BETTS. I am wondering how you would work a cease-and-desist order against a British company.

Mr. MURCHISON. It is not very effective.

Mr. BETTS. It seems to me if they are violating some law as far as labeling is concerned, there ought to be some way of stopping them from coming in until they comply.

Mr. MURCHISON. We would hope that the British Government——

Mr. BETTS. I know. I mean beyond the hope. It seems to me we ought to have some way of enforcing it here. Is there no way of enforcing it?

Mr. MURCHISON. Not to my knowledge.

Now, in the case of Japan, a similar practice was engaged in by

Japanese firms. The Japanese Government at the request of the State Department, put a stop to the practice.

Mr. Betts, I have in my hand a photograph of U.S. designs that were copied, almost slavishly, by a Japanese firm. In this instance, the Japanese Government made the producer stop the practice. This action was extremely helpful.

Mr. BETTS. What forced the Japanese to do that?

Mr. MURCHISON. I think the Japanese Government did it to be cooperative. There was no requirement that they do it.

I would like to show you this photograph, if I may. The American product is on the top line, and the Japanese product is on the second line. I can see no difference in the designs.

Mr. BETTS. So that I understand what you are getting at, what are you trying to bring out here?

Mr. MURCHISON. These are pieces of decorative wall tile that were copied, as you will see, by a Japanese firm and shipped to this country to compete with the designs of the American Olean Tile Co.

Now, when these pieces appeared in the marketplace, I brought the matter to the attention of the Ministry of International Trade and Industry, which is a ministry of the Japanese Government, and requested the Ministry to put a stop to it. The Ministry moved very quickly and in a very cooperative fashion to terminate the practice.

Now, I am contrasting this, frankly, with the attitude of the British Government toward the illicit practices of the British cartel. There, the British Government apparently does not choose to take any corrective action, which basically is why we are before this committee today.

Mr. BETTS. Let me ask you one more question. Is this actually a label? It is really duplication of our product, rather than a false label, is it not?

Mr. MURCHISON. This is a common law passing off.

Mr. BETTS. What?

Mr. MURCHISON. Passing off. This slavish copying of a design may constitute unfair competition.

Now, one of the four examples is a registered design. A design patent is held on the design. The other three consist of instances in which the Japanese producer simply copied them to the "T".

Mr. BETTS. I mention that because I don't think I understand completely, then, what you mean by labels. You don't always mean a label; sometimes it is duplication of the product.

Mr. MURCHISON. Exactly.

Mr. BETTS. It also——

Mr. MURCHISON. Means design.

Mr. BETTS. A copy of the design of the product?

Mr. MURCHISON. That is correct.

Mr. BETTS. I see.

Mr. MURCHISON. In the case of the British, the practice differs somewhat, in that they mislabel their products in order to make effective their price fixing conspiracy.

Mr. BETTS. You say there is no law so far as you know to prevent this from being done?

Mr. MURCHISON. That is correct—effectively.

Mr. BETTS. When you say "effectively," is there any law at all?

Mr. MURCHISON. Except for section 337 of the Tariff Act, any law that would bring a halt to this practice by one large British firm, Pillingtons, which is not present and found here. Therefore, there would be no jurisdiction.

Mr. BETTS. Thank you.

Mr. CONABLE. Mr. Chairman.

Mr. WATTS. Mr. Conable.

Mr. CONABLE. I would like to follow this up further, if I may, Mr. Murchison. You mentioned one of these is a patented design. What is that, some sort of copyright procedure for an artistic design?

Mr. MURCHISON. The Patent Office issues so-called design patents.

Mr. CONABLE. In such a case, do you have a legal remedy or with only those countries with which we have reciprocity?

Mr. MURCHISON. To a limited extent, legal remedies may be available under international agreements or conventions. I am not certain of their adequacy, however.

Mr. CONABLE. Is there any remedy that could be had in trade with respect to the licensing of imports? Is there any remedy you might suggest there that would permit the shutting off of trade in such articles in this country, regardless of whether or not a legal remedy lay against the person copying the design for use in some other country?

Mr. MURCHISON. There is no existing remedy that I know of that would be effective against warehouse stocks already in this country. As I said before, section 337 would bar the continued entry of those goods.

Mr. CONABLE. Has there been much dumping in your field?

Mr. MURCHISON. A tremendous amount.

Mr. CONABLE. You have had no success at all in trying to prove the dumping?

Mr. MURCHISON. I must say that the difficulty has not been in proving dumping but in putting a stop to it.

Mr. CONABLE. There would have been apparently some success with respect to the Japanese, if they had not voluntarily entered into a restraint agreement of some sort?

Mr. MURCHISON. What happened in the Japanese case is this: The Bureau of Customs conducted an antidumping proceeding, and found that virtually all producers of Japanese wall tile were engaged in making sales at less than fair value. The Japanese agreed to stop and, with one or two exceptions, I believe that their agreement has been honored.

Mr. CONABLE. There was no retroactive adjudication that could provide you any form of relief except prospectively?

Mr. MURCHISON. The relief was prospectively only, and, of course, we had been hurt very badly by that time, and the prospective nature of the relief certainly did not serve to make us whole.

Now, the problem then took this turn: The British embarked upon a dumping program that was almost identical to the previous Japanese dumping program, and the Bureau of Customs initiated a proceeding against the British industry. That proceeding is pending.

Mr. CONABLE. I have one last question, Mr. Murchison.

You represent only the Ceramic Tile Manufacturers. Is this solely the type of wall tiles that were pictured in the photograph we just looked at, or does it include other ceramic products of one sort or another? For instance, what about ceramic insulators? Are they included in the jurisdiction of your association?

Mr. MURCHISON. No, sir.

Mr. CONABLE. What is included?

Mr. MURCHISON. Only glazed wall tile and ceramic mosaic tile, which sometimes is called floor tile, so it is just the floor and the wall tiles. It does not include insulators or other ceramic products.

Mr. CONABLE. Do you have any figure on the number of jobs involved in your total industry? How large a problem are we talking about in terms of the dimensions of the industry itself in terms of employment?

Mr. MURCHISON. It is a very small industry. If size is the only measures the industry might be considered by some to be unimportant. A witness this morning, as I recall it, described the number of jobs as having been in the vicinity of 12,000 production workers a decade ago and now there are only 7,000, despite the fact that tile use has doubled.

I may be incorrect on those numbers, but it is a small industry.

Mr. CONABLE. There has been a very substantial decline in the last few years. Is that correct?

Mr. MURCHISON. Yes, sir.

Mr. CONABLE. Thank you.

Mr. BETTS. May I ask another question?

Mr. WATTS. Mr. Betts.

Mr. BETTS. You are acquainted with Mr. Mills bill?

Mr. MURCHISON. I beg your pardon.

Mr. BETTS. You are acquainted with Mr. Mills bill?

Mr. MURCHISON. Yes.

Mr. BETTS. Are you acquainted with the administration bill?

Mr. MURCHISON. Yes; I am.

Mr. BETTS. If either one of those were to become law, would your industry be protected?

Mr. MURCHISON. I think that each represents a major step forward, both in terms of adjustment assistance, which, unfortunately, I consider to be a palliative and not an effective means of curing the basic problem, but is a good step forward, and the escape clause approach is sound.

I think both bills could be strengthened by bringing into play the antitrust concepts that I have mentioned. We must look at trade as a two-way street. A liberal trade policy cannot tolerate the monopolistic restraints of cartels. In addition, there should be legislation authorizing trade agreements to off-set the uneven impact of monetary restrictions, as I have stated.

Mr. BETTS. Do you have something in here strengthening this labeling problem that you called our attention to?

Mr. MURCHISON. We have thought that it could be handled successfully under a revitalized section 337 of the Tariff Act. We think that is the right way to get at it.

Mr. BETTS. Thank you.

Mr. CONABLE. Mr. Chairman, will the gentleman yield.

Mr. BETTS. Yes.

Mr. CONABLE. I would like to say this point about antitrust has been a very significant contribution to these hearings. I am glad you brought that up.

Mr. MURCHISON. Thank you, sir.

Mr. WATTS. I have one more question.

Under your 337, what do we need to do to give the authority to the Tariff Commission under 337 that they do not now have to see that these things are done?

Mr. MURCHISON. First, the Tariff Commission is unequipped in both staff and money to administer section 337.

Mr. WATTS. That is something we do not have anything to do with.

Mr. MURCHISON. That is right.

Secondly, the statute has what I regard as a lawyer to be a serious defect at the present time. First, it is not subject to the Administrative Procedure Act, and it should be.

Second, the Tariff Commission, even if it finds that an antitrust violation is present, cannot issue an embargo order unless the President concurs in the evidence. That is a very unusual provision, and I don't think that it is sound. The Commission should be authorized to issue a final order.

Mr. WATTS. In other words, you say if the Tariff Commission makes a finding that some company with some products is dealing unfairly, irrespective of what the unfairness may be, by copying a design, or dumping, or mislabeling, or anything they might do, or any kind of act that goes outside the realm of fair business practice, that the Tariff Commission on such finding should have the right to suspend that company from doing business in this country?

Mr. MURCHISON. Exactly.

Mr. WATTS. And not have to go any further than the Tariff Commission?

Mr. MURCHISON. Exactly.

Mr. WATTS. Would you provide for an appeal from the Tariff Commission?

Mr. MURCHISON. I think an appeal should be available to a United States Court of Appeals.

Mr. WATTS. Are there any further questions?

If not, thank you for your presentation.

Mr. MURCHISON. Thank you, Mr. Chairman.

(The statement referred to follows:)

STATEMENT OF DAVID C. MURCHISON, ON BEHALF OF CERAMIC TILE MANUFACTURERS OF THE UNITED STATES, INC.

I am David C. Murchison of the law firm of Howrey, Simon, Baker & Murchison, 1707 H Street Northwest, Washington, D.C. 20006. I appear on behalf of Ceramic Tile Manufacturers of the United States, Inc., a non-profit trade association of ceramic tile manufacturers, 800 Second Avenue, New York, New York 10017.

The ceramic tile industry favors a liberal foreign trade policy. It subscribes to the principles set forth in the President's Message of November 18, 1969. It does not oppose the provisions of H.R. 14870, the proposed Trade Act of 1969, but it believes that this bill can be strengthened in several important respects without departing from its basic purposes.

We agree with the President that trade policies can no longer be assessed in the simplistic terms of the past. In the 1970's, America must take into account the complex and far-reaching changes which have occurred in the patterns of world trade. In the case of ceramic tile and possibly other important commodity areas, new legislative measures may be necessary to assure the removal of substantial trade barriers, especially those that presently provide foreign firms undue and significant competitive advantages.

1. THE INJURIOUS ACTIVITIES OF FOREIGN CARTELS

In the view of the ceramic tile industry, a principal barrier to international trade—one that warrants the searching attention of this Committee—is the recent dramatic increase in the activity of foreign cartels in the import trade of the United States. The trade-restraining practices of these cartels, which are the very antithesis of free trade, have caused, and are continuing to cause, serious and substantial injury to U.S. firms in the ceramic tile industry.

Given conditions of fair competition, the ceramic tile industry is fully able to compete successfully against producers in other countries. It is neither moribund nor inferior to its foreign counterparts. It leads the world in ceramic technology. Its plants are the most modern and efficient. Its increases in productivity outstrip such other leading economic segments as chemicals, automobiles, and electric power production.

It is clear, however, that the domestic industry can no longer cope with the illicit competitive activities of overseas cartels, which for reasons of jurisdiction and comity continue unchecked under existing law and now are threatening to destroy this great American industry.

An example is the export cartel of the British ceramic tile industry. Headquartered in the United Kingdom, the members of this cartel have deliberately adopted and put into effect a program designed to secure, by illicit means, a substantial increase in Britain's share of the United States market.

To assure success of this program, the constituent British firms have done the following things:

1. They have entered into an agreement or planned common course of action to eliminate price competition among themselves in exports to the United States.
2. They have combined and conspired to fix and maintain prices to be charged customers in the United States.
3. They have collusively pegged these prices at levels which undercut and injure U.S. producers.
4. They have agreed among themselves to subsidize their collusive price-cuts by charging higher prices for the same or similar products in the British home market.
5. To make these steps effective, the British cartel members have adopted the further practice of misbranding and misrepresenting their price-fixed tile as meeting standards of the Department of Commerce, General Services Administration and the Federal Housing Administration when in fact their tile is substandard and fails to meet these requirements.

The effects of this anti-competitive cartel program have been devastating. Not only have American consumers been denied the benefits of free and open competition between British firms exercising the privilege of doing business here, but U.S. firms have lost customers, sales, and profits.

In glazed wall tile, dumping transactions have not grown to such magnitude that they appear to be a central feature of the British cartel's export policy. Dumping differentials currently range as high as 30 per cent, the most injurious discriminations centering in faster-moving wall tile items. As a result, 1968 imports from the United Kingdom increased 117.5 per cent over 1967 according to statistics of the Department of Commerce. In 1969, imports increased another 18 per cent notwithstanding the weak and precarious condition of the construction market.

Simultaneously, purchasers in the United States have been regularly and systematically deceived by false and misleading labeling and selling practices of the British cartel.

For example, in a major city, standard grade ceramic tile was recently specified for use in the construction of a new hospital. The invitation for bids specifically called for standard grade tile and provided that ". . . wall tile shall conform to requirements of Federal Specification SS–T–308b. . . ." Nevertheless,

bids offering U.S. standard grade tile were rejected and British tile—misrepresented as meeting standard grade requirements—was supplied and used in this project. Similar transactions are widespread and occurring almost daily.

We have reliable information that, in the case of substandard British tile, the blue standard grade label prescribed by the Department of Commerce in SPR 9-61-61, which is designed to be used on cartons to signify that their contents meet standard grade requirements, is affixed in England before the goods are delivered to ships bound for the United States. This evasion of U.S. law is not only reprehensible but highly injurious. Architects, contractors and other purchasers typically look to the blue label as assurance that the tile conforms to published standards.

The Bureau of Customs is presently conducting an antidumping proceeding against the British cartel under the Antidumping Act of 1921. Initiated almost a year and a half ago, this proceeding presumably will culminate in a decision someday. Whether relief will be forthcoming remains to be seen. Whether the injury sustained by U.S. firms can in any event be adequately mitigated or redressed is highly unlikely.

We are informed that the Federal Trade Commission is conducting an investigation of the cartel's false labeling practices. It is unclear at this time whether the Commission has jurisdiction over all cartel members and thus will be able to obtain cessation of these practices.

Even if relief is provided under the statutes administered by both of the above described agencies, it is clear that the core of the problem is and will continue to be the British cartel itself. Located abroad, it can, with impunity, engage in further and additional restraints of trade, including its price-fixing conspiracy and other damaging activities.

Last year, in an effort to assess the problem, this witness requested the Assistant Attorney General in Charge of the Antitrust Division to ask the British Government for a copy of the tile cartel agreement. On October 30, 1969, Mr. McLaren advised me by letter that a Mr. Allott of the British Board of Trade had replied that the agreement was "confidential" and "not available." This most regrettable attitude is hardly consistent with the maintenance of good trade relations between the two countries. One would think that, even in England, a price-fixing agreement among competitors, enshrouded in secrecy, would give rise to sufficient curiosity, if not suspicion, to bring about full disclosure.

As this Committee knows, it is the misfortune of the United States ceramic tile industry that the British tile cartel is not the first foreign cartel to embark upon a concerted program against it. You will recall that, due to the trade practices of a giant Japanese tile cartel (viz., Japan Pottery Exporters Association and affiliated groups), this Committee unanimously adopted a resolution in October of 1966, which directed the Tariff Commission "to make an investigation of the conditions of competition in the United States between ceramic floor and wall tile (glazed and unglazed, and including trim) produced in the United States and in foreign countries, and to report the results of such investigation. . . ."

On March 15, 1967, the activities of the Japanese cartel were described to the Secretary of State by ten members of the Senate[1] as follows:

The program of unlawful trade restraints adopted and carried out began in 1958, or earlier, when Japanese producers, exporters and trading companies formulated and put into effect a program designed to achieve monopolization of the ceramic tile market of the United States. A central feature of this program has been a series of agreements and understandings among these Japanese nationals to fix and maintain the prices of ceramic floor and wall tile exported to the United States at levels substantially lower than prevailing market prices and often below domestic production costs. The purpose of the program has been to peg prices at whatever levels will assure a diversion of sales away from United States manufacturers.

To implement and make effective these price fixing activities, the same Japanese firms have engaged in various unlawful methods of competition, typically including:

(a) adoption of higher prices in the Japanese home market to subsidize lower prices in the United States;

(b) establishment of unlawful common sales agencies in the United States to assure that fixed prices are maintained;

[1] Senators Lausche, Scott, Sparkman, Ervin, Jordan, Eastland, Young, Murphy, Clark and Kuchel.

(c) adoption and use of English brand names to represent or to imply domestic origin of ceramic tile imported from Japan, and failure to disclose to purchasers and prospective purchasers that such tile in fact was made in Japan;

(d) imitation and misappropriation of established trademarks and trade names of United States manufacturers;

(e) dumping of ceramic tile in violation of the Antidumping Act of 1921;

(f) issuance of secret rebates and kickbacks to favored customers, accompanied by willful falsification of United States customs' documents in violation of 19 U.S.C. § 1592; and

(g) unlawful division and allocation among and between themselves of market areas in the United States and customers within such areas.

Prior to adoption of these pervasive competitive methods in 1958, Japan's share of the U.S. ceramic mosiac (floor) tile market was 12.7 per cent. Before corrective action was finally taken in 1966–67, its share had increased to a staggering 64 per cent.

Previously, an escape clause proceeding was initiated by the Tariff Commission, and, on May 10, 1961, the Commission unanimously recommended to the President that import duties be increased on ceramic mosaic tile. On January 19, 1962, while the Commission's recommendations were pending before the President, a group of Japanese cartel members visited the United States Consulate in Nagoya. In delivering a petition addressed to the President, asking that he set aside the Commission's decision, they represented to the American Consult that ". . . the rapid increases in the export of Japanese unglazed mosaic tile to the U.S. could be regarded as a temporary phenomenon usual in the case of new products." They added that ". . . henceforth the Japanese export quota on both unglazed and glazed mosaic tiles would prevent sharp increases."

The American Consul then transmitted the cartel's petition to Washington, together with a full report of the assurances given. Thereafter, the President set aside the recommendations of the Tariff Commission.

Notwithstanding the cartel's assurances to President Kennedy, shipments to the United States thereafter were actually accelerated. By 1965, an effective monopoly position was achieved.

Finally, in the mid-sixties, when various agencies and departments, including the Department of Justice, Department of Treasury, Federal Trade Commission, and the Tariff Commission (at the direction of this Committee) initiated investigations of the incredibly illicit practices utilized by the Japanese cartel in the marketing of both wall tile and ceramic mosaic tile, the Japanese government took action to require its nationals to obey U.S. law in the marketing of both products. This role of the Ministry of International Trade and Industry (MITI) proved most helpful.

In 1968 and 1969, further instances of illegal action by the cartel were called to MITI's attention, and corrective measures were taken by MITI officials. Hopefully, MITI will continue the role it has played since 1966 in these matters in lieu of other solutions.

In the case of the British cartel, however, the British government has yet to exercise similar responsibility. Indeed, as I have already noted, the Board of Trade has made the problem more complex by refusing to make available its price-fixing agreement to the U.S. Department of Justice.

In any event, the time has come when the U.S. ceramic tile industry must be relieved of the damaging effects of British cartel practices. Not yet recovered from the injury caused by the Japanese cartel, the domestic industry clearly faces a new threat to its very existence.

Having in mind that other industries may be similarly situated, we ask the Committee to give consideration to an amendment to the pending trade bill that would—

a. require foreign cartels exporting to the United States to file a report with the Department of Justice setting forth the terms and conditions of their cartel agreements;

b. authorize the Department of Justice to conduct appropriate investigations and to request the Tariff Commission to initiate *in rem* proceedings under Section 337 of the Tariff Act of 1930 (19 U.S.C. § 1337) whenever the facts warrant; and

c. empower the Tariff Commission to issue an order of exclusion (without reference to the President or any department or agency) when it finds that Section 337 is violated.

In no sense protectionist, such an amendment would represent an ideal coalescence of national antitrust and trade policies. It would represent this country's determination to provide trade conditions that are genuinely free of undue restraint.

2. INEQUITABLE IMPACT OF MONETARY RESTRICTIONS

I turn now from the important matter of unfair trade practices by foreign manufacturers of ceramic tile to an equally serious and complex aspect of ceramic tile import competition.

In 1969, the residential housing market in this country experienced a precipitous decline, from which it has not yet recovered. Strong evidence indicates that such a recovery cannot realistically be considered near at hand.

You will recall that new housing starts dropped from a level of 1.9 million in January of 1969 to almost the one million mark by mid-year. This condition placed U.S. manufacturers of ceramic tile in a very precarious position, since virtually all ceramic tile, particularly wall tile, goes into new construction. Many experts predicted a repetition of the 1966 housing collapse during which 13 ceramic tile plants were forced to close their doors.

The cause of the housing slump was and is no secret. It was clearly enunciated by the then Chairman of the Federal Reserve Board during testimony given before the Senate Banking and Currency Committee last fall. Mr. Martin said:

"At the outset, it should be recognized that monetary and credit restraints inevitably have their largest effects on sectors of the economy most dependent on credit financing. Housing is particularly susceptible."

Chairman Martin continued by pointing out that the economy was experiencing the impact of an imbalance in what he termed the "fiscal-monetary policy mix" brought about by the necessity of over-reliance upon monetary restraint to compensate for the lack of appropriate fiscal restraint.

As a result, due to the shortage of long-term credit for new home construction, the proportion of single-family homes (which typically use U.S.-produced tile) to total housing units authorized by building permits dipped in 1969 to approximately 47.5 per cent—the first time in this nation's history that this figure did not exceed 50 per cent. At the same time, imports of ceramic tile actually increased by 9 per cent.

This combination of factors—a contracting housing market featuring a significant shift in its make-up and accompanied by record ceramic tile import levels—produced an intolerable situation.

In these circumstances, the following 33 members of the House introduced concurrent resolutions expressing the view that the Executive Branch should have authority to reduce imports during a period of market contraction resulting from the exercise of governmental monetary restrictions: Abernethy (D. Miss.) H. Con. Res. 343; Fisher (D. Tex.) H. Con. Res. 369; Patman (D. Tex.) H. Con. Res. 371; Goodling (R. Pa.) H. Con. Res. 376; Coughlin (R. Pa.) H. Con. Res. 367; Hanley (D. N.Y.) H. Con. Res. 377; Dent (D. Pa.) H. Con. Res. 381; Hastings (R. N.Y.) H. Con. Res. 386; Haley (D. Fla.) H. Con. Res. 390; Harsha (R. Ohio) H. Con. Res. 391; Utt (R. Cal.) H. Con. Res. 392; Teague (D. Tex.) H. Con. Res. 396; Griffin (D. Miss.) H. Con. Res. 400; Blanton (D. Tenn.) H. Con. Res. 406; Taft (R. Ohio) H. Con. Res. 409; Betts (R. Ohio) H. Con. Res. 409; Ashbrook (R. Ohio) H. Con. Res. 410; Clancy (R. Ohio) H. Con. Res. 410; Bow (R. Ohio) H. Con. Res. 412; Blackburn (R. Ga.) H. Con. Res. 415; Hanna (D. Cal.) H. Con. Res. 418; Purcell (D. Tex.) H. Con. Res. 419; Collins (R. Tex.) H. Con. Res. 419; de la Garza (D. Tex.) H. Con. Res. 421; Nichols (D. Ala.) H. Con. Res. 422; Smith (R. Cal.) H. Con. Res. 429; Jones (D. Ala.) H. Con. Res. 434; Cabell (D. Tex.) H. Con. Res. 433; Davis (D. Ga.) H. Con. Res. 440; Burton (R. Utah) H. Con. Res. 444; Kazen (D. Tex.) H. Con. Res. 450; Perkins (D. Ky.) H. Con. Res. 451; Watts (D. Ky.) H. Con. Res. 456.

Events which have transpired since the introduction of these resolutions have not reduced the threat to this industry. According to the Commerce Department's most recently released data, the seasonally adjusted rate of new privately owned housing starts for the month of April of 1970 was 1.18 million units compared with a rate of 1.5 million for April of last year. In the six-month period ending in April of 1970, the seasonally adjusted annual rate was 13 per cent below the previous six-month period and 22 per cent below the corresponding six-month period of a year ago.

Such statistics provide little comfort for an already imperiled industry. Moreover, steadily increasing imports, abetted by the cartel practices I have already described, now represent 37.5 per cent of U.S. consumption, and there is currently no reason to believe this figure will decline.

At the time of the adoption of the Housing and Urban Development Act of 1968, this nation established for itself a 10-year housing goal of 26 million units. The annual rate of new housing starts implied by this stated objective is 2.6 million per year. Even at this early date, due to the 1969 performance, meeting this timetable will now require a housing start rate of 3.0 million a year—over twice the rate actually experienced in 1969 and the most optimistic estimates offered for 1970.

The demand for new housing at these levels exists and that demand would be met except for the lack of available long-term credit due in turn to restrictive monetary policy.

However, unless some appropriate action is taken—and soon—these new homes, whether built at a rate of 1.3 million per year or twice that number, will have to depend upon ceramic title produced in distant lands. The American industry will no longer be with us.

To avoid substantial injury to an American industry during periods when direct government action has depressed its principal market, we propose for your consideration an amendment to Title II of H.R. 14870, incorporating the intent of the pending 33 concurrent resolutions as follows:

AMENDMENT

(a) Imposition of Restrictions—Whenever the President finds that—

(1) governmental monetary restrictions have had the effect of reducing residential and commercial construction, and

(2) a product or commodity used principally in such residential or in substantial quantities from foreign countries, and

(3) continued operation of United States facilities producing said product or commodity is threatened as a result thereof, he is authorized to seek voluntary import redutcions or, by proclamation, to impose such quantitative limitations and such other import restrictions as he determines necessary to maintain production facilities in the United States pending removal of said governmental monetary restrictions.

This amendment, if properly implemented, would offset the adverse effects of restrictive monetary policy upon U.S. industries engaged in the manufacture of products used principally in residential and commercial construction, and no more. The extent of such import limitations and their duration would directly coincide with the extent to which the housing market is depressed by affirmative governmental restraint and only at such times.

The concept of the amendment is not unlike the principle presently being considered by your Committee and which has been urged by the President—liberalization of the Adjustment Assistance provisions of the Trade Expansion Act. Adjustment assistance is, quite simply, a recognition of government responsibility for injury to U.S. industries, companies, plants, and workers, where actions of the government in granting duty concessions have contributed to that injury. The amendment we recommend is an extension of the same principle—and would require foreign producers to share equitably in market contractions caused by government action.

Mr. WATTS. The next witness is Mr. John C. Mundt.

Give the committee your name and capacity in which you appear, and proceed as you desire.

STATEMENT OF JOHN C. MUNDT, VICE CHAIRMAN, ADVISORY COMMITTEE, CEMENT INDUSTRY ANTIDUMPING COMMITTEE; ACCOMPANIED BY DONALD HISS, COUNSEL

Mr. MUNDT. Mr. Chairman, my name is John Mundt. I am a senior vice president in marketing and public affairs of the One Star Cement Corp., and vice chairman of the Cement Industry Antidumping Com-

mittee. The counsel to our committee is the firm of Covington & Burling. Mr. Hiss of that firm is with me today.

Mr. WATTS. Glad to have Mr. Hiss with us.

Mr. HISS. Thank you, Mr. Chairman.

Mr. MUNDT. He, too, will be available for any questions.

The Cement Industry Antidumping Committee consists of 37 companies in the cement industry. These companies account for approximately 90 percent of the total rated cement capacity in the United States. A list of the 37 companies is attached as appendix A.

The Cement Industry Antidumping Committee is submitting testimony at this hearing and filing this statement in support of H.R. 17605, a bill to amend the Antidumping Act of 1921, introduced by Congressman Rooney, Democrat of Pennsylvania, and others. An identical bill S. 2748, has been introduced by Senators Hartke, Democrat of Indiana, and Scott, Republican of Pennsylvania, and is pending before the Senate Finance Committee.

I. Introduction—The cement industry's concern with the unfair practice of dumping:

The cement industry's position in the trade area is concerned only with the unfair trade practice of dumping. The industry's position does not involve any pending quota or tariff proposal. The industry does not seek increased tariffs on cement, nor does it seek quota relief. In fact, the industry has never sought to restrict the entry of imports into this market. The industry's concern with dumping is only to insure that import competition is subject to the same standards that are observed by U.S. industries under the fair trade laws.

For more than a decade, the cement industry has been vitally concerned with the administration of the Antidumping Act. As set forth in appendix B, the cement industry during the period 1958–1965 was forced to file 19 complaints under the Antidumping Act. The formal proceedings involved cement imports from 15 different nations. The need to file so many complaints was due to the importers shifting from country to country whenever a proceeding threatened to shut off a source of supply.

That our industry suffered serious injury is not subject to doubt. The Treasury Department found reason to suspect dumping in 14 cases. In four cases, the Tariff Commission made affirmative determinations of injury from dumped cement and special dumping duties were imposed on imports from four countries: Sweden, Belgium, Portugal, and the Dominican Republic.

Because of the injury previously sustained from dumping, and because of its inability to obtain timely relief, the cement industry has, since 1963, along with other domestic industries, supported legislation to amend the 1921 act to make it more effective.

No substantive changes have been made in the Antidumping Act, and particularly in the injury and industry provisions, since its original adoption in 1921. As the Vietnamization program progresses, shipping facilities will become more readily available. As a consequence, this market will become even more attractive to foreign exporters in their efforts to sell their excess capacity at lower prices on an incremental pricing basis. During the course of the 50 years that have elapsed since 1921, experience has been gained in the marketplace,

in the administration of the Antidumping Act, and in the administration of our antitrust and fair trade laws generally, of which the Antidumping Act is an integral part. This experience demonstrates the need to adopt legislation such as H.R. 17605, which would make the act more effective by recognizing changes in commercial practices and by bringing the act more in line with antitrust concepts which have evolved since 1921.

The primary purpose of H.R. 17605 is to strengthen the Antidumping Act so as to provide meaningful and timely relief to domestic industries by dumping. This legislation would, we believe, provide such relief, and the cement industry strongly supports it. A summary of the provisions of the bill has been prepared by our counsel, Covington and Burling, and is submitted to the committee as appendix C.

Before discussing the provisions of the bill, let me refer briefly to action taken by Congress in October 1968, which established the supremacy of the Antidumping Act over the International Antidumping Code, and to the direct conflict which has recently arisen between Treasury and the Tariff Commission, and which can only be resolved by Congress. A detailed memorandum evaluating antidumping developments since the October 1968 amendment, also prepared by our counsel, Covington and Burling, is attached as appendix D.

II. Public Law 90-634 of October 1968, and subsequent developments:

Public Law 90-634, which was signed by the President on October 24, 1968, provided that:

> Nothing contained in the International Antidumping Code . . . shall be construed to restrict the discretion of the United States Tariff Commission in performing its duties and functions under the Antidumping Act of 1921.

This measure also directed the Tariff Commission and Treasury in administering their respective functions under the Antidumping Act to resolve any conflict between the code and the act in favor of the act.

By this action, Congress maintained the supremacy of the act over the code, but left untouched the need for strengthening the act so as to afford adequate protection to domestic industries injured by the unfair practice of price discrimination in the form of dumping. In essence, dumping occurs whenever a foreign producer sells in the U.S. market at prices lower than its prices in its home market.

Since October 1968, the Tariff Commission, in which Congress vested in 1954 exclusive responsibility for administering the injury and industry provisions of the act, has proceeded in a manner completely consistent with the 1968 amendment. In short, the Commission has refused to apply the code which it has found to be inconsistent with the provisions of the act.

On the other hand, Treasury has ignored the spirit, if not the letter, of the October 1968 amendment, and has continued to ignore the unequivocal policy of Congress to vest sole responsibility of administering the injury and industry provisions of the act in the Tariff Commission, and to limit Treasury solely to the function of determining whether dumping prices have been charged. For example, Treasury continues to require, notwithstanding the 1954 and 1968 amendments to the act, that all complaints filed with Treasury be accompanied by

evidence of injury. In addition, Treasury continues to dismiss complaints, even where sales at dumping prices are found, on the basis of assurances that such dumping prices will be discontinued.

While a detailed explanation of the developments since October 1968, in the administration of the act by Treasury and by the Tariff Commission is set forth in the legal statement contained in appendix D, let me direct your attention to a direct conflict which has developed recently between Treasury and the Tariff Commission. I refer to the *Glycine* case of February 1970, which is formally designated Aminoacetic Acid (Glycine) from France.

In that proceeding, Treasury determined that imports of glycine from both France and Japan had been sold at less than fair value, that is, at dumping prices.

In making its final determination, however, Treasury dismissed the complaint against glycine from Japan on the basis of assurances from the exporters that there would be no further dumping. The proceeding was then referred to the Tariff Commission for determination of the question of injury. A majority of the Tariff Commission expressed disagreement with Treasury, and concluded that under the Antidumping Act the Tariff Commission should not confine its decision to French dumped imports. Accordingly the Commission majority made an affirmative finding of injury from dumped imports from both France and Japan, and found that the Japanese imports had been the "principal disruptive force in the U.S. market." Subsequently, Treasury published its finding of dumping, pursuant to which dumping duties were assessed, and this finding was limited to French imports.

Thus, the *Glycine* determinations by Treasury and by the Commission represent a direct conflict between the two agencies on an issue vital to the administration of the Antidumping Act. This collision can only be resolved by Congress and underscores the need for enactment of legislation along the lines of H.R. 17605, which would, among other things, limit Treasury to the function of determining whether dumping prices had been charged.

Before leaving this subject, I should comment on the recent Treasury announcement by press release and in the Federal Register that it is tightening its price assurance policy. In the first place, Treasury, despite the public statements, did not substantively revise its regulations as to assurances. Parties are entitled to rely only on the formal regulations, and a press release or announcement has no legal effect. Second, the Treasury statements leave unresolved the basic question of Treasury's authority to dismiss cases on assurances. The *Glycine* problem still remains, since there is no guarantee that Treasury will not dismiss cases in circumstances where the Tariff Commission would otherwise find injury.

Finally, even if the Treasury policy were an enforceable regulation, it is fundamentally meaningless. Treasury has stated that it will dismiss cases only when "dumping margins are minimal in terms of the volume of sales involved." This extremely vague concept leaves Treasury with complete discretion to determine what is "minimal," and complete discretion to dismiss cases on assurances. This determination necessarily involves an injury-type consideration of what sales volume and dumping margins are minimal. Thus, Treasury continues

to usurp the functions specifically reserved under the act of the Tariff Commission, and the basic conflict in the administration of the act to which we are addressing ourselves today remains unresolved by the recent Treasury announcement.

Mr. WATTS. We have a vote on the floor of the House, as you have noted from the bells. The second set of bells have sounded. I am going to leave instructions for the first member to return to reconvene the hearing.

(Brief recess.)

Mr. WATTS. The committee will come to order.

You may proceed.

Mr. MUNDT. When we broke for recess, I had been discussing how the Treasury in ignoring the 1954 and 1968 amendment continues to dismiss complaints, even when dumping is found, on the basis of price assurances.

This invasion by the Treasury into the area of the responsibility of the Tariff Commission has recently caused this direct conflict between Treasury and the Commission in the *Glycine* case.

I also pointed out how Treasury's recent announcement of a revision of its policy on price assurances has not eliminated this problem, and, in fact, the Treasury has reaffirmed the practice of accepting assurances.

Such interagency conflict, we submit, can be resolved with finality only by Congress.

Let me turn now to a brief summary of the provisions of H.R. 17605.

III. Summary of the provisions of H.R. 17605:

1. Transfer to Tariff Commission of sole responsibility to accept assurances.

The bill would clarify what should have been recognized as crystal clear in the present act—that Treasury is limited to determining whether dumping has occurred, and does not have any authority to dismiss cases on the basis of injury considerations, or, more specifically, by accepting assurances that dumping will be discontinued in the future.

The bill recognizes the appropriateness of dismissing cases in certain instances on the basis of assurances, but this authority would be lodged in the Tariff Commission. Treasury would be precluded from such dismissals, and thus the conflict between treasury and the Commission which broke out into the open in the *Glycine* case would be eliminated.

Specifically, the Tariff Commission would be authorized to accept assurances of discontinuance of sales at dumping prices short of a full investigation, whenever warranted, but the foreign exporters would be required to submit periodic compliance reports, a practice not now followed by Treasury.

2. Specific injury guidelines would be provided for the Tariff Commission.

In making its injury determinations, the act merely directs the Tariff Commission to ascertain "whether an industry in the United States is being or is likely to be injured, or is prevented from being established by reason of" dumped imports. A new subsection would be added to provide that an affirmative determination of injury is re-

quired whenever dumped imports have caused "more than de minimis or immaterial injury." All six of the current members of the Tariff Commission have adopted this standard. Recent Commission opinions are documented with reference to the act's legislative history indicating that the de minimis standard is consistent with the original intention of Congress.

This guideline is clearly consistent with the language of "injury to an industry in the United States," and its adoption would assure that this principle would be used by the Commission in all future determinations.

3. Definition of "likelihood of injury."

The pending bill would define "likelihood of injury" so as to adopt the antitrust standard of "reasonable likelihood of injury." This would prevent the Tariff Commission from applying, as it did several years ago, the standard of likelihood of injury which requires proof that injury is so imminent as to be inevitable.

4. Definition of "industry."

The injury to domestic industry provision would be amended by inserting the phrase "in any line of commerce in any section of the country." This adopts the well established Clayton Act antitrust standard, and would require the Commission, when economic conditions so justify, to examine the impact of dumped imports in the geographic segments of the domestic industry involved.

The present Tariff Commission majority has recognized regional markets, a concept originally adopted in the Cast Iron Soil Pipe decision in 1955, and reaffirmed in a number of cases since then.

The cement industry, I might add, is an industry consisting of a series of regional markets.

The Commission, however, has followed a somewhat inconsistent pattern in its definition of industry since the 1955 decision. Shortly thereafter, the Commission adhered to the regional industry concept in a series of unanimous decisions involving cement, but this was followed in later years by a varied course which reflected different views of new members added to the Commission. A majority of the current Commission is clearly committed to the regional industry principle. Its decisions, as well as earlier unanimous decisions, are evidence of the reasonableness of the industry definition propoed in H.R. 17605.

At this point I would like to make reference to material not in my statement, but which illustrates the importance of adopting the regional principle.

In 1968, there was imported into the Bridgeport, Conn., area, 570,000 barrels of cement. The total consumption in Connecticut that year was 4,313,000 barrels, so the imports constittued 13 percent of the market.

In the same year, and this is the last year for which complete figures are available, the imports into Buffalo were 1,630,000 barrels, and into New York, New York Harbor, 1,458,000. The total consumption in New York State in that year was 17,691,000 barrels, so the imported cement constituted 17 percent of the total in the New York market.

If you look at the total imports into the United States last year, it would appear that only about 2½ percent of total consumption was accounted for by imports. What happens is that the imports come into

certain ports, of course, and the impact is much greater than the national average of 2½ percent.

In this particular year, 1968, as pointed out, the impact was 13 percent in Connecticut, and 17½ percent in New York. If this cement were dumped, obviously the impact on the price structure would be catastrophic for the industry.

5. Elimination of Treasury delays.

H.R. 17605 would provide a 6-month time limitation on Treasury's determination of whether dumping has occurred. Treasury would be authorized to utilize an additional 90 days, on the condition it publish reasons therefor in the Federal Register.

The reasonableness of this new time limit for the Treasury is attested by the requirement in the Antidumping Act itself that the Tariff Commission complete its investigation of injury within 3 months. We contend that if the Commission is able to complete its investigation within 3 months, as it always has done, it is certainly reasonable to require Treasury to complete its investigation of dumping within 6 months, with a provision for 3 additional months if there are valid reasons.

The 6-month limitation is necessary because Treasury has taken excessive amounts of time to conclude dumping investigations. Some of the earlier testimony today confirmed that. Past investigations have lasted as long as 3 years, and it is not uncommon for such investigations to take over a year.

In recent remarks to the World Trade Club of New York on March 4, 1970, Assistant Secretary of the Treasury Eugene T. Rossides acknowledged that Treasury's antidumping investigations were taking, in some cases, "as long as 2 years."

He said that, "if it takes that long to determine whether American industry is the victim of foreign dumping, the patient may very well die while the facts are ascertained. When a doctor is asked to diagnose an illness, the purpose is to effect a cure, not to provide the coroner with a documented summary of the reasons for the patient's death."

We agree with that statement.

Mr. Rossides again acknowledged the need for shorter investigations in responding to questions of this committee.

6. Consolidation of complaints.

A new subsection would be added to require the Secretary to consolidate in a single dumping investigation all complaints involving the same class or kind of merchandise, regardless of the number of importers, foreign exporters, and countries involved. This policy has been followed by the Tariff Commission and Treasury in recent years, and continued adherence should be assured by its incorporation by Congress into the act.

7. Judicial review.

The bill would, for the first time, make judicial review available to all parties to a dumping case. It is presently available only to importers.

CONCLUSION

The Cement Industry Antidumping Committee strongly urges that this committee take positive action in favorably reporting H.R. 17605

to the House. We should emphasize that the major labor group in our industry—the United Cement, Lime & Gypsum Workers—is also submitting testimony to this committee which fully endorses our position in support of this legislation.

The amendments and clarifications proposed are eminently reasonable, and not injurious to other American trade policies. The cement industry has suffered serious injury from dumping in the past, and is concerned that future dumping will be possible, when, after the present Vietnam conflict terminates, ocean shipping becomes more available, and cement from exporting nations can be shipped to the United States in ballast, as was the case before.

Action by this committee and by the Congress is vital, if U.S. industries are to be able to compete, free of the unfair trade practice of dumping—a practice condemned by Congress for over 50 years, and condemned by all major trading nations, as well.

Mr. WATTS. Does that conclude your statement, Mr. Mundt?

Mr. MUNDT. Yes; except that I would like to ask that the full statement and the appendixes be inserted in the record.

Mr. WATTS. Without objection, it may be done.

(The material referred to follows:)

STATEMENT SUBMITTED BY JOHN C. MUNDT[1] ON BEHALF OF CEMENT INDUSTRY ANTIDUMPING COMMITTEE

The Cement Industry Antidumping Committee consists of thirty-seven companies in the Cement Industry. These companies account for approximately ninety percent of the total rated cement capacity in the United States. A list of the thirty-seven companies is attached as Appendix A.

The Cement Industry Antidumping Committee is submitting testimony at this hearing and filing this statement in support of H.R. 17605, a bill to amend the Antidumping Act of 1921, introduced by Congressman Rooney (D. Pa.) and others. An identical bill, S. 2748, has been introduced by Senators Hartke (D. Ind.) and Scott (R. Pa.) and is pending before the Senate Finance Committee.

I. INTRODUCTION—THE CEMENT INDUSTRY'S CONCERN WITH THE UNFAIR PRACTICE OF DUMPING

The Cement Industry's position in the trade area is concerned only with the unfair trade practice of dumping. The Industry's position does not involve any pending quota or tariff proposal. The Industry does not seek increased tariffs on cement, nor does it seek quota relief. In fact, the industry has never sought to restrict the entry of imports into this market. The industry's concern with dumping is only to ensure that import competition is subject to the same standards that are observed by U.S. industries under the fair trade laws.

For more than a decade, the Cement Industry has been vitally concerned with the administration of the Antidumping Act. As set forth in Appendix B, the Cement Industry during the period 1958–1965 was forced to file 19 complaints under the Antidumping Act. The formal proceedings involved cement imports from fifteen different nations. The need to file so many complaints was due to the importers shifting from country to country whenever a proceeding threatened to shut off a source of supply.

That our industry suffered serious injury is not subject to doubt. The Treasury Department found reason to suspect dumping in fourteen cases. In four cases the Tariff Commission made affirmative determinations or injury from dumped cement and special dumping duties were imposed on imports from four countries (Sweden, Belgium, Portugal and the Dominican Republic).

[1] Senior Vice President, Marketing and Public Affairs, Lone Star Cement Corporation; Vice Chairman, Cement Industry Antidumping Committee.

Because of the injury previously sustained from dumping and because of its inability to obtain timely relief, the Cement Industry has since 1963, along with other domestic industries, supported legislation to amend the 1921 Act to make it more effective.

No substantive changes have been made in the Antidumping Act, and particularly in the injury and industry provisions, since its original adoption in 1921. As the Vietnamization program progresses, shipping facilities will become more readily available. As a consequence, this market will become even more attractive to foreign exporters in their efforts to sell their excess capacity at lower prices on an incremental pricing basis. During the course of the 50 years that have elapsed since 1921, experience has been gained in the marketplace, in the administration of the Antidumping Act, and in the administration of our antitrust and fair trade laws generally, of which the Antidumping Act is an integral part. This experience demonstrates the need to adopt legislation such as H.R. 17605 which would make the Act more effective by recognizing changes in commercial practices and by bringing the Act more in line with antitrust concepts which have evolved since 1921.

The primary purpose of H.R. 17605 is to strengthen the Antidumping Act so as to provide meaningful and timely relief to domestic industries injured by dumping. This legislation would, we believe, provide such relief, and the Cement Industry strongly supports it. A summary of the provisions of the bill has been prepared by our counsel, Covington & Burling, and is submitted to the Committee as Appendix C.

Before discussing the provisions of the bill, let me refer briefly to action taken by Congress in October 1968, which established the supremacy of the Antidumping Act over the International Antidumping Code, and to the direct conflict which has recently arisen between Treasury and the Tariff Commission and which can only be resolved by Congress. A detailed memorandum evaluating antidumping developments since the October 1968 amendment, also prepared by our counsel, Covington & Burling, is attached as Appendix D.

II. PUBLIC LAW 90–634 OF OCTOBER 1968 AND SUBSEQUENT DEVELOPMENTS

Public Law 90–634, which was signed by the President on October 24, 1968, provided that "nothing contained in the International Antidumping Code . . . shall be construed to restrict the discretion of the United States Tariff Commission in performing its duties and functions under the Antidumping Act of 1921." This measure also directed the Tariff Commission and Treasury in administering their respective functions under the Antidumping Act to resolve any conflict between the Code and the Act in favor of the Act.

By this action, Congress maintained the supremacy of the Act over the Code, but left untouched the need for strengthening the Act so as to afford adequate protection to domestic industries injured by the unfair practice of price discrimination in the form of dumping. In essence, dumping occurs whenever a foreign producer sells in the United States market at prices lower than its prices in its home market.

Since October 1968 the Tariff Commission, in which Congress vested in 1954 exclusive responsibility for administering the injury and industry provisions of the Act, has proceeded in a manner completely consistent with the 1968 amendment. In short, the Commission has refused to apply the Code which it has found to be inconsistent with the provisions of the Act.

On the other hand, Treasury has ignored the spirit, if not the letter, of the October 1968 amendment, and has continued to ignore the unequivocal policy of Congress to vest sole responsibility of administering the injury and industry provisions of the Act in the Tariff Commission and to limit Treasury solely to the function of determining whether dumping prices have been charged. For example, Treasury continues to require, notwithstanding the 1954 and 1968 amendments to the Act, that all complaints filed with Treasury be accompanied by evidence of injury. In addition, Treasury continues to dismiss complaints, even where sales at dumping prices are found, on the basis of assurances that such dumping prices will be discontinued.

While a detailed explanation of the developments since October 1968 in the administration of the Act by Treasury and by the Tariff Commission is set

forth in the legal statement contained in Appendix D, let me direct your attention to a direct conflict which has developed recently between Treasury and the Tariff Commission. I refer to the *Glycine* case of February 1970, which is formally designated *Aminoacetic Acid (Glycine) from France.* In that proceeding, Treasury determined that imports of glycine from both France and Japan had been sold at less than fair value, that is, at dumping prices. In making its final determination, however, Treasury dismissed the complaint against glycine from Japan on the basis of assurances from the exporters that there would be no further dumping. The proceeding was then referred to the Tariff Commission for determination of the question of injury. A majority of the Tariff Commission expressed disagreement with Treasury and concluded that under the Antidumping Act the Tariff Commission should not confine its decision to French dumped imports. Accordingly, the Commission majority made an affirmative finding of injury from dumped imports from both France and Japan, and found that the Japanese imports had been the "principal disruptive force in the U.S. market." Subsequently, Treasury published its finding of dumping, pursuant to which dumping duties were assessed, and this finding was limited to French imports.

Thus, the *Glycine* determinations by Treasury and by the Commission represent a direct conflict between the two agencies on an issue vital to the administration of the Antidumping Act. This collision can only be resolved by Congress and underscores the need for enactment of legislation along the lines of H.R. 17605, which would, among other things, limit Treasury to the function of determining whether dumping prices had been charged.

Before leaving this subject, I should comment on the recent Treasury announcement by press release and in the Federal Register that it is tightening its price assurance policy. In the first place, Treasury, despite the public statements, did not substantively revise its regulations as to assurances. Parties are entitled to rely only on the formal regulations, and a press release or announcement has no legal effect. Second, the Treasury statements leave unresolved the basic question of Treasury's authority to dismiss cases on assurances. The *Glycine* problem still remains since there is no guarantee that Treasury will not dismiss cases in circumstances where the Tariff Commission would otherwise find injury.

Finally, even if the Treasury policy were an enforceable regulation, it is fundamentally meaningless. Treasury has stated that it will dismiss cases only when "dumping margins are minimal in terms of the volume of sales involved." This extremely vague concept leaves Treasury with complete discretion to determine what is "minimal" and complete discretion to dismiss cases on assurances. This determination necessarily involves an injury type consideration of what sales volume and dumping margins are minimal. Thus, Treasury continues to usurp the functions specifically reserved under the Act to the Tariff Commission, and the basic conflict in the administration of the Act to which we are addressing ourselves today remains unresolved by the recent Treasury announcement.

Let me turn now to a brief summary of the provisions of H.R. 17605.

III. SUMMARY OF THE PROVISIONS OF H.R. 17605.

1. *Transfer to Tariff Commission of sole responsibility to accept assurances.* The bill would clarify what should have been recognized as crystal clear in the present Act—that Treasury is limited to determining whether dumping has occurred and does not have any authority to dismiss cases on the basis of injury considerations or, more specifically, by accepting assurances that dumping will be discontinued in the future. The bill recognizes the appropriateness of dismissing cases in certain instances on the basis of assurances, but this authority would be lodged in the Tariff Commission. Treasury would be precluded from such dismissals, and thus the conflict between Treasury and the Commission which broke out into the open in the *Glycine* case would be eliminated. Specifically, the Tariff Commission would be authorized to accept assurances of discontinuance of sales at dumping prices short of a full investigation, whenever warranted, but the foreign exporters would be required to submit periodic compliance reports, a practice not now followed by Treasury.

2. *Specific injury guidelines would be provided for the Tariff Commission.* In making its injury determinations the Act merely directs the Tariff Commission to ascertain "whether an industry in the United States is being or is likely to be injured, or is prevented from being established by reason of" dumped imports. A new subsection would be added to provide that an affirmative determination of injury is required whenever dumped imports have caused "more than *de minimis* or immaterial injury." All six of the current members of the Tariff Commission have adopted this standard. Recent Commission opinions are documented with reference to the Act's legislative history indicating that the *de minimis* standard is consistent with the original intention of Congress. This guideline is clearly consistent with the language of "injury to an industry in the United States," and its adoption would assure that this principle would be used by the Commission in all future determinations.

3. *Definition of "likelihood of injury."* The pending bill would define "likelihood of injury" so as to adopt the antitrust standard of "reasonable likelihood of injury." This would prevent the Tariff Commission from applying, as it did several years ago, the standard of likelihood of injury which requires proof that injury is so imminent as to be inevitable.

4. *Definition of "industry."* The injury to domestic industry provision would be amended by inserting the phrase "in any line of commerce in any section of the country." This adopts the well-established Clayton Act antitrust standard, and would require the Commission, when economic conditions so justify, to examine the impact of dumped imports in the geographic segments of the domestic industry involved.

The present Tariff Commission majority has recognized regional markets, a concept originally adopted in the *Cast Iron Soil Pipe* decision in 1955 and reaffirmed in a number of cases since then.

The Commission, however, has followed a somewhat inconsistent pattern in its definition of industry since the 1955 decision. Shortly thereafter, the Commission adhered to the regional industry concept in a series of unanimous decisions involving cement, but this was followed in later years by a varied course which reflected different views of new members added to the Commission, A majority of the current Commission is clearly committed to the regional industry principle. Its decisions, as well as earlier unanimous decisions, are evidence of the reasonableness of the industry definition proposed in H.R. 17605.

5. *Elimination of Treasury delays.* H.R. 17605 would provide a six-month time limitation on Treasury's determination of whether dumping has occurred. Treasury would be authorized to utilize an additional ninety days, on the condition it publish reasons therefor in the Federal Register.

The reasonableness of this new time limit for the Treasury is attested by the requirement in the Antidumping Act itself that the Tariff Commission complete its investigation of injury within three months. We contend that if the Commission is able to complete its investigation within three months, as it always has done, it is certainly reasonable to require Treasury to complete its investigation of dumping within six months, with a provision for three additional months if there are valid reasons.

The six-month limitation is necessary because Treasury has taken excessive amounts of time to conclude dumping investigations. Some of the earlier testimony today confirmed that. Past investigations have lasted as long as three years and it is not uncommon for such investigations to take over a year.

In recent remarks to the World Trade Club of New York on March 4, 1970, Assistant Secretary of the Treasury Eugene T. Rossides acknowledged that Treasury's antidumping investigations were taking, in some cases, "as long as two years." He said that

> "If it takes that long to determine whether American industry is the victim of foreign dumping, the patient may very well die while the facts are ascertained. When a doctor is asked to diagnose an illness, the purpose is to effect a cure, not to provide the coroner with a documented summary of the reasons for the patient's death."

We agree with that statement. Mr. Rossides again acknowledged the need for shorter investigations in responding to questions of this Committee.

6. *Consolidation of complaints.* A new subsection would be added to require the Secretary to consolidate in a single dumping investigation all complaints involving the same class or kind of merchandise, regardless of the number of importers, foreign exporters, and countries involved. This policy has been followed by the Tariff Commission and Treasury in recent years, and continued adherence should be assured by its incorporation by Congress into the Act.

7. *Judicial Review.* The bill would for the first time make judicial review available to all parties to a dumping case. It is presently available only to importers.

CONCLUSION

The Cement Industry Antidumping Committee strongly urges that this Committee take positive action in favorably reporting H.R. 17605 to the House. We should emphasize that the major labor group in our industry—the United Cement, Lime & Gypsum Workers—is also submitting testimony to this Committee which fully endorses our position in support of this legislation.

The amendments and clarifications proposed are eminently reasonable and not injurious to other American trade policies. The Cement Industry has suffered serious injury from dumping in the past and is concerned that future dumping will be possible, when, after the present Vietnam conflict terminates, ocean shipping becomes more available and cement from exporting nations can be shipped to the United States in ballast, as was the case before.

Action by this Committee and by the Congress is vital if United States industries are to be able to compete, free of the unfair trade practice of dumping—a practice condemned by Congress for over fifty years and condemned by all major trading nations as well.

APPENDIX A—THE CEMENT INDUSTRY ANTIDUMPING COMMITTEE

Allentown Portland Cement Company
Alpha Portland Cement Company
American Cement Corporation
Arkansas Cement Company
Atlantic Cement Company, Inc.
California Portland Cement Company
Columbia Cement Company
Coplay Cement Manufacturing Company
Diamond Alkali Cement Company
The Flintkote Company
General Portland Cement Company
Giant Portland Cement Company
Gifford-Hill Portland Cement Company
Gulf Coast Portland Cement Company
Huron Cement Company
Ideal Basic Industries
Kaiser Cement and Gypsum Corporation
Keystone Portland Cement Company
Lehigh Portland Cement Company
Lone Star Cement Corporation
Marquette Cement Manufacturing Company
Martin Marietta Corporation
Medusa Portland Cement Company
Missouri Portland Cement Company
National Cement Company
The National Portland Cement Company
Nazareth Cement Company
Northwestern States Portland Cement Company
OKC Corporation
Oregon Portland Cement Company
Penn-Dixie Cement Corporation
Portland Cement Company of Utah
Puerto Rican Cement Company
San Antonio Portland Cement Company
Southwestern Portland Cement Company
The Whitehall Cement Manufacturing Company
Wyandotte Chemicals Corporation

APPENDIX B

Country of exportation	Date of formal Complaint	Treasury initial finding of reason to believe or suspect dumping	Nature of final determination by Treasury Department of Tariff Commission
Belgium	Oct. 2, 1959	Yes	Treasury found dumping and Tariff found injury to the domestic industry.
Canada	May 28, 1959	Yes	Treasury found dumping, but Tariff found no injury to the domestic industry in part because continuation of dumped sales seemed unlikely.
Columbia	Sept. 25, 1959	No	Treasury found no dumping.
Denmark	Apr. 28, 1960	Yes	Treasury found dumping but did not refer it to Tariff partly because of cessation of shipments.
Dominican Republic	Aug. 19, 1961	Yes	Treasury found dumping, but Tariff found no injury at the time to the domestic industry.
	May 4, 1962	Yes	Treasury found dumping and Tariff found injury to the domestic industry.
Israel	July 21, 1959	Yes	Treasury found no dumping partly because of a non-cost-justified quantity discount allowance.
Italy	June 7, 1962	No	Treasury found no dumping.
Japan	Dec. 1, 1961	None	Treasury found dumping but did not refer to Tariff partly because of assurances by the producer that dumping would not be resumed.
	Feb. 5, 1963	Yes	Treasury found dumping, but Tariff found no injury to the domestic industry.
	Aug. 26, 1965	No	Treasury found no dumping.
Norway	Sept. 15, 1958	Yes	Treasury found no dumping solely because of a non-cost-justified quantity discount allowance.
	Dec. 27, 1961	Yes	Treasury found no dumping solely because of a non-cost-justified quantity discount allowance.
Poland	Dec. 29, 1960	Yes	Treasury found no dumping, but used a 3d country price and not Polish as home market price.
Portugal	June 9, 1960	Yes	Treasury found dumping and Tariff found injury to the domestic industry.
Sweden	Nov. 25, 1968	Yes	Treasury found dumping and Tariff found injury to the domestic industry.
Tunisia	Sept. 13, 1960	No	Treasury found dumping but did not refer it to Tariff on assurances by the producers that dumping would not be resumed.
West Germany	Aug. 13, 1959	Yes	Treasury found dumping but did not refer it to Tariff on assurances by the producers that dumping would not be resumed.
Yugoslavia	Aug. 28, 1961	Yes	Treasury found dumping but did not refer it to Tariff on assurances by the producers that dumping would not be resumed.

APPENDIX C—SUMMARY OF PROVISIONS OF H.R. 17605 TO AMEND THE ANTIDUMP ACT

H.R. 17605 would amend the Antidumping Act in the following manner:

(A) Section 201(a) would be amended in the following respects:

(1) The word "injured" in Section 201(a) is preceded by no qualifying adverb. It is proposed to insert the qualifying adverb "materially" and at the same time add a new subsection, subsection (b), to Section 201 which would provide that "material injury" shall be established whenever dumping sales have caused "more than *de minimis* or immaterial injury." Congress would thus adopt the injury standards used by the Tariff Commission majority in *Cast Iron Soil Pipe* and other recent cases, and assure that such standards would be applied by the Commission to all future injury determinations.

(2) The injury to domestic industry provision in Section 201(a) would also be amended by inserting the phrase "in any line of commerce in any section of the country" after the word "injury." This would adopt an identical and well-established Clayton Act antitrust standard, and would require the Commission, when economic conditions so warrant, to examine the impact of dumped sales on the geographical segments of the domestic industry involved. In essence, when dumped imports are sold in limited markets, the plants supplying the market area in which such imports are sold would constitute a separate industry.

In all other respects, Section 201(a) would be enacted in its present form.

(B) Section 201 would be further amended by adding after subsection (c) the following additional subsections:

(1) Subsection (d), as explained above, would in effect define material injury to mean any injury more than *de minimis* or immaterial.

(2) Subsection (e) would define likelihood of injury so as to adopt the antitrust standard of "reasonable likelihood" of injury. This would prevent the Commission from applying, as it did several years ago, the escape clause standard of likelihood of injury which requires proof that injury is so imminent as to be inevitable.

(3) Subsection (f) would require the Secretary to consolidate in a single dumping investigation all complaints involving the same class or kind of merchandise, regardless of the number of importers, exporters, foreign manufacturers and countries involved. In addition, this subsection would specify that the Secretary is required to continue to initiate dumping investigations on his own initiative.

(4) Subsection (g) would permit the Secretary to dismiss summarily a complaint for which no evidence of dumping prices was submitted or was available from any source to the Secretary, but such a dismissal would have to be made within 15 days after the institution of an investigation. This subsection would also provide that any such determination would be subject to judicial review.

(5) Subsection (h) would require the Secretary to make an affirmative or negative determination within six months after the institution of an investigation with the proviso that such period could be extended for an additional 90 days. In such event, however, the Secretary would be required to publish a notice in the Federal Register setting forth his reasons why such additional time was required. This subsection would also provide that if the requirement for additional time was due to the failure of importers, foreign producers or exporters to submit pricing or other material, a withholding of appraisement notice would be issued at the expiration of the six-month period, and if such information from such source or sources was not supplied during the additional 90 days, the Secretary would then make a final decision based on whatever material is available to him at that time.

(6) Subsection (i) would preclude the Secretary from making any determinations whether the quantity of merchandise being dumped was more than insignificant or whether the dumping margin was *de minimis*, and would preclude the Secretary from dismissing complaints on the basis of assurances of pricing revisions to eliminate the likelihood of dumping prices, assurances that future sales would not be made at dumping prices, or any other kind of assurances.

(7) Subsection (j) would permit the Tariff Commission to dispose of any case without a full investigation whenever it determines, within 30 days after receipt of the case from the Secretary, that the quantity of dumped merchandise was no more than insignificant or the dumping margin was no more than *de minimis*. In such an event, the Commission would be authorized to accept assurances from the foreign supplier or suppliers that dumping would not be resumed, and would be authorized to require compliance reports from such sources during such period of time as the Commission considers appropriate. This subsection would also provide that whenever the Commission determined that such assurances were not being adhered to, the Commission would so advise the Secretary and publish notice of such determination in the Federal Register, and the Secretary would thereupon be required to initiate a new dumping investigation with respect to the class or kind of merchandise involved from the source or sources specified in the Commission's notice.

(C) Section 205 would be amended by making the present section a subsection—subsection (a)—and adding a new subsection—subsection (b). Subsection (b) would permit the Secretary, in any case involving a country in which prices bear no relationship to cost or profit factors, to determine foreign market value in any manner he deems appropriate. In the case of Communist countries, the Secretary has for some years used different methods than those specified in the Act. This subsection would merely clarify that the Secretary's authority in this respect is provided for in the Act.

(D) Section 4 would amend the judicial review provisions found in Section 210. Currently only importers are entitled to judicial review of decisions by the Secretary and by the Tariff Commission. Section 210 would be amended to provide for judicial review—limited to questions of law—for both importers and

the domestic industry with respect to determinations by both the Secretary and by the Tariff Commission.

(E) Section 5 of the draft bill would provide that the amendments would apply to all investigations instituted by the Secretary on or after 30 days after the enactment of the Act and in all Commission investigations resulting therefrom.

APPENDIX D

COVINGTON & BURLING,
Washington, D.C., June 15, 1970.

Memorandum re: Antidumping Developments Since October 1968 Legislation

The memorandum summarizes and evaluates developments in the antidumping area since the October 1968 legislation amending the Antidumping Act of 1921. The memorandum also examines the relationship between these developments and H.R. 17605, a pending bill to amend the Antidumping Act. (An identicall bill, S. 2748, is pending in the Senate.)

I. OCTOBER 1968 ANTIDUMPING AMENDMENT

The October 1968 amendment to the Antidumping Act (Public Law 90-634) established the supremacy of the U.S. Act over the International Antidumping Code. Specifically, the amendment provided that nothing in the International Code shall be construed to restrict the discretion of the Tariff Commission in performing its duties and functions under the Antidumping Act, and directed both the Tariff Commission and the Treasury Department to resolve any conflict between the Code and the Act in favor of the Act, and to take the Code into account only insofar as it is consistent with the Act.

In addition, the amendment required the President to submit to Congress by August 1, 1969 a report on all antidumping determinations during the period July 1, 1968 through June 30, 1969, and to analyze for each determination the extent to which the Code had been taken into account. The President was also requested to make appropriate recommendations concerning the future administration of the Act.

II. PRESIDENT'S REPORT OF AUGUST 1969

The President submitted the required report to Congress in August 1969. The report contained little more than a recitation of actions taken by Treasury and the Tariff Commission during the year in question, and a conclusion that these actions were not affected by the International Code. The report was relatively unilluminating since during the one-year period Treasury acted only on seven dumping complaints out of the substantial number pending, and the Tariff Commission had occasion to render decisions in only two cases, both of which involved imports from Communist Bloc countries, which are not parties to the Code.

The President did, however, reaffirm the supremacy of the Antidumping Act over the International Code by stating: "Obviously, the domestic law would take precedence over the International Antidumping Code in the event of an actual conflict." The President had no recommendations to make at that time on the future administration of the Act.

III. TARIFF COMMISSION'S POSITION ON THE INTERNATIONAL CODE

The October 1968 amendment has been completely effective insofar as the Tariff Commission is concerned. The Commission has made five injury determinations under the Antidumping Act since October 1968. The International Code has played no role whatsoever in the hearings conducted in these cases and in the decisions of the Commission. For example, as discussed more fully below, the current injury standard of the Commission, which is fully consistent with the Act, would obviously have been precluded by the International Code. In effect, the Code appears to be a dead letter at the Tariff Commission, at least as far as the present Commissioners are concerned.

IV. TREASURY'S POSITION ON THE INTERNATIONAL CODE

Generally, it is virtually impossible to ascertain with certainty the extent to which the International Code has affected actions by Treasury in its determina-

tions, unless one has been a party to the proceedings. In one area, however, Treasury, under the guise of compliance with the Code or of following precedent of extremely doubtful legal validity, has ignored not only the provisions of the Antidumping Act as amended in 1954, but also the spirit, if not the letter, of the October 1968 amendment.

The Antidumping Act in no way authorizes Treasury to consider any issue other than whether there have been sales of less than fair value, *i.e.*, the arithmetical and mechanical computation of whether dumping prices have been charged. In fact, Congress specifically amended the Act in 1954 to preclude Treasury from inquiring into or evaluating any issue relating to injury, and delegated the responsibility for the injury determination solely to the Tariff Commission.

In the Senate version of the antidumping bill passed in 1968, the Senate clearly indicated that encroachment by Treasury into the injury consideration would be inconsistent with the clear division of functions between Treasury and the Tariff Commission that had been established by Congress. The amendment recommended by the Finance Committee and adopted by the Senate in 1968 would have specifically precluded Treasury from dismissing dumping complaints on any ground other than a finding of no dumping. In addition, the Seante Finance Committee made clear to Treasury officials during the June 1968 hearing on the legislation to limit the applicability of the International Code that it was opposed to the provision in Treasury's June 30, 1968 regulations which for the first time required that a dumping complaint be accompanied by evidence of injury. The 1968 Treasury regulations were admittedly intended to implement the International Code, and this evidence of injury requirement was intended to comply with the Code provision for a simultaneous determination of dumping and injury, a requirement wholly inconsistent with the division of functions in the U.S. Act between Treasury and the Tariff Commission.

Thus, in spite of the clear division of functions specified in the Antidumping Act, and in spite of the 1968 amendment, Treasury continues to insist that all dumping complaints made be accompanied by evidence of injury. This action is clearly inconsistent with both the 1954 amendment and the 1968 amendment.

More important, Treasury has also continued to dismiss antidumping complaints on grounds other than a finding of no dumping. Treasury has continued this practice despite the fact that the Act nowhere authorizes it and despite the opposition to the practice expressed in the 1968 Senate bill. This Treasury practice—which was described in detail by Tariff Commissioner Bruce Clubb during the June 1968 Senate Finance Committee hearing—consists of the dismissal of complaints, even though sales at dumping prices have been found, whenever the exporter revises its prices so as to eliminate dumping margins. In taking such action, Treasury thereby precludes the Tariff Commission from considering injury even though dumping has occurred. This practice of Treasury has recently created an inevitable collision with the Tariff Commission.

V. Recent Conflict Between Treasury and the Tariff Commission.

Treasury's continued insistence on dismissing complaints on grounds other than a determination of no dumping has recently resulted in a direct conflict with the Tariff Commission. In the case of *Aminoacetic Acid (Glycine) From France*, February, 1970, Treasury found that imports of glycine from both France and Japan had been sold at less than fair value, but the Japanese complaint was nevertheless dismissed on the basis of assurances that there would be no further dumping. A statutory majority (3 members) of the Tariff Commission, however, expressed disagreement with Treasury, and concluded that under the statute it should not confine its decision to French imports. Accordingly, the Commission majority made an affirmative finding of injury from dumped imports from both France and Japan, and even found that the Japanese imports had been the "principal disruptive force in the U.S. market."

The dissenting Commissioners concluded that the Commission had no authority to consider Japanese imports inasmuch as Treasury's reference of the case to the Commission had been limited to French imports. One of the dissenters, Chairman Sutton, did conclude, however, that the impact of Japanese imports must be considered in determining whether French imports had injured the domestic industry.

The *Glycine* determinations by Treasury and the Commission thus represent

a direct collision between the two agencies on an issue vital to the administration of the Antidumping Act.[1] This collision underscores the need for hearings on H.R. 17605, the pending antidumping bill, and for a resolution of the conflict by Congress. H.R. 17605 would reaffirm the policy which Congress established in 1954 that Treasury be limited to the arithmetical and mechanical computation of whether dumping prices have been charged, and preclude Treasury from dismissing cases on the basis of assurances of discontinuance or other such injury considerations. The bill recognizes the justification for dismissals in certain instances, but this authority would be given to the Tariff Commission, which under the Act has sole authority to consider injury aspects of a dumping complaint. Where the Tariff Commission concludes that an acceptance of an assurance of discontinuance is warranted, H.R. 17605 would provide a procedure comparable to antitrust consent decrees, with compliance reports required to be submitted periodically. Treasury does not impose any such requirement when it dismisses a complaint on the basis of assurances.

Aside from the merits of this provision of H.R. 17605, it is undeniable that only Congress can now resolve this interagency conflict. Congress would therefore be remiss if it failed to clarify its intention concerning the responsibilities of Treasury and the Tariff Commission in the administration of the Antidumping Act.

VI. RECENT TREASURY ANNOUNCEMENT OF REVISED POLICY ON PRICE ASSURANCES

In a very recent move, Treasury announced in a press release of May 26, 1970, that it was "tightening" its policy with respect to dismissal of antidumping complaints on the basis of price assurances. This was followed by publication in the Federal Register of May 27, 1970 of a statement of policy (in the form of a Treasury Decision) and a minor revision in the Treasury Regulations. Both the press release and the Federal Register announcement stated that Treasury will hereafter accept price assurances only when "dumping margins are minimal in terms of the volume of sales involved". The revision of the Regulations provides for a notice when a dumping complaint is dismissed, in which the Secretary must specify the reason for the dismissal, including acceptance of price assurances.

Although Treasury can now contend that it has taken a step to limit dismissal of antidumping cases and there is some comfort in the fact Treasury has at least publicly acknowledged there is a problem raised by price assurances, an analysis of the Treasury action leads to the conclusion that it has not meaningfully changed the situation. In the first place, despite its public pronouncements of a new policy, Treasury did not substantively revise its Regulations on price assurances. Parties are entitled to rely only on the formal Regulations, and a press release or statement of policy has no legal effect. Further, such statements are not binding on future Treasury administrations.

Second, the Treasury statements leave wholly unresolved the basic question of Treasury's authority to dismiss cases on the basis of price assurances. If anything, the announcements are a bold reaffirmation of Treasury's claim of authority to dismiss cases on grounds other than a finding of no dumping. The *Glycine* problem remains unresolved since it continues to be possible that Treasury will dismiss cases in circumstances where the Tariff Commission would otherwise find injury.

Finally, even if the Treasury policy were an enforceable regulation, it is fundamentally meaningless. Treasury has done no more than to state it will dismiss cases only where dumping margins and the quantity of sales are "minimal". The term "minimal" is not defined. Hence, this extremely vague concept leaves Treasury with complete discretion to determine what cases should be dismissed on the basis of assurances. Such a determination necessarily involves injury type considerations as to what margins and what sales volumes are "minimal" in the

[1] It is interesting to note that this conflict between Treasury and the Tariff Commission was also reflected in the Commission's March 1970 decision in *Ceramic Floor and Wall Tile* under the adjustment assistance provision of the Trade Expansion Act. The Commission majority opinion pointed out that Treasury had found that Japanese tile had been dumped, but had dismissed the complaint on assurances of discontinuance of dumping. The Commission emphasized that this was done although the "price discrimination was an extremely significant factor in the Japanese ability to obtain quickly so large a share of the U.S. tile market". This suggests that the Commission would have found injury if the dumping complaint had been referred to it by Treasury.

context of their impact on the domestic industry. Treasury thereby continues to usurp the injury function reserved solely for the Tariff Commission, and hence the recent policy announcement leaves unresolved the basic conflict in the administration of the Antidumping Act.

VIII OTHER ASPECTS OF TARIFF COMMISSION DECISIONS

Turning again to the Tariff Commission, its decisions since October 1968 have been completely consistent with the purposes of the Antidumping Act. As already noted, the Commission has followed the October 1968 amendment and has not applied the International Code. Moreover, the Commission has made affirmative findings of injury in five of the last seven cases it has decided, and has made affirmative findings in the last three cases, decided in November 1969 and February 1970. Furthermore, the Commission's position on the definition of injury and industry under the Act, and with respect to consolidation of complaints, is the most favorable to domestic industry since the Commission began making injury determinations in 1954.

A. INJURY STANDARD

All six of the current members of the Commission have now adopted the position that an affirmative finding of injury is required whenever dumped imports are found to have caused more than *de minimis* or immaterial injury to a United States industry. At the time of the 1968 amendment, only two of the four members then serving on the Commission had taken this position. The three new members appointed to the Commission and one of the prior dissenting members have joined the other two members in adopting this standard.

The recent opinions of the Commission are documented with references to the Act's legislative history indicating this to have been the original intention of Congress. This standard is certainly consistent with the Act's definition of "injury to an industry in the United States". However, the current Commission's standard would have been precluded by the International Code which requires a showing that dumped imports are "demonstrably the principal cause of material injury".

H.R. 17605 would have Congress reaffirm and ratify the present injury position of the six members of the Commission and require an affirmative finding of injury where imports sold at dumping prices have caused or are likely to cause more than *de minimis* or immaterial injury. This standard is eminently reasonable inasmuch as it has been adopted since the October 1968 amendment by all six members now on the Commission, and has been applied by a majority of the Commission for nearly three years, *i.e.*, since the *Cast Iron Soil Pipe From Poland* decision in September 1967.

VII. OTHER TREASURY ACTIVITIES WHICH JUSTIFY CONGRESSIONAL ACTION

Treasury has continued to take an inordinate amount of time before final disposition of a dumping complaint. A number of complaints are now pending which are over two years old, and some of the cases acted on since October 1968 had been on file at Treasury from one to over two years. In *Concord Grapes From Canada*, August, 1969, Commissioner Clubb in his opinion pointed out that the Tariff Commission could not find present injury to the domestic grape industry as a result of import practices which had been complained of nearly two years prior to the time the case was referred to the Commission by Treasury. The case of *Potassium Chloride (Muriate of Potash) From Canada, France and West Germany*, November, 1969, which involved substantial quantities of imports and which was a very significant case for all parties concerned, remained pending at Treasury for more than two years.

Treasury has publicly acknowledged the need for more expenditious investigations. In remarks to the World Trade Club of New York on March 4, 1970, Assistant Secretary Eugene T. Rossides conceded that Treasury was taking in some cases "as long as two years" to reach its dumping determination. He added that "if it takes that long to determine whether American industry is the victim of foreign dumping, the patient may very well die while the facts are ascertained. When a doctor is asked to diagnose an illness, the purpose is to effect a cure, not to provide the coroner with a documented summary of the reasons for the patient's death". Despite this acknowledgment, Treasury's recent revision of its antidumping Regulations did not contain a time limitation.

It thus remains difficult for domestic industries to obtain meaningful relief under the Antidumping Act because Treasury takes such extended periods of time to reach its dumping decision. Consequently, there is a compelling need for some form of time limitation on Treasury's investigations of dumping complaints. H.R. 17605 would provide a six-month time limitation, but authorize Treasury to take an additional 90 days on the condition that it publish the reasons therefor in the Federal Register.

B. INDUSTRY STANDARD

In another development, in its most recent decision in *Steel Bars, Reinforcing Bars and Shapes From Australia*, February 1970, the Commission, by a 4–2 margin, confined its injury consideration to a limited regional market. Specifically, the Commission majority determined the domestic industry to be steel producers in the Northwest market, consisting of the states of Oregon and Washington. The majority concluded that these states constitute a separate competitive market "because freight differentials limit sales of domestic steel products in such areas principally to the plants operating within the areas". The majority then stated that the applicable principle is that "an injury to a part of the national industry is an injury to the whole industry". The two dissenting Commissioners determined that the entire nation was the proper market area, primarily because steel pricing is uniform nationwide and price differences reflect only different freight costs due to different locations of production and consumption facilities.

The present Tariff Commission majority thus applied a regional market approach, a principle originally adopted by a majority of the Tariff Commission in the *Soil Pipe From The United Kingdom* decision in October 1955 and reaffirmed in a number of decisions since then. Again, this development adds impetus and support for H.R. 17605 which would provide a definition of industry that insures that distinctive geographical markets are considered by the Commission. This would be accomplished by the use of the well-established antitrust (Clayton Act) test of whether an industry has been injured "in any line of commerce in any section of the country".

C. CONSIDERATION OF COMPLAINT AGAINST IMPORTS FROM VARIOUS COUNTRIES

Another policy adopted by the Tariff Commission in recent decisions is that of considering the cumulative effect of all dumped imports where Treasury has found dumping from more than one foreign source. The Commission originally took this approach in *Pig Iron From West Germany, Czechoslovakia, Romania and the U.S.S.R.* in September 1968, and reaffirmed this principle more recently in the *Potash* case decided in November 1969. In his concurring opinion in the latter decision, Commissioner Clubb pointed out that if the Commission were to divide unfair imports along country lines, this would reduce the chances of a finding of injury and would ignore the fact that a domestic industry can be injured as much by small amounts of dumped imports from many sources as it can by the same amount from one source. The Commission's position is supported by the language of the Act which requires it to consider imports of the "same class and kind of merchandise" and by the common sense test that an industry may be injured by dumped imports of the same product regardless of the country or countries of origin.

Again, the Tariff Commission's position on this score is consistent with a provision of H.R. 17605 which would require Treasury to consolidate complaints directed at the same class or kind of merchandise imported from various foreign sources. There have been situations where Treasury separated complaints by country of exportation involving the same imported product and referred each complaint piecemeal to the Tariff Commission. As indicated above, the current Commission interpretation of the Act would preclude such a procedure, and would require Treasury to refer one consolidated case to the Commission.

CONCLUSION

Since October 1968 the Tariff Commission has been comparatively receptive to dumping complaints filed by domestic industries and has taken a more reasonable approach to administering the injury and industry provisions of the Antidumping Act. It has complied fully with the directive in the 1968 amendment and

has not applied the International Code. The Commission is, however, subject to change in the composition of its members and there is nothing to insure continuation of its present policies. H.R. 17605 would have Congress adopt and ratify the Commission's position on the definition of injury, the definition of industry, and the treatment of the cumulative effect of dumping from more than one source. With respect to these provisions, H.R. 17605 is manifestly reasonable as a result of its consistency with recent Tariff Commission decisions.

On the other hand, Treasury has continued to ignore the amendment enacted by Congress in 1968, and has continued as well to ignore the division of responsibilities specified by Congress in the 1954 amendment. Treasury insists upon dismissal of complaints on grounds which have been reserved in the Act as the sole responsibility of the Tariff Commission. The inevitable collision with the Commission occurred in the recent *Glycine* decision where Treasury dismissed in complaint on assurances, but the Commission found that the dumped imports had caused injury to the U.S. industry. Treasury also continues to insist upon submission of injury evidence with dumping complaints. Finally, Treasury still takes an unreasonable and interminable amount of time to complete a dumping investigation.

Since no case can reach the Tariff Commission unless referred there by Treasury, the more enlightened position of the Commission will be meaningless unless there is some reform of Treasury's procedures. Accordingly, there is an urgent need for Congress to enact the provisions of H.R. 17605 or comparable provisions which would limit Treasury to the single function of the mathematical determination of dumping assigned to it by the 1954 amendment to the Antidumping Act.

This would preclude Treasury's practice of dismissing a complaint with a determination of no dumping on the basis of assurances of discontinuance of dumping. The provision in H.R. 17605 for a six-month time limitation on Treasury investigations is urgently required by the maxim that "justice delayed is justice denied."

The October 1968 legislation merely prevented the International Antidumping Code from emasculating the Antidumping Act of 1921. Hence, that legislation only preserved a status quo of an Act which had not consistently provided effective relief to industries injured by the unfair trade practice of dumping. Legislation such as H.R. 17605 is needed to strengthen and modernize the Act, and to insure that the positions recently adopted by the Tariff Commission are not reversed in the future. The need to resolve the conflict between Treasury and the Commission and to eliminate the obvious difficulties encountered by domestic industries at Treasury makes this a particularly appropriate time for Congressional consideration of antidumping legislation.

SUMMARY OF COMMENTS AND RECOMMENDATIONS IN SUPPORT OF H.R. 17605 SUBMITTED BY CEMENT INDUSTRY ANTIDUMPING COMMITTEE BEFORE HOUSE WAYS AND MEANS COMMITTEE, JUNE 15, 1970

1. The Cement Industry has suffered serious injury in the past from the unfair trade practice of dumping, and joins other industries in seeking to ensure that import competition is subject to the same fair trade standards which govern U.S. industries. Therefore, it urges adoption of legislation to make the Antidumping Act of 1921 more effective, such as H.R. 17605.

2. The Tariff Commission has acted in a manner completely consistent with the October 1968 amendment to the Antidumping Act, and has not applied the International Antidumping Code.

3. Treasury has ignored the spirit, if not the letter, of the 1968 amendment, and has continued to ignore the 1954 amendment which limited Treasury solely to the determination of dumping, and vested in the Tariff Commission exclusive authority to make the injury determination.

4. Treasury, ignoring the 1954 and 1968 amendments, continues to dismiss complaints, even where dumping is found, on the basis of price assurances. This invasion by Treasury into the area of responsibility of the Tariff Commission has recently caused a direct conflict between Treasury and the Commission in the *Glycine* case. Treasury's recent announcement of a revision of its policy on price assurances has not eliminated this problem, and in fact Treasury has reaffirmed the practice of accepting assurances. Such interagency conflict can be resolved with finality only by Congress.

5. H.R. 17605 would resolve this conflict by precluding Treasury from dismissing cases on the basis of price assurances and by specifically authorizing the Tariff Commission to accept such assurances in appropriate cases pursuant to a method borrowed from antitrust consent decrees.

6. Treasury continues to take inordinate amounts of time to complete its dumping investigation, often taking as much as two years, which almost necessarily precludes effective relief. H.R. 17605 would provide a six-month time limitation on Treasury's determination of whether dumping has occurred, with the authority for Treasury to take an additional 90 days on the condition that it publish the reasons therefor in the Federal Register.

7. H.R. 17605 would adopt the current Tariff Commission standards for the determination of injury and for the definition of what constitutes a domestic industry. The bill would for the first time afford judicial review to all parties to a dumping case. The bill would also adopt the current Commission position and require Treasury to consolidate complaints directed at the same class and kind of merchandise imported from various foreign sources.

Mr. WATTS. Are there any questions?

Mr. CONABLE. I come from the Buffalo area, myself, sir. I note your statistics on the number of cement imports into the Buffalo area, I think it was last year.

I wonder if you can tell me any reason for that: Why Buffalo was singled out. Is it the proximity of other foreign producers to the Great Lakes ports? Is it because the domestic supply there has faltered in some way? Is there any particular reason why we were so uniquely favored by cement inequities?

Mr. MUNDT. I don't really have the figures with me on where the cement came from. I just cannot tell. I do not have those figures with me.

Some of it I presume came from Canada. I would suspect the rest came from Norway. All of the cement into the New York area these days is coming from Norway.

Mr. CONABLE. Were those nonexclusive examples, or were there other examples in other parts of the country of very substantial variance from the average import of cement?

Mr. MUNDT. Most of the imports obviously come into our seacoast areas. Other States that have large imports are Florida and Virginia. The eastern seaboard has been the target principally for imports in the past.

This we feel is going to continue, but I would like to have this comment, if I might. We have information that the British, for example, are building a very large new plant on deep water constituting a net addition to capacity in this one plant alone of 9 million barrels.

In an article in the London Financial Times, there is this sentence, "In particular Blue Circle believes"—and it is their plant—"it can step up exports of bulk cement to the United States."

So this plant is being built with the U.S. market in mind.

On the other coast, we think there is also very great danger of future imports of dumped cement, because the Japanese have been increasing their cement manufacturing capacity by over 14 percent a year during the last few years.

Mr. CONABLE. You mentioned, sir, that the principle of regional damage from imports has been pretty well accepted by the Tariff Commission.

Mr. MUNDT. In recent decisions.

Mr. CONABLE. In there any remaining difficulty about this? Is the Treasury still insisting on nationwide harm?

Mr. MUNDT. May I ask Mr. Hiss to answer the question of criteria?

Mr. HISS. Treasury does not ostensibly go into the question of injury, although they have invaded that area in dismissing cases on the basis of assurances that no further dumping will occur.

But Treasury does not look at the overall injury problem, which is the responsibility of the Tariff Commission.

The current Tariff Commission, a majority recognizes the regional industry concept.

Mr. CONABLE. As I understand it, this used to be a problem.

Mr. HISS. This used to be a problem.

Mr. CONABLE. So far as you are concerned, it is no longer a problem, as long as Treasury does not go beyond the Tariff Commission findings?

Mr. HISS. Well, Treasury still, we think, invades Tariff's responsibility.

One of the provisions of this bill would eliminate Treasury from any injury determinations. The assurances, if assurances are accepted, would be taken by the Tariff Commission, and not by Treasury.

Mr. CONABLE. Thank you, Mr. Hiss.

(The following was received by the committee:)

COVINGTON & BURLING,
Washington, D.C., June 16, 1970.

HON. BARBER B. CONABLE, JR.,
Cannon House Office Building,
Washington, D.C.

DEAR CONGRESSMAN CONABLE: At yesterday's hearings of the Ways and Means Committee on tariff and trade proposals, you inquired of John Mundt, who appeared on behalf of the Cement Industry Antidumping Committee, the source of the 1,629,000 barrels of cement that had been entered at Buffalo in 1968 to which Mr. Mundt had eluded in the course of his testimony. According to the U.S. Census Bureau import statistics for cement, all cement entered at Buffalo in 1968 originated in Canada. In 1969, according to this same source, all entries into Buffalo also originated in Canada.

In your colloquy with Mr. Mundt you observed that a majority of the current Tariff Commission now recognizes the validity of regional industry when the economic facts so warrant, and that the problem involving this issue now seemed to be resolved. As Mr. Mundt in his testimony pointed out, there is a need for Congress to adopt a definition of industry, along the lines provided for in H.R. 17605, which would assure that all future Tariff Commissions would continue to recognize the concept of regional industries. This is one of the reasons why Mr. Mundt urged the Committee to report H.R. 17605 favorably to the House.

In connection with your comments to the witness who preceded Mr. Mundt, you referred to the prospective nature of any relief afforded by Treasury's acceptance of price assurances. As Mr. Mundt pointed out, H.R. 17605 would transfer this function to the Tariff Commission since it involves injury determinations. The Commission is better equipped to decide whether relief would be sufficient by acceptance of assurances. In addition, the Commission would be authorized to require compliance reports to ensure that assurances were being properly implemented.

Respectfully yours,

DONALD HISS,
Counsel to Cement Industry Antidumping Committee.

Mr. MUNDT. I think a partial answer to your question, if I might add this, is that makeup of the Tariff Commission could, of course, change.

Mr. CONABLE. Yes; of course, it can.

Mr. WATTS. Mr. Betts.

Mr. BETTS. Just to clear up something in my mind, did I understand you say that these new Treasury regulations still leave with Treasury the right to dismiss the case on price assurances? Is that correct?

Mr. MUNDT. That is correct.

Again, I would like Mr. Hiss to answer this line of questioning.

Mr. BETTS. But they still have a minimal rule. Is that right? Actually, that does not mean much, as far as relief or scope of relief, does it?

Mr. HISS. It is minimal as to the dumping margin and as to volume.

Quite frankly, Congressman, we don't know what that means. It is so vague as to be meaningless.

Mr. BETTS. It does not impress anybody very much, when they use the word "minimal" in connection with relief?

Mr. HISS. That is right.

Mr. BETTS. One other question.

Do I understand you to say that under present law you feel the Treasury does not have authority to grant relief on price assurances?

Mr. HISS. Precisely.

Mr. BETTS. Still they do?

Mr. HISS. They still do it, although they now have said they are making concessions and only doing it when the margin and volume are minimal.

Mr. BETTS. The Glycine people were here the other day. They explained the problem they had. Treasury had four applications, and Treasury summarily dismissed three after the Tariff Commission found injury in all four cases.

Mr. HISS. Right. This should be the responsibility of Tariff, in accordance with the 1954 act.

Mr. BETTS. Thank you.

Mr. WATTS. Thank you very much for your appearance.

(The following was received by the committee:)

COVINGTON & BURLING,
Washington, D.C., June 16, 1970.

HON. JACKSON E. BETTS,
Rayburn House Office Building,
Washington, D.C.

DEAR CONGRESSMAN BETTS: At yesterday's hearings of the Ways and Means Committee on Tariff and Trade Proposals, in the course of the testimony of John Mundt, who appeared on behalf of the Cement Industry Antidumping Committee, you referred to Treasury's recent announcement that it will dismiss dumping complaints on the basis of assurances of price revisions only when dumping margins and sales volume are minimal, and noted the vagueness of this concept.

Not only is the concept so vague as to be meaningless, but the announced change in the Treasury regulations does not in any way reflect even this vague standard. The amendment to the regulations, which was published in the *Federal Register* on May 27, merely provides for a notice when a dumping complaint is dismissed, with the Secretary being required to specify the reasons for the dismissal, including acceptances of price assurances.

Only in the Treasury decision which was published with the change in the regulations in the *Federal Register* on May 27 and in the Press Release of the preceding day is there any indication of a modification of Treasury practice or policy. Parties are entitled to rely only on the formal regulations and a statement of policy has no legal effect.

Even more important, however, the Treasury announcement, accepting it at

face value, leaves completely unresolved the basic conflict between Treasury and the Tariff Commission as reflected in the *Glycine* Case. The Glycine problem arose because Treasury insisted on invading the area of responsibility which Congress had delegated exclusively to the Tariff Commission in 1954—that is, responsibility for determining whether a domestic industry has been injured as a result of dumped imports. In announcing that it would limit dismissals of complaints on the basis of assurances to those involving "minimal" margains and volumes, Treasury boldly reaffirms its claim of the right to dismiss cases on injury grounds.

Moreover, even if the policy has been in the form of an amendment to its regulations, such a policy is fundamentally meaningless, as you pointed out, because of the vagueness of the standard of "minimal" dumping margins and volumes. There is no definition of the term "minimal". As a consequence, Treasury has complete discretion as to what cases should be dismissed on the basis of assurances. Such determinations necessarily involve injury type considerations as to what margains and what sales volumes are minimal in the context of their impact on the domestic industry.

Thus, Treasury's recent action assures continuation of the basic conflict which has developed between Treasury and the Tariff Commission. Such a conflict can only properly be resolved by Congress. The enactment of H.R. 17605, among other things, would resolve this conflict by limiting Treasury to pricing determinations and specifying that the Tariff Commission shall have sole responsibility to determine whether to accept assurances or to proceed to full-scale investigations.

A detailed explanation of the May 27 Treasury announcement is set forth at pages 9–11 of Appendix D to the statement of Mr. Mundt which has been made a part of the record. We would appreciate it, moreover, if you would have this letter which responds to the question you raised, also made a part of the record of the hearings.

Respectfully yours,

DONALD HISS,
Counsel to Cement Industry Antidumping Committee.

Mr. WATTS. The next witness is Mr. William L. Donehower. You are recognized.

STATEMENT OF WILLIAM L. DONEHOWER, JR., CHAIRMAN, EXECUTIVE COMMITTEE, ROLLED ZINC MANUFACTURERS ASSOCIATION

Mr. DONEHOWER. Thank you, Mr. Chairman.

Mr. Chairman, my name is William L. Donehower, Jr. I am Vice President of the Matthiessen and Hegeler Zinc Company of LaSalle, Ill., and I enter this appearance in my capacity as chairman of the executive committee of the Rolled Zinc Manufacturers Association. This association is composed of the six U.S. manufacturers who produce 100 percent of the zinc rolling mill products manufactured for sale in the United States. Rolled zinc consists of zinc in sheets, strip zinc, wire, rod, and engraver plates.

Briefly, I shall attempt to review what has occurred to U.S. industry and the Nation as a whole in view of the U.S. foreign trade policy and recite the effect that policy has had on the rolled zinc industry. I shall also state the recommendation of our industry as to what should be the future policy.

DEVELOPMENTS SINCE THE 1962 TRADE EXPANSION ACT

When this committee held hearings in connection with the legislation which ultimately became the Trade Expansion Act of 1962, there

were many witnesses appearing before the committee including Burnham B. Holmes of Ball Corp. of Muncie, Ind., who appeared in behalf of the Rolled Zinc Manufacturers Association. He, along with some of the other witnesses, opposed enactment of the legislation. He gave sound reasons for that position. However, the national administration championed the measure as did a number of other witnesses and this committee and the Congress listened to them instead of to us. Our association at that time maintained that developments to date had shown that the policy af abandoning practically all import restrictions was not serving in the long run the American public, U.S. industry, or the Nation at large and that the United States should heed these warning signals instead of accelerating an unwise and unsound policy. This committee knows well what has happened and how the U.S. balance of trade has suffered. If a true value is placed on U.S. exports, which requires exclusion of the value of foreign aid shipments abroad and exclusion of the value of sales of surplus agricultural commodities abroad at the equivalent of dumped prices, while at the same time a true value is placed upon the value of imports, which requires their measurement in terms of a landed value instead of a declared foreign value, then it readily can be seen that the United States does maintain an unfavorable balance of trade of several billion dollars annually. That this situation has occurred is not surprising. It does surprise us that so many people seem to be surprised that it has occurred. With the much higher prices prevailing in the United States for labor and raw materials the results could not possibly have been otherwise.

We do think there is a ray of sunshine on the hozizon, however, because a number of industries which supported the 1962 act have come to realize the folly of that position and some of these industries already have a severe import competition problem. In general, organized labor was a strong supporter of the 1962 act but there now are many, if not most, of the leaders of organized labor who have changed or are changing their position when they observe the ravages of unfair import competition. Also, we are heartened to observe the introduction of legislation by some very prominent members of this committee which would deal effectively with the critical problems of import competition faced by some industries. Therefore, with recent developments indicating a changed position by certain industries, labor organizations, and members of Congress, we believe there has become a realization that the foreign trade policy of the United States for some years has represented an unwise policy decision for the United States and we think the committee and the Congress should hold responsible those who lead the Congress to such a decision to enact the Trade Expansion Act of 1962. Particularly, do we urge this committee not to follow the advice any longer of those whose recommendations of the past have proven to be a failure.

ATTITUDE OF THE CURRENT ADMINISTRATION

While we observe that this administration has not succeeded in working out a voluntary control arrangement concerning the imports of textile, shoes, and other items; we are encouraged by what we consider to be the attitude of the current administration. Incidentally, we are

not surprised that it has not been feasible to work out voluntary quotas on certain products. We think it highly unlikely that such a system will ever work. Action by the U.S. Government, which to us means Congress, will be required to really get something done. In this connection we are most pleased to observe the contents of the administration bill, H.R. 14870—not that we think this bill is the bill which should be enacted, but because it is the first time in many years that the national administration has favored legislation which to us at least appears to be headed in the right direction. For many years national administrations in our opinion have favored bills which were headed in the wrong direction. Most important of all, in our view, are the provisions in the administration bill which would restructure the basis for escape clause relief to an industry injured by unfair import competition. Instead of the present criteria for obtaining increased import protection of a requirement for a Tariff Commission finding that imports of an article are occuring "as a result in major part of concessions granted under trade agreements . . .", the bill would require only that the Tariff Commission make a finding that the increased imports "have been the primary cause of injury or the threat thereof to such industry." This is a big difference and it would be a much more reasonable criteria. Also, the administration bill, while providing authority for selective limited tariff reduction under special circumstances, contains no irresponsible program for widespread ruthless, across-the-board, tariff cutting which is contained in the current Trade Expansion Act and to a lesser extent in predecessor acts. We also are pleased to observe that the administration by some of its administrative actions such as those involving pianos and sheet glass, has shown genuine regard for the welfare of U.S. industry. It is a refreshing breath of air in a tunnel long dark and stifled for ventilation. In our opinion, without question, American workmen, American industry, the American public, and the United States will be better off if the administration bill is enacted as a replacement for the current statute.

PREFERRED LEGISLATION

While the administration bill would be a very definite step in the right direction, in our view everything considered we do not believe it would be the preferred legislation. Instead we favor enactment of the fair international trade bill which has been introduced by approximately 65 members of Congress. It would conserve but strengthen the good points of the administration bill and add provisions which would cause the Congress to some extent to reassert its constitutional responsibility over foreign trade policy matters pertaining to tariffs and quotas. First, the fair international trade bill would make it clear that the authority to reduce tariffs until July 1, 1973, would be for the limited purpose of providing the President with authority to enter into such trade agreements as he may find to be appropriate in carrying out existing trade agreement obligation which he finds applicable as an incident to actions taken by him pursuant to section 351 of the Trade Expansion Act of 1962 under article XXVIII of the General Agreement on Tariffs and Trade.

Second, escape clause relief would be available if increased imports

have been found by the Commission to be a substantial cause of serious injury or the threat thereof instead of the primary cause as would be required by the administration bill and as a result in major part of concessions granted under trade agreements * * * under existing law. The purpose of tariffs and quotas should be to counteract unfair import competition if it should be a substantial cause of serious injury or a threat thereof. It should not be required, it is our contention, to be the primary cause of injury and certainly it should not have to be proved that it is due in major part to concessions granted under trade agreements.

Third, the fair international trade bill would establish by Congress a definitive U.S. policy regarding unfair import competition. It would be a well-known policy and foreign countries would know precisely what it means. They would not need to depend on informal, nebulous, confusing, private meetings between Government Officials of the United States and various foreign countries. It would be a policy of letting foreign governments and sellers in the U.S. market know that notwithstanding their lower porduction costs due to lower wages and lower raw material costs that they, nevertheless, could continue to grow and share in the prosperity of the United States on a reasonable basis as the U.S. market expands, but to the contrary that they would not be free to engulf and completely swallow a productive and tax-paying U.S. industry. With specific percentage levels at which imports would be permitted under specified conditions, foreign suppliers could plan their operations and further their U.S. sales to a level to which they would know they could sell without curtailment, but they also would be officially advised as to the extent to which they might capture the U.S. market. If the United States had adequate tariffs which would equate higher U.S. production costs, then quotas would not be necessary but because of unwise actions of the United States in various international trade agreements, particularly those consumated under authority of the Trade Expansion Act of 1962, the quota approach, we believe, is the only reasonable approach remaining.

Also we think well of the Mills bill, H.R. 16920, which would establish specific quotas on textiles and shoes and which also would provide important improvements to the escape clause to make relief more readily available to other industries. However, the general provisions of the Mills bill would not provide for other industries a remedy comparable to that which it provides for textiles and shoes unless the ceiling features of the Fair International Trade bill should be incorporated into the Mills bill which readily could be done. In its present form the general provisions of the Mills bill provide a more reasonable criteria for both adjustment assistance and increased tariff protection under the escape clause but these general provisions should be expanded to provide a third option of a market sharing ceiling as a remedy for other industries which it provides for textiles and shoes. In substance we favor the administration bill over existing law but we prefer the Fair International Trade bill to the administration bill and we believe that if the provisions of the Mills bill are expanded to incorporate the provisions of the Fair International Trade bill that such would provide a much improved statute.

While my foregoing remarks express support for both the Mills bill

and the Fair International Trade bill, we are most disappointed that the international trade situation of the United States is such that we feel impelled to express support for these bills. This is because even though the quota authorization provisions in the bills are flexible, quotas by their general nature tend to be rigid, restraining, and restrictive and not always sufficiently flexible to adjust to changing situations rapidly enough. However, because of the situation in which much of American industry finds itself, the fact that we have an unfavorable balance of trade and U.S. policy and actions in recent years have been such as to preclude the use of the import duty route to correct the situation, we do express support for these bills.

Notwithstanding the best intention of Congress, the Trade Expansion Act of 1962 has not been in the best interest of the United States and we urge this Congress to be sure this time to enact legislation which will be in the best interest of the United States. The administration bill, H.R. 14870, would be in the better interest of the United States but the Fair International Trade bill or the Mills bill as amended in accordance with our suggestions is the legislation which is in the best interest of the United States.

POSSIBILITY OF ELIMINATION OF IMPORT DUTIES BY THE UNITED STATES AND OTHER COUNTRIES ON IMPORTS FROM THE LESS DEVELOPED COUNTRIES

Some months ago there was a proposal which we understand was advanced by U.S. spokesmen at a meeting of the General Agreement on Tariffs and Trade whereby the United States would agree to eliminate all import duties on manufactured and semimanufactured products other than textiles, shoes, and petroleum provided other advanced countries would do likewise. We have not heard much of this proposal lately although we understand that some of the other advanced countries which necessarily would have to be a party to it have not looked upon it with favor. This matter is not before this committee in legislative form at this time, if our understanding is correct, but we would like to see the committee in the committee report go on record in opposition to it. In our opinion this is not a very carefully thought out proposal. We believe it would cause unfortunate economic results in the United States. While undoubtedly it would have a comparable affect on many U.S. industries, let me comment briefly regarding the affect we believe it would have if adopted on the U.S. rolled zinc industry. A number of the less developed countries produce zinc ore and metal which is needed by U.S. industry as the United States does not produce a sufficient quantity of zinc ore and metal for its own use. However, if the less developed countries commence to produce manufactured products of zinc as well as other manufactured items and gain entry to the U.S. market on a duty free basis, then, of course, they will lose some of their market in the United States for the zinc ore, metal, and other raw materials. Basically we believe that the less developed countries should be encouraged to continue to produce raw materials. Certainly they should not be encouraged to produce manufactured goods to the extent of inviting them to ship to the United States on a duty-free basis to displace U.S. manufactured products.

FOREIGN TRADE POLICY AND THE UNITED STATES ROLLED ZINC INDUSTRY

As I mentioned in my introduction, rolled zinc consists of zinc in sheets, strip zinc, and zinc wire, rod, and engraver plates. Many years ago the ravages of unfair import competition virtually destroyed the U.S. industry producing zinc in sheets. This is because it is a high labor content item. There has been and is practically no import duty on zinc in sheets and the ruin of U.S. industry occurred because of the substantial production in Yugoslavia of zinc in sheets at labor rates which have been as low as one-tenth of the comparable labor rates in the United States to produce zinc in sheets. Imports of zinc in sheets from Yugoslavia still are very substantial and only two U.S. manufacturers produce zinc in sheets at all and these two companies only in limited quantities. We have been ruined in our sheet zinc market but we do not want to be ruined concerning strip zinc, rod, wire, and engraver plates. At the present time we are not experiencing critical unfair import competition problems, but we do have knowledge of some of the production facilities which have been and which are being created elsewhere in the world to produce these items. When the threat of unfair import competition becomes critical we want there to be on the statute books a law which can constructively but fairly deal with the problem to permit foreign suppliers to have a reasonable access to the U.S. market but not to enable them to destroy our strip, rod, wire, and engraver plate market as they have done with the sheet zinc market.

SUMMARY

Mr. Chairman, we are encouraged by what we consider to be the attitude of the current administration, and pleased to observe the contents of the administration bill, H.R. 14870, not that we think that this bill is the bill which should be enacted, but because it is the first time in many years that the national administration has favored legislation which to us, at least, appears to be headed in the right direction.

For many years, national administrations, in our opinion, have favored bills which were headed in the wrong direction, and most important of all in our view are the provisions in the administration bill which would restructure the basis for escape clause relief to an industry injured by unfair import competition. This is a big difference, and it would be a much more reasonable criteria.

Also, the administration bill, while providing authority for selective limited tariff reduction under special circumstances, contains no irresponsible program for widespread, ruthless, across-the-board tariff cutting which is contained in the current Trade Expansion Act, and to a lesser extent, of course, in the predecessor acts.

In our opinion, without question, American workmen, American industry, the American public, and the United States will be better off if the administration bill is enacted as a replacement for the current statute.

While the administration bill would be a very definite step in the right direction, in our view, everything considered, we do not believe it would be the preferred legislation.

Instead, we favor enactment of the Fair International Trade bill which has been introduced by approximately 65 Members of Congress.

It would conserve and strengthen the good points of the administration bill, and add provisions which would cause the Congress to some extent to reassert its constitutional responsibility over foreign trade matters pertaining to tariffs and quotas.

First, the Fair International Trade bill would make it clear that the authority to reduce tariffs until July 1, 1973, would be for the limited purpose of providing the President with authority to enter into such trade agreements as he may find to be appropriate in carrying out the existing trade agreement obligations which he finds applicable as an incident to the actions taken by him pursuant to section 351 of the Trade Expansion Act of 1962 under article XXVIII of the General Agreement on Tariffs and Trade.

Second, escape clause relief would be available if increased imports have been found by the Commissioner to be a substantial cause of serious injury, or the threat thereof, instead of the primary cause, as would be required by the administration bill, and as a result in major part of concessions granted under trade agreements * * * under existing law.

The purpose of tariffs and quotas should be to counteract unfair import competition, if it should be a substantial cause of serious injury, or threat thereof. It should not be required, it is our contention, to be the primary cause of injury, and certainly it should not have to be proved that it is due in major part to concessions granted under trade agreements.

Third, the fair international trade bill would establish by Congress a definitive U.S. policy regarding unfair import competition. It would be a well known policy, and foreign countries would know precisely what it means. They would not need to depend on informal, nebulous, confusing, private meetings between Government officials of the United States and various foreign countries.

It would be the policy of letting foreign governments and sellers in the U.S. market know that notwithstanding their lower production costs due to lower wages and lower raw material costs, that they nevertheless could continue to grow and share in the prosperity of the United States on a reasonable basis as the U.S. market expands, but to the contrary, they would not be free to engulf and completely swallow productive and tax-paying U.S. industries.

With specific percentage levels at which imports would be permitted under specified conditions, foreign suppliers could plan their operations and further their U.S. sales to a level to which they would know they could sell without curtailment, but they also would be officially advised as to the extent to which they might capture a share of the U.S. market.

If the United States has adequate tariffs which would equate higher U.S. production costs, then quotas would not be necessary, but because of unwise actions of the United States in various international trade agreements, particularly those consummated under authority of the Trade Expansion Act of 1962, the quota approach we believe is the only reasonable approach remaining to us.

Also, we think well of the Mills bill, H.R. 16920, which would establish specific quotas on textiles and shoes, and which also would provide for improvements to the escape clause to make relief more readily available to other industries.

However, the general provisions of the Mills bill would not provide for other industries a remedy comparable to that which it provides for textiles and shoes, unless the salient features of the international fair trade bill should be incorporated in the Mills bill, which in our mind readily could be done.

In its present form, the general provisions of the Mills bill provide a more reasonable criteria for both adjustment assistance and increased tariff protection under the escape clause, but these general provisions should be expanded to provide a third option of a market-sharing ceiling as a remedy for other industries which it provides for textiles and for shoes.

In substance, we favor the administration bill over existing law, but we believe that if the provisions of the Mills bill were expanded to incorporate the provisions of the fair international trade bill, that such would provide a much improved statute.

Notwithstanding the best intentions of Congress, the Trade Expansion Act of 1962 has not been in the best interest of the United States, and we urge this Congress to be sure this time to enact legislation which will be in the best interest of the United States.

The adminisration bill, H.R. 14870, would be in the better interest of the United States, but the fair international trade bill, or the Mills bill as amended in accordance with our suggestion is the legislation which is, in our opinion, in the best interest of the United States.

As I mentioned in my introduction, rolled zinc consists of zinc in sheets, strip zinc, zinc wire and rod and engraver plates.

Many years ago, the ravages of unfair import competition virtually destroyed the U.S. industry producing zinc in sheets. This is because it is a high labor content item. There has been, and there is, practically no import duty on zinc in sheets, and the ruin of U.S. industry occurred because of the substantial production in Yugoslavia of zinc in sheets at labor rates which have been as low as one-tenth of the comparable labor rates in the United States.

Imports of zinc in sheets from Yugoslavia still are very substantial. However, only two U.S. manufacturers produce zinc in sheets at all, and these two companies only in limited quantities.

We have been ruined in our sheet zinc market, but we do not want to be ruined concerning strip zinc, rod, wire, and engraving plates. At the present time, we are not experiencing critical unfair import competition in those items, but we do have knowledge of some production facilities which have been and which are being created elsewhere in the world to produce these items.

When the threat of unfair import competition becomes critical, gentlemen, we want there to be on the statute books a law which can constructively but fairly deal with the problem to permit foreign suppliers to have a reasonable access to the U.S. market, but not to enable them to destroy our strip, rod, wire, and engraver plate market, as they have done with the sheet zinc market.

Mr. WATTS. Thank you very much for your statement.

Are there any questions?

Mr. Betts?

Mr. BETTS. I just want to say I am happy to hear you say that your

organization favors this fair international trade bill. I personally was interested in that.

I just want to ask, when you say you think it could be included as part of the Mills bill, do you mean it would be substituted for Title I of the Mills bill?

Mr. DONEHOWER. Yes; that is right, sir.

Mr. BETTS. Thank you.

Mr. WATTS. Are there further questions?

If not, thank you very much for your appearance, sir.

Mr. DONEHOWER. Thank you, Mr. Chairman, for your time.

(The following statement was received for the record:)

STATEMENT OF RICHARD J. BAUER, CHAIRMAN OF THE BOARD, INDEPENDENT ZINC ALLOYERS ASSOCIATION

We appreciate this opportunity to comment for the Independent Zince Alloyers Association on H.R. 9788 on reinstating a quota upon the importation into the United States of zinc ore and zinc metal.

Members of our Association are interested not only in assuring equitable treatment for all independent zinc alloyers, but also, through our Association in seeing that the general public which purchases and uses consumer products containing zinc alloys have a constant supply at competitive prices.

In this country there are approximately 35 major independent zinc alloy producers in California, Delaware, Illinois, Michigan, New York, Ohio, Pennsylvania and Tennessee who manufacture and sell zinc alloys to die casters and other consumers. The independent zinc alloyers purchase special high grade slab zinc from domestic producers and from foreign sources.

There are seven producers of primary zinc in the United States supplying special high grade slab zinc. At least five of these companies also produce zinc alloys or own subsidiary companies engaged in producing zinc alloys or have a financial or stock interest in companies producing zinc alloys.

Independent zinc alloyers are companies that must purchase slab zinc for use in making zinc alloys. Zinc production companies, primary zinc companies, if you will, use their own slab zinc or sell slab zinc to themselves, for production of zinc alloy.

In market terms, independent zinc alloyers compete among themselves for customers and they also compete with the primary producers of zinc in the market for zinc alloys.

Of the major independent zinc alloyers in this country, fifteen are members of the Independent Zinc Alloyers Association and these fifteen sell approximately 50% of all zinc alloys marketed in this country.

Members of the Association fall within the definition of small business; together they employ many hundreds of persons and their plants represent capital investments ranging from hundreds of thousands to millions of dollars.

Our industry in unlike some other basic metal industries. This country might be said to be self-sufficient in steel, for example, in that all the processes from ore to metal are abundantly available within the United States. Zinc, however, is an international metal and all users of zinc ore and metal in this country must rely to one extent or another upon foreign sources.

Prior to 1963 the great bulk of special high grade zinc used by independent zinc alloyers in the U.S. came from domestic sources. Today more than 50% comes to us from foreign sources. We look to imported slab zinc not because of price considerations but because it is more dependable as a supply source of our basic material.

As independent alloyers we compete with the primary zinc producers for alloy customers. We rely upon foreign sources for approximately half of our supply of slab zinc. The same U.S. primary producers, who compete with us, provide the other half of our supply of raw materials. The proposed quota legislation could on one hand reduce our source of supply from overseas and on the other hand, allow our major competitors an unrestricted supply of slab zinc. A supply condi-

tion such as this would be very disruptive and extremely harmful to independent zinc alloyers and their customers.

No one anticipates manipulation of domestic supplies of slab zinc solely for the purpose of causing application of quotas on imports. However, inherent in the legislation, if it should become law, is the possibility that its application could be to the competitive disadvantage of all independent zinc alloyers.

We are certain it is never the intention of this Government to create a tool of competitive advantage for one segment of an industry to the disadvantage of another segment of the same industry.

In addition, this quota legislation could endanger our national economy and our international trade arrangements. Insofar as zinc is concerned, and particularly zinc alloys, of which over 60% go into die cast parts for the U.S. automotive industry, this quota legislation could be destructive of normal competitive forces in our industry.

We respectfully request that this legislation not be enacted.

Mr. WATTS. The next witness is Mr. Jack Curran and Don A. Hagerich.

Come around, gentlemen.

STATEMENT OF JACK CURRAN, LEGISLATIVE DIRECTOR, LABORERS' INTERNATIONAL UNION OF NORTH AMERICA, AFL–CIO; AND DON A. HAGERICH, EXECUTIVE DIRECTOR, MARBLE INSTITUTE OF AMERICA

Mr. CURRAN. Mr. Chairman, my name is Jack Curran. I am legislative director of the Laborers' International Union of North America, AFL–CIO.

With the chairman's permission, I would like to introduce for the record a prepared statement for myself on behalf of the Laborers' International Union, and also a statement of Don Hagerich, executive director of the Marble Institute of America.

Mr. WATTS. Both of which will be entered, without objection.

(The statements referred to follow:)

STATEMENT OF JACK CURRAN, LEGISLATIVE DIRECTOR, LABORERS' INTERNATIONAL UNION OF NORTH AMERICA, AFL–CIO

Mr. Chairman and Members of the Committee, I am Jack Curran, I am the Legislative Director of the Laborers' International Union of North America, AFL–CIO, with more than 600,000 members in the United States and Canada. We appreciate the opportunity to appear here today to testify on a matter of vital concern to many of our members.

Our organization represents employees in a wide variety of fields—construction, building materials, federal, state and local government. Thousands are employed in the stone and stone products field as a result of the merger of the former Journeymen Stonecutters Union with the Laborers in 1968.

We have grown increasingly disturbed about the decline of one of America's oldest industries, the marble industry. Department of Commerce figures illustrate the industry has experienced an incredible 72 percent decline in the last 12 years in the importation of rough marble blocks. But in this same period, the total dollar value of imported fabricated marble skyrocketed 580 percent.

The importation of marble in rough block form into the U.S. began to decline in 1956 when the total dollar value of marble fabricated by foreign labor equaled the importation of rough, unfinished marble blocks. Why has much of this come about?

The problem is rather complicated. Unfortunately, we do not have time to explore it thoroughly. But we would like to emphasize that the American marble industry today is the victim of U.S. subsidies to foreign competitors. U.S. dol-

large poured into war-torn European countries after the war helping them rebuild their economies and industries. As a result, the U.S. marble industry has watched as its own government has subsidized foreign competitors to the point where they can produce and fabricate and deliver marble to an American building site much cheaper than we can.

This has of course had a disastrous effect on employment in the marble industry. Thousands of workers have either lost or are losing their jobs directly as a result of the squeeze this industry is experiencing. The outlook is bleak unless there is relief in sight. A major portion of marble workmen are highly skilled craftsmen, who have acquired their artistic skills only after years of work. As the demand for American marble declines, the need for these men and the young men needed to keep the craft alive will decline.

The marble industry will disappear unless action is taken to reverse the present trend. Unchecked foreign importation must be controlled if the industry is to escape extinction. We respectfully urged the Congress to take three key steps we believe will be substantial ones in preserving this industry: (1) reduce the tariff on all imported rough marble blocks; (2) increase the tariff on imported manufactured marble or impose quotas on the imports of all manufactured marble based on the 1960 importation levels; (3) amend the Buy American Act's 6 percent differential clause by increasing it to 40 percent.

We believe that with action along these lines this valuable and old industry can be preserved and enhanced for the good of our Nation and all the people employed in this field. We appreciate the opportunity to appear here today.

Statement of DON A. HAGERICH, Executive Director,

Marble Institute of America

THE MARBLE INSTITUTE OF AMERICA, referred to hearafter as MIA, is the American marble industry's national trade association of companies engaged in producing (quarrying), importing, wholesaling, manufacturing (fabricating) and contracting (installing) marble, onyx and travertine for building and decorative purposes.

THE PURPOSE AND OBJECTIVE OF MIA, since its inception in 1944, is to create, expand and maintain the market for marble (both foreign and domestic) in the United States.

IMPORTATION OF MARBLE in rough block form by the American marble industry for fabrication in the United States has been an industry practice dating back to the opening of the first U. S. marble quarry in 1785. [EXHIBIT "A" - Location of MIA Member Marble Quarries]

DOMESTIC DECLINE began in 1956 when the total dollar value of imported marble fabricated by foreign labor, ready for installation on or in U. S. buildings, equalled the importation of rough (unfinished) marble blocks at approximately $1,500,000.

As reported by the U. S. Department of Commerce, Bureau of the Census, U. S. imports for the year ending December 31, 1969, total dollar value of imported rough marble blocks brought into the U. S. was $423,657. A decline of 72 percent in 12 years. However, during this same 12 year period, the total dollar value of imported fabricated marble was $10,256,432. An increase of more than 580 percent. [EXHIBIT "B" - U. S. Marble Imports]

THE DIE WAS CAST when American tax dollars were poured into the war-torn countries of Europe to rebuild their economies and their industries. Italy alone received $1,345,000,000 in U. S. economic aid from 1958 to 1969 (Encyclopedia Britannica) and emerged with marble fabricating plants operating at full capacity in 1970 by workers earning approximately 50 percent less than their American counterparts.

Italy's largest marble producing company, Montecatini Edison, (Montedison) recently experienced a change in executive head, signaling the transfer of control to the Italian government. [EXHIBIT "C" - THE WALL STREET JOURNAL, April 22, 1970]

The American marble industry receives no subsidy.

EFFECT OF GATT

The American marble industry enjoys no quota protection on foreign fabricated marble. The GATT Agreement reduced the 21 percent ad valorem tariff by 10 percent each year to 10.5 percent ad valorem by December 30, 1973. Thus putting the American industry at an almost fatal disadvantage.

Therefore, the U. S. marble industry...as old as the nation itself... looks back a mere 25 years and observes, incredulously, that our own government has, in effect, subsidized our foreign competitors to the point where they can produce and fabricate marble and deliver it to an American building site much cheaper than we can and, in the same period, practically wiped out the modest tariff that did exist.

It certainly is not mere rhetoric to say that the United States government has contributed generously to the impending death of one of America's oldest industries.

THE COMPETITIVE GAP -- DOMESTIC vs. FOREIGN

Granite was recently quarried in Canada, shipped to Italy in rough form, fabricated there and shipped back to Los Angeles, California for installation in the new Atlantic Richfield Oil Building for a cost, including ocean freight and duties, for considerably less than it could have been fabricated in America.

How can this happen? Simple...the present hourly wage, including benefits, averages $1.50 for the Italian marble worker. His American counterpart earns about $3.00. Add to that the fact that it costs more to ship marble 800 miles domestically than it does to ship the same quantity from Liverno, (Leghorn) Italy to the United States...a distance five times greater...and it is easy to see why we cannot hope to compete.

Example: One MIA member marble firm recently reported that of 20 medium size building construction projects on which it submitted domestic fabricated bids, each was lost to imported foreign fabricated marble as evidenced by the following figures:

Domestic Fabricated Marble = 20 Buildings total $4,486.757.

Foreign Fabricated Marble = 20 Buildings total $2,837,052.

(36.8 percent below the domestic price.)

WHAT HAS BEEN THE EFFECT?

The effect has been a marked decline in U. S. marble production when the production of most non-precious minerals is growing at a pace comparable to that of the Gross National Product. Logically enough, while importation is up, sales of domestic marble are down. Five companies, including the three

largest producers, reported combined sales in 1967 of $14,834,949, as compared to $13,090,805 in 1969...A decline of 11.8 percent. [EXHIBIT "D" - Marble Producer Sales - Marble Imports]

However, during this same period the (Cost Including Freight) dollar value of marble and travertine imports increased approximately 38 percent. Comparing the first quarter 1969 to preliminary data on the first quarter 1970 shows a 37 percent increase, indicating a continuing trend toward a further increase in imports of foreign fabricated marble.

DECLINING EMPLOYMENT

Three major MIA member producing companies with facilities spread across ten states reported that between May, 1967 and May, 1970, they were forced to close twelve facilities with the loss of employment to 810 persons. That represents a loss of more than 5,000,000 manhours and an approximate loss to the Federal Treasury of more than a million dollars in personal income and corporate taxes, as well as the tax loss to the municipalities and states in which those persons resided. And this does not take into consideration the effect these closings and lay-offs had on those individual Americans that in someway depended on the domestic marble industry for their livelihood, for example, the domestic stone quarrying and fabricating machinery people.

DECLINING SHARE OF U. S. MARKET

Using the combined (Cost Including Freight) import dollar value and domestic sales of five major domestic marble producers as an indicator of the domestic market for marble, domestic producers experienced a decline in their share of the domestic market for the 1967-1969 period from 58 percent in 1967 to 52 percent in 1968 and 47 percent in 1969.

DECLINING SALES VOLUME PER EMPLOYEE

Dollar sales per employee declined 7 percent during the 1967-69 period. In 1967, dollar sales per employee averaged $8,193, declining to $7,739 in 1968 and $7,626 per employee in 1969.

EXAMPLES OF BUILDINGS USING IMPORTED FABRICATED MARBLE

PUBLIC BUILDINGS:

A classic example of the wide spread in cost of an imported foreign travertine fabricated in Italy vs. a domestic travertine fabricated in the United States for the Hirshhorn Museum and Sculpture Garden was recorded by the General Services Administration at the opening of construction bids, May 27, 1969, was $1,238,365 foreign vs. $2,280,000 domestic. Although the difference is somewhat greater than normally experienced, it must be pointed out that 50 percent or more of the cost of custom stone fabrication in the U. S. is labor. Hirshhorn design requirements dictated total customized fabrication.

PRIVATE BUILDINGS:

The specifying of imported fabricated marble for private building construction has grown to disastrous proportions. Currently two major U. S. corporations are about to construct multi-million dollar buildings. According to MIA sources, Italian fabricated marble will be used.

The Standard Oil Company of Indiana is planning an 80-story building in Chicago, and in New Orleans, Shell Oil Company is having constructed a 50-story office building to be clad in Italian fabricated marble.

46-127 O—70—pt. 14——22

With conservative estimates, MIA believes that the dollar value of marble, installed, on these two buildings alone may approximate the total 1969 sales valume of the major U. S. marble producing companies. And how ironic it is that Standard Oil of Indiana is a leading spokesman against the increased importation of oil.

Another example of how deeply rooted this problem has become can be seen in the attached article from the May, 1970 issue of Stone Magazine [EXHIBIT "E"] which tells of the construction of a 32-story office building in Boston to be covered with 3 million pounds of Italian travertine, quarried near Rome, "cut in Italy to meet precise architectural specifications, then transported by ship to Boston." Total cost of marble installed will be approximately $3,000,000 dollars or more.

WHAT LIES AHEAD?

There are many problems which can be predicted with accuracy for the future of the American marble industry, if the United States government allows the importation of foreign fabricated marble to continue unchecked.

1. Domestic marble producers, if fortunate enough to stay alive over the next five years, will become little more than sales brokers of foreign marble. Furthermore, if the market for domestic building marble continues declining, some U. S. producers will be forced to destroy their deposits of this beautiful natural material by blasting it out of the quarries for by-product uses, such as aggregate for roads. This would mean the eternal loss of one of America's truly great natural resources.

2. A major portion of marble workmen are highly skilled craftsmen. Some are truly life-long trained artisans. As the demand for American marble declines, the need for these men, and the youth they would have trained to keep this craft alive, will also decline. Ultimately, this in itself, could lead to the destruction of the industry.

3. Once the American marble industry is reduced to nothing more than a memory, then foreign marble producers can increase prices and profits at will.

WHAT HAS BEEN DONE?

On May 2, 1967, MIA testified on the "Impact of Increased Imports of Foreign Fabricated Marble on the American Marble Industry" before the General Subcommittee on Labor, Committee on Education and Labor, U. S. House of Representatives.

Our closing remarks at that hearing, as you will see in [EXHIBIT "F"] were: "Even though our present situation is grim, we, as an old-line industry and supplier of the world's most beautiful building material, have no intention of conceding. We may well be down for an eight-count, but the bout is far from over."

That was three years ago. Things have become much worse with inflation, higher costs and a slowing down of construction along with a continuing upward trend in imports of fabricated marble are taking from us what few building projects there are.

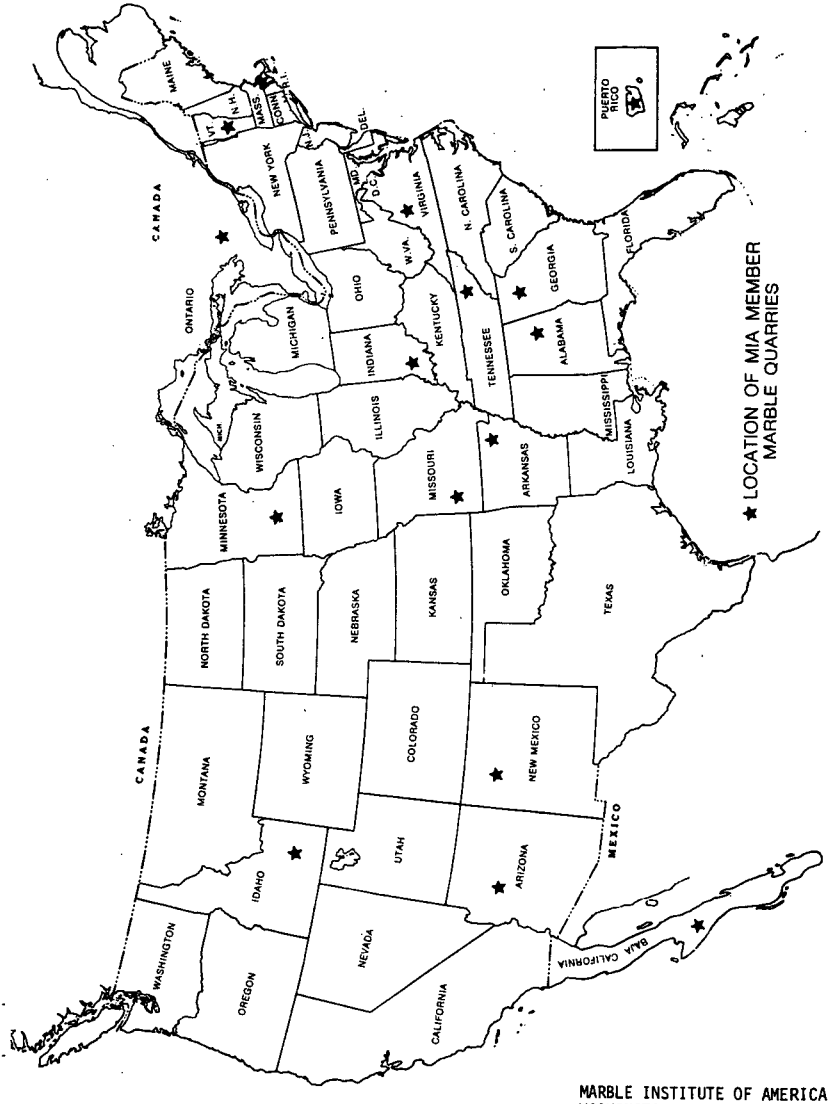
The domestic marble producing industry is near extinction, largely because of unchecked foreign importation. Therefore, on behalf of the American marble industry, the Marble Institute of America requests that Congress do the following:

1. Reduce tariff on all imported rough marble blocks.

2. Increase the tariff on imported manufactured marble, or impose quotas on the imports of all manufactured marble, based on the 1960 importation levels.

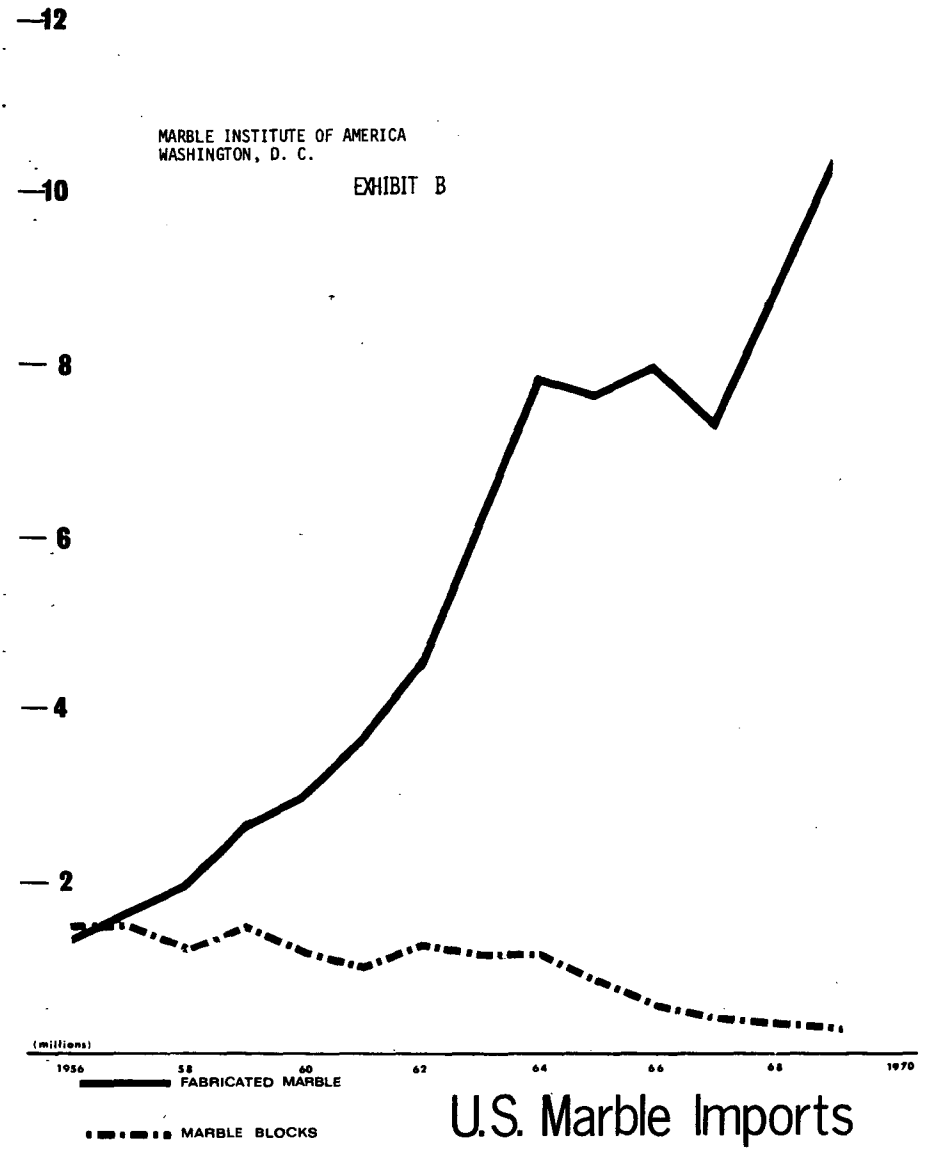
3. Amend the Buy American Act's 6 percent differential clause by increasing it to 40 percent. [EXHIBIT "G"]

# # #



MARBLE INSTITUTE OF AMERICA
WASHINGTON, D. C.

EXHIBIT A


MARBLE INSTITUTE OF AMERICA
WASHINGTON, D. C.
EXHIBIT B
12
10
8
6
4
2
(millions)
1956
58
60
62
64
66
68
1970
FABRICATED MARBLE
MARBLE BLOCKS
U.S. Marble Imports

Who's News

Management—Personnel Notes

Official of Shareholders Management Resigns

Levenson Quits Managing Firm For Mutual Funds; Carr Was First to Leave Last Autumn

By a WALL STREET JOURNAL Staff Reporter

LOS ANGELES—Alan Levenson, executive vice president, general manager, and a director of Shareholders Management Co., resigned all his posts, it was learned.

The company, acknowledging his departure, said he was leaving "for personal reasons." Mr. Levenson, 34 years old, wasn't immediately available for comment.

Shareholders Management, which manages seven mutual funds, among them Enterprise Fund, is the principal subsidiary of Shareholders Capital Corp. Mr. Levenson is the third top executive to leave the Shareholders group since last fall.

The first to go was Fred Carr, closely identified with the success of Enterprise Fund after he joined the company in 1966. He resigned in November after serving for only six months as president of Shareholders Management, citing "philosophical and operational differences." It is known that some of these differences were with Douglas Fletcher, chairman and president of the parent company. Mr. Fletcher reassumed the presidency of Shareholders Management when Mr. Carr left.

Shortly after his departure, Vincent McGuiness, senior vice president for marketing of Shareholders Management, also resigned. He too cited "personal reasons," saying he wanted more time for outside pursuits.

The company says the resignations over the past several months apparently were unconnected. But it's believed that Mr. Carr's resignation may have at least helped to trigger the departure of the others.

The company said John Penland, senior vice president for operations, would assume Mr. Levenson's duties. Gordon Meyer, vice president, sales, has taken over the duties of Mr. McGuiness.

One effect of the resignations has been to strengthen Mr. Fletcher's control of the Shareholders group. Operating heads at Shareholders Management used to report through Mr. Levenson; now, the company says, they will report directly to Mr. Fletcher.

The Shareholders group has run into considerable trouble lately. Earnings of the parent company fell sharply in 1969 (Mr. Fletcher says the company expects to post "good profit" for the first quarter, however). Severe back-office problems had hit the company's mutual fund operations and the SEC recently ordered Enterprise Fund and Shareholders Management to make and keep current the company's books and records. The company voluntarily stopped selling Enterprise shares. A court order subsequently forbade such sales without court permission.

Cox Elected Chairman Of Arthur G. McKee; First Period Net Fell

By a WALL STREET JOURNAL Staff Reporter

CLEVELAND—Directors of Arthur G. McKee & Co. elected Merrill Cox to the position of chairman and chief executive officer.

Richard G. Widman, formerly executive vice president, succeeds Mr. Cox as president. He also becomes chief operating officer.

The post of chairman had been vacant for two years.

The international engineering and contracting concern said net income in the first quarter fell to $609,000, or 64 cents a share, on revenue of $38.4 million, from $736,000, or 74 cents a share, on $34.7 million in revenue the year earlier.

Mr. Cox told shareholders at the annual meeting that the company's backlog at March 31 was a record $500 million, up from $450 million on Dec. 31 and $344 million a year earlier.

Mr. Cox said the company is testing an experimental design for an iron ore pelletizing process that could "significantly lower" costs and produce better pellets. He said he hoped to submit bids on such a process to iron ore companies, but said after the meeting, "I would be optimistic if I thought such a plant could be built this year."

Montedison Replaces Its President; Control By State Seems Likely

By a WALL STREET JOURNAL Staff Reporter

MILAN—In an action foreshadowed earlier this month, the board of directors of Montecatini-Edison (Montedison) Italy's largest nongovernment-owned enterprise, accepted the resignation of Giorgio Valerio, president and administrative director, and appointed Sen. Cesare Merzagora to succeed him.

The executive change apparently signals the transfer of the diversified chemicals and textile concern from private control to government control, a move that has become increasingly apparent in the last three months or so.

Government interests, especially those represented by companies controlled by the state, have expressed dissatisfaction with Montedison's growth rate. In the chemicals area, its annual growth has been about 7% a year, which, according to state officials, is well below what the company should have. Moreover, the company's investments have duplicated state-controlled company efforts, the official said.

Accordingly, over the past 18 months, a syndicate has increased its holdings in Montedison to 25% from 10%. The syndicate is controlled by Istituto per la Ricotruzione Industriale (IRI) and Ente Nazionale Idrocarburi (ENI)—

Aiken Industries Appoints Stevens to Chairman's Post

NEW YORK—Aiken Industries Inc., an electronics manufacturer, announced that H. Norton Stevens, 40 years old, was advanced to the post of chairman from the presidency. David B. Nichinson, 49, was named president.

Mr. Stevens also is president of ECL Industries Inc., which controls Aiken and Chicago Musical Instrument Co. and has agricultural and industrial interests in Ecuador. As chairman of Aiken, Mr. Stevens succeeds William E. McGuirk Jr., 53, who continues as a director of Aiken and as chairman of ECL.

Mr. Nichinson previously was president of Kollsman Instrument Corp. and more recently had been involved in a venture investment in technological companies. Kollsman Instrument is a subsidiary of Standard Kollsman Industries Inc.

A company spokesman said the management changes were made because the growth of Aiken required additional executive strength in the technological area.

• • •

Fairchild Camera Announces Resignation of Alan J. Grant

MOUNTAIN VIEW, Calif.—Fairchild Camera & Instrument Corp. announced the resignation of Alan J. Grant, 44 years old, as group vice president and a director of the company. A successor hasn't been named.

Although Mr. Grant's resignation was generally unexpected, he said in an interview that he planned to enter the venture-capital field with several associates, something he has wanted to do "for some time."

Mr. Grant came to Fairchild Camera in March 1969, from the presidency of a Lockheed Aircraft Corp. division. He was instrumental in helping the ailing electronics concern back to health as a member of president C. Lester Hogan's management team.

• • •

Oscar S. Pattiz Elected LFC Financial's Chairman

LOS ANGELES — Oscar S. Pattiz, vice chairman of Beneficial Standard Corp. and a director of LFC Financial Corp., has been

MARBLE INSTITUTE OF AMERICA
WASHINGTON, D. C.

EXHIBIT C

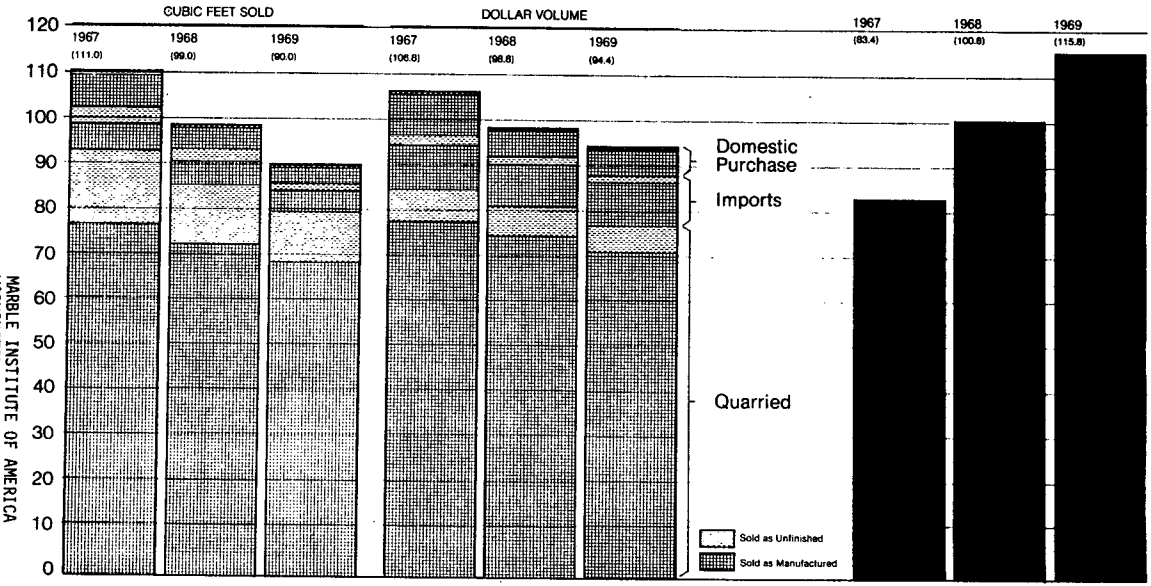
• • •

Commerce and Industry

Central Soya Co. (Fort Wayne, Ind.)—Richard C. Rustetter senior vice president, national division of Continental Illinois National Bank & Trust Co. of Chicago, was elected a director of this soybean and feeds processor, succeeding Donald M. Graham, who resigned.

MARBLE PRODUCER SALES
BY SOURCE & DESCRIPTION
(INDEX BASE 1967-1969 = 100)

MARBLE IMPORTS
DOLLAR VALUE
(INDEX BASE 1967-1969 = 100)



TYSON, BELZER AND ASSOCIATES, INC.

MARBLE INSTITUTE OF AMERICA
WASHINGTON, D. C.

EXHIBIT D

stone

Serving Architects and the Stone Industry—Since 1888

ABOUT THE COVER

Shown on this month's cover is the entrance to the new $13 million library at Indiana University in Bloomington. Featuring random-sized limestone pieces laid horizontally in precast concrete panels, the building provides a striking sculptural effect and an interesting play of light and shadow. For more on the subject turn to page 6.

SUBSCRIPTION RATES — United States and Possessions, $5.00 for 1 year; $9.00 for 2 years; $12.00 for 3 years. Canada, $6.00 for 1 year; $11.00 for 2 years; $15.00 for 3 years. Foreign subscribers add $2.00 per year for additional postage requirements (payable in U.S. funds). Single copies 60¢ each.

EDITORIAL/ADVERTISING OFFICES—Stone Magazine, 1100 Waterway Blvd., Indianapolis, Ind. 46202. Phone (317) 634-1100.

Published monthly. © Copyright 1970 by Stone Magazine, Review Publishing Co., Inc., 1100 Waterway Blvd., Indianapolis, Ind. 46202. Second-class postage paid at Indianapolis, Ind. Additional entry at Louisville, Ky.

MAY 1970 VOLUME 90, NO. 5

CONTENTS

1,345 STONE-FACED PRECAST PANELS
Library on Indiana University campus at Bloomington is distinguished by rough-cut limestone blocks.

ISLANDS OF MARBLE
Tellers' pods fabricated from Botticino marble help St. Paul bank "do business in a new way."

ILI PANEL ADDRESSES OFFICIALS OF GSA
Flexibility, economy, beauty of Indiana limestone emphasized at meeting held in Washington, D.C.

TRAVERTINE EXTERIOR FACING—A FIRST FOR BOSTON
Twenty specialists were called in to put up the marble facing in this unusual exterior application.

DAVID M. HALL *editor and business manager*
ALLEN G. ROTH *managing editor*
JOHN J. REA *associate editor*
DOROTHY MONTGOMERY *production manager*
HELEN L. BUSALD *circulation manager*

JAMES F. BURRELL *publisher*
JUDY HAMILTON *assistant to publisher*

MARBLE INSTITUTE OF AMERICA
WASHINGTON, D. C.

EXHIBIT E

At right, Jay R. Schochet, of Wm. C. Codman & Son, exclusive leasing agent for Keystone Building, guides crane operator in placement of travertine section.

Travertine Exterior Facing— A First For Boston

A large chunk of old Italy is climbing skyward in Boston. In the North End? No, in the financial district —right up the sides of the new Keystone Building's steel framework.

Except for windows, the 32-story office tower at High and Congress streets will be completely faced with light tan, veined Italian travertine marble—1,400 handsome tons of it. Formed by deposits laid down millions of years ago, the almost 3 million pounds of marble were recently cut from a quarry near Rome.

According to architect Pietro Belluschi, the erection of the exterior wall of the Keystone Building marks the first such use of travertine in Boston. Interior application of the stone for decorative purposes in office-building lobbies is quite common, but it has seldom been utilized on the outside.

Belluschi described his selection of travertine for the Keystone Building exterior as an innovative departure from the general practice of using granite, limestone, or concrete. "It's a move upward, esthetically and architecturally speaking, and will certainly add to the building's attractiveness," he said.

The structure is named for Keystone Custodian Funds, Inc., co-owner and prime tenant. Keystone, one of the nation's largest mutual fund organizations, will occupy the top ten floors, according to Jay R. Schochet, of Wm. C. Codman & Son, exclusive leasing agent for the building.

Made up of more than 3,000 separate pieces, the Italian marble was cut to precise architectural specifications, then transported by ship to Boston. A 4" layer of concrete was added to the 1 1/4"-thick pieces of travertine, which brought the total weight of the exterior wall close to 5,000 tons, with many of the individual pieces weighing 2 tons or more.

As the pieces of precast concrete and travertine recently began to arrive at the construction site, crane operators went to work lifting and carefully positioning them, and other workers bolted and welded the units to the steel structure. Since the travertine facing requires delicate handling, a crew of 20 specialists was brought in for the job of putting up the exterior wall.

Daniel Rose, of Rose Associates, and co-owner of the building, expects this phase of construction to be completed by October. "The steel structure is about half finished now," said Rose, "but after a while it may seem as though the steel workers and the travertine specialists are in a race to the top."

Associated with Belluschi in designing the building is Emery Roth & Sons, Architects, New York.

Owner-developer is Keystone-Centrose Associates, a partnership of Keystone Custodian Funds, Inc., Boston; Rose Associates, New York; and Central and District Properties Ltd., London.

General contractor is a joint venture of Diesel Construction, New York/Boston; and Rose Associates. ▪

MARBLE INSTITUTE OF AMERICA
WASHINGTON, D. C.

EXHIBIT E

T E S T I M O N Y

GENERAL SUBCOMMITTEE ON LABOR
COMMITTEE ON EDUCATION AND LABOR
U. S. HOUSE OF REPRESENTATIVES

JOHN H. DENT, PA., CHAIRMAN

. . .

THE IMPACT OF INCREASED IMPORTS OF FOREIGN FABRICATED MARBLE ON THE AMERICAN MARBLE INDUSTRY

DON A. HAGERICH, MANAGING DIRECTOR
MARBLE INSTITUTE OF AMERICA
PENNSYLVANIA BUILDING
WASHINGTON, D. C. 20004

May 2, 1967

EXHIBIT F

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE:

It is a pleasure to appear before this subcommittee on behalf of the American Marble Industry.

My name is Don A. Hagerich, and I am Managing Director of the Marble Institute of America. I am accompanied this morning by Russell W. Nauman. Mr. Nauman is Vice President, Structural Sales Division, The Georgia Marble Company, Atlanta, Georgia.

I would like to explain in some detail the function of our organization, for I believe it has a significant bearing on my presentation. The Marble Institute of America (which I refer to hereafter as MIA) is the national trade association of United States companies that are quarriers, importers, wholesalers, finishers and contractors of marble.

MIA is a voluntary non-profit association, chartered in 1945 by a small group of companies determined to establish and maintain the highest standards for the presentation of marble and the quality of workmanship relating to its use. Our membership accounts for 85 percent of the domestic marble sales and employs approximately 3,500 skilled and semi-skilled laborers. Our purpose in behalf of the domestic marble industry is to create, expand and maintain a healthy market for marble in this country. (You will note, I said marble, not just domestic marble, for MIA promotes foreign marble as well as domestic marble. All of our member companies sell foreign marble simply because some foreign marble varieties possess various colors and markings not generally available in this country.)

The prime objective of any trade association is to create and stimulate the market for its industry's products. A lot of time, hard work and, yes, money have been placed into this effort by domestic marble companies. It didn't just happen; we created every inch of the market there is today in the United States. Therein lies the basic reason we blatantly object to the intrusion of marble finished and prefabricated by low paid foreign labor into the market we struggled to create. We vigorously oppose the flood of foreign fabricated marble into this country's market from sources that have not made one single contribution to its creation or expansion. As a matter of fact, just the reverse is true. The major contribution of these foreign marble companies to the United States market has been a destructive one. They participate on the basis of price alone, because of their supply of cheap labor. They reap, but they do not sow; they consume, but they do not contribute; they carry off a growing share of the market, but bear none of its burden. Because of this, one of the oldest industries in this country, dating back to 1785, small compared to many, is finding it increasingly difficult to compete in the building products market. We resent this as a matter of justice, I shall attempt this morning to outline the underlying reasons for our resentment.

This chart (#1) shows graphically the plight of the American Marble Industry. As you can see, the total sales of marble in 1966 increased to 48 percent above 1956, while the sales of domestically fabricated marble decreased 2 percent. The sales of foreign fabricated marble have increased over the same period by 534 percent.

This tremendous gain in sales of foreign fabricated marble in this country was made possible only by the promotional efforts of the American Marble Industry, who now is struggling just to stay alive!

Although we are struggling for our very life's blood, we have not and will not adopt a negative attitude. We seek to pursue positive programs. After all, without them, there would be no market; either for us or the foreign marble companies.

To create and expand our market, the MIA conducts programs in three general categories; architectural services, advertising-promotion, and research.

The architectural program consumes a great deal of time and expense, for one of the important phases of this program is maintaining standard specifications approved by the American Standards Association. These specifications are of immense assistance to the busy architect. They permit him to specify marble in his building projects in new and creative designs in accordance with accepted standards. In so doing, he automatically expands the market for marble and creates more industry jobs in this country. However, our service to the architect does not stop there. Just two weeks ago, we concluded a new program known as the 1967 AIA-MIA Awards Program. The program was developed to accomplish several things:

1. Bring to the public's attention the various uses and design potentials of marble.

2. To encourage excellence in architectural design.

3. To provide a source of scholarship funds to deserving young people who desire to study architecture, but need financial assistance.

Five buildings were selected across the country, the designing architects were awarded scholorships totaling $8,000 to be given to the student and school of their choice. Not one cent of foreign money supported this program and yet, this program will undoubtedly develop further this country's marble market. MIA also maintains an architectural advisory service. By mail, telephone, and in person, technical assistance and advice are given.

It has been the policy of the MIA to subscribe to the principle of "Buy American", therefore, we recommend that all marble (domestic and foreign) be fabricated in this country where equipment and workmanship are the finest obtainable.

Advertising and promotion accounts for one half of the Institute's annual budget; and is designed to create new markets and expand existing ones. Rather than take your time explaining these programs, I have several examples of advertisements and promotional literature for your review.

The American Marble Industry is constantly searching for more sophisticated and less expensive methods of installing marble in order to remain competitive. One such program of research was conducted over a three year period by the domestic marble producers through the Illinois Institute of Technology Research Institute. The major accomplishment of this research was the ability to bond thin marble to reinforced concrete for building wall panels. The recipient of the fruits of this research, financed solely by the domestic marble producers, here again, is the foreign marble fabricator.

A prime example is the John F. Kennedy Center for the Performing Arts, now under construction. A million dollars plus of foreign fabricated marble will be used on the exterior of this structure, utilizing the very technical advances developed through the efforts of the American Marble Industry. This project represents 5 percent of the total value of marble sold in this country per year by our domestic fabricators; or approximately 60,000 man hours of shop labor just to fabricate the marble. I need not say more, for the implications are clear.

The American Marble Industry is injured by foreign fabrication in two areas: 1) the fabrication of foreign marbles abroad that have been traditionally fabricated in this country, 2) the substitution of foreign marbles for domestic quarried and fabricated marble.

As I mentioned earlier, there are certain beautiful varieties of marble that must be imported to this country in one form or another. Unfortunately, the trend today is for more and more of this marble to be fabricated abroad. This chart (#2) clearly indicates the enormous growth of foreign fabricated marble imports, while depicting a gradual decrease in imports of marble blocks.

To better illustrate what effect this trend has on the domestic marble industry, let me cite two examples.

In 1921, there were 10 marble companies with saw mills in the New York City area operating 125 gang saws (These are devices used to reduce the quarried marble blocks into semi-rough slabs of predetermined thickness; the first step of the fabrication process.); today there

is one mill with 8 gang saws operating. With total marble sales increasing steadily each year since World War II, this tragically deteriorating situation clearly paints a picture of where a major portion of the fabrication is being done today.

The percentage of imported fabricated marble is growing at such a staggering rate that we find situations like this: One medium size domestic producer, in 1965, provided estimates on 10 million dollars worth of domestic fabricated marble for various building projects. When the dust settled, they won about half or $5 million in contracts. The remaining 5 million dollars worth of marble contracts went to foreign fabricators.

One of our largest member companies estimates an annual loss to American labor of 7,000,000 man hours from this increased importation of foreign fabricated marble.

Besides the direct effect on the domestic industry labor force, this predicament has a demoralizing effect on the domestic marble men who have worked many years and invested millions of dollars.

It's one thing to have an uncontrollable situation as we in the domestic marble industry are faced with today, but its aggravating to learn that our frustrations are compounded by the very people that you'd expect to be most concerned with the well being of domestic industry and labor. Recently, the United States Tariff Commission imposed a higher rate of duty on certain marble blocks. This ruling has an effect of increasing the duty by 80 to 600 percent

depending on the type of marble. This increase applies to rough quarried blocks only and not foreign fabricated marbles. The rates have been advanced from 10½¢ per cu. ft. to 21% ad val. on quarried Travertine blocks and from 27½¢ to 50¢ per cu. ft. on other marble blocks. The rate on foreign fabricated marbles has remained constant over the years at 21% ad val. F.O.B. price foreign port. Gentlemen, this hardly favors domestic fabrication! In fact, if it continues, it will undoubtedly lead to the end of all domestic fabrication of foreign marble; thereby, opening the doors wider for the importation of foreign fabricated marble and reducing further our industry's labor force.

In recent years, a second practice has emerged that is just as serious and perplexing. This is the substitution of foreign fabricated marble for domestically quarried and fabricated marble. This is the situation with the John F. Kennedy Center for the Performing Arts, where a white foreign fabricated marble was substituted for a domestic white marble. Since the marbles in question are of similar appearance and quality, it comes right down to competition by price. Please don't misunderstand, we do advocate competition; however, on fair and balanced terms.

There has been considerable discussion and concern voiced lately about the employment problems in the Appalachian Region of the U. S. I believe we of the domestic marble industry can speak with candor, for our industry unwittingly contributed to the unemployment in this area.

Some 40 years ago, there were 9 marble producing companies operating in and around the Knoxville, Tennessee area. In 1956, there were 5 still in business. These companies operated 78 gang saws and

employed 1,050 workers. Then the increased imports of foreign fabricated marble began to take its toll. In 1964, the fourth largest company curtailed its operations. Last July, the second largest company closed its doors. Today, this once proud Tennessee marble industry operates 43 gang saws and employs only 430 workers.

This tragic collapse, attributable solely to increased imports of foreign fabricated marble from low paid labor countries has deprived the domestic marble industry labor force of 1,240,000 man hours annually.

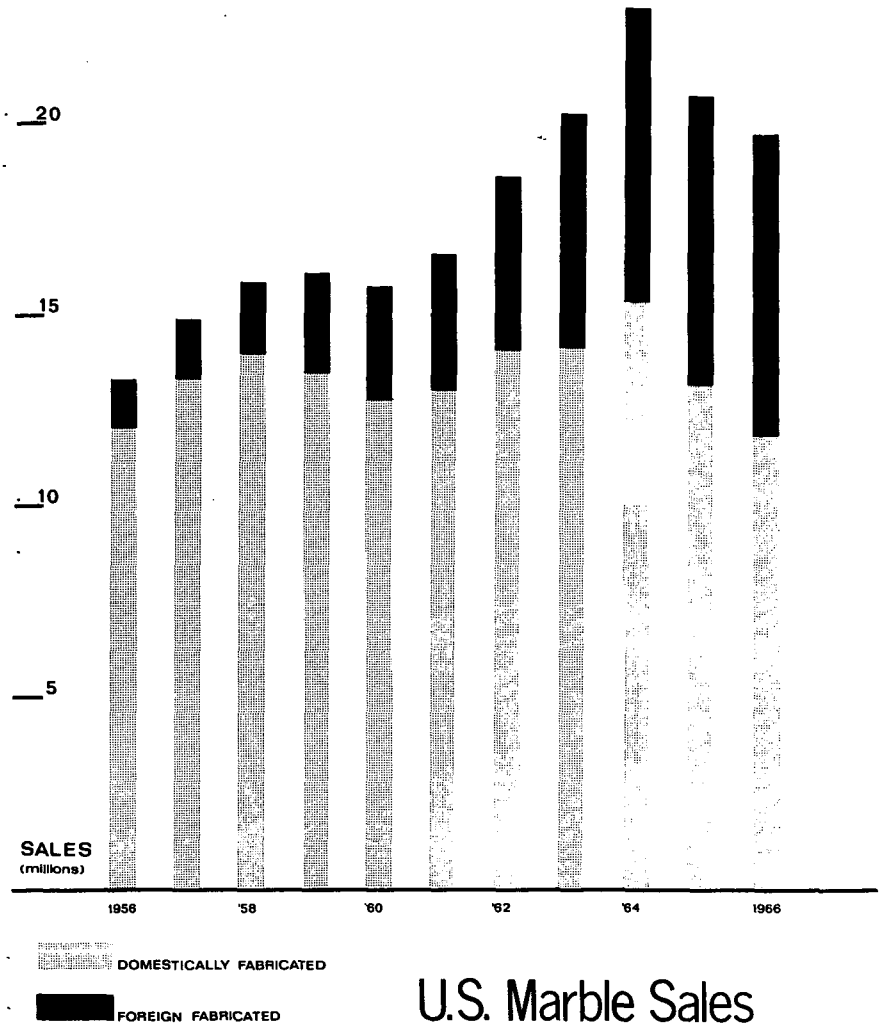
It's sad indeed when industry cannot come to the rescue of displaced labor in such instances, but it's even worse when you cannot foresee contributing to your country's future labor force simply because the markets developed by you alone are being exploited by your foreign counterparts.

I could go on and on citing case histories of domestic marble companies that have been forced to curtail their business over the last 10 years due to this uninvited intrusion of foreign fabricated marble. However, respecting your valuable time, I'm hopeful that my testimony clearly expresses the seriousness of this situation.

Even though our present situation is grim, we, as an old line industry and suppliers of the world's most beautiful building material, have no intention of conceding. We may well be down for an eight-count, but the bout is far from over.

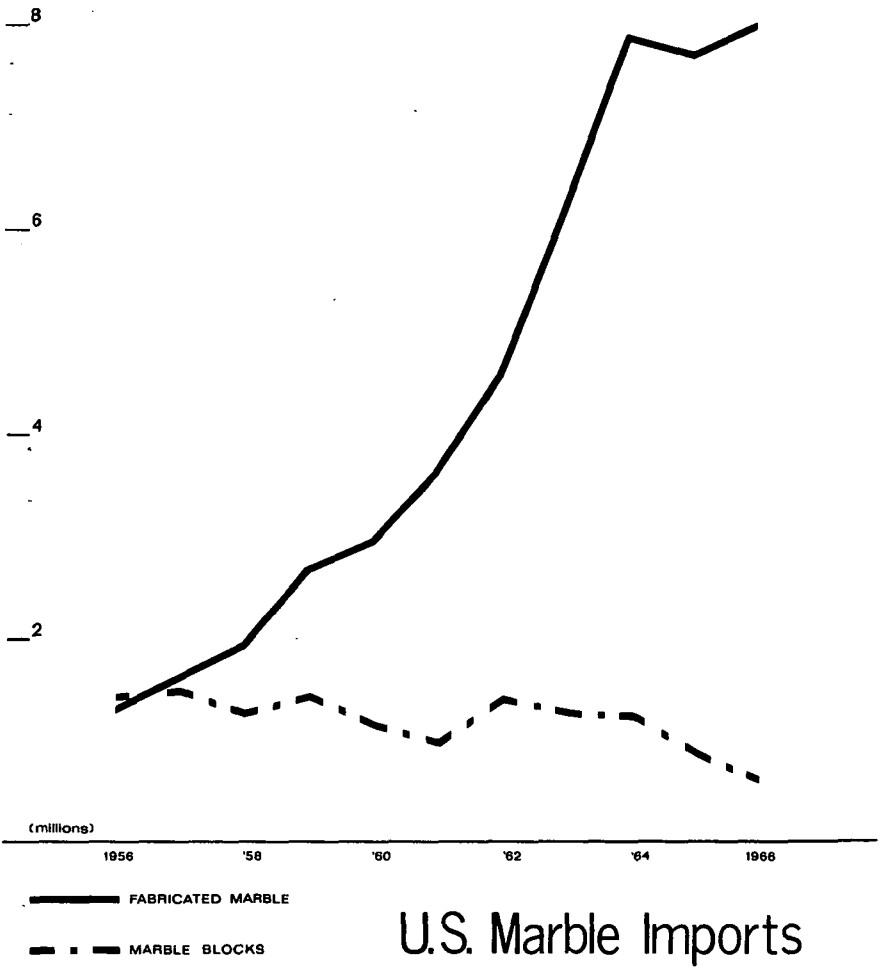
In closing, I want to say that we of the American Marble Industry applaud the efforts of this subcommittee to correct the unjust situation that now exists for American Industry. We are wholeheartedly in support of H.R. 478 and H.R. 479, and sincerely hope this legislation will be enacted.

Thank you.



U.S. Marble Sales

Chart I



U.S. Marble Imports

Chart 2

GENERAL SERVICES ADMINISTRATION
PUBLIC BUILDINGS SERVICE

INFORMATION REGARDING BUY AMERICAN ACT

(a) The Buy American Act (41 U. S. C. 10a-10d) generally requires that only domestic construction material be used in the performance of this contract. (See the clause entitled "Buy American" in Standard Form 23A, General Provisions, Construction Contracts.) This requirement does not apply to the construction material or components listed in the clause entitled "Buy American Act" of GSA Form 1139, General Conditions, section 1 of the contract.

(b) (1) Furthermore, bids or proposals offering use of additional nondomestic construction material may be acceptable for award if the Government determines that use of comparable domestic construction material is impracticable or would unreasonably increase the cost or that domestic construction material (in sufficient and reasonable available commercial quantities and of a satisfactory quality) is unavailable. Reliable evidence shall be furnished justifying such use of additional nondomestic construction material.

(2) Where it is alleged that use of domestic construction material would unreasonably increase the cost:

(i) Data shall be included, based on a reasonable canvass of suppliers, demonstrating that the cost of each such domestic construction material would exceed by more than 6 percent the cost of comparable nondomestic construction material. (All costs of delivery to the construction site shall be included, as well as any applicable duty.)

(ii) For evaluation purposes, 6 percent of the cost of all additional nondomestic construction material, which qualifies under paragraph (i) above, will be added to the bid or proposal.

(3) When offering additional nondomestic construction material, bids or proposals may also offer, at stated prices, any available comparable domestic construction material, so as to avoid the possibility that failure of a nondomestic construction material to be acceptable, under (1) above, will cause rejection of the entire bid.

MARBLE INSTITUTE OF AMERICA
WASHINGTON, D. C.

EXHIBIT G

Mr. CURRAN. May I comment briefly, sir?

Mr. WATTS. Yes, sir.

Mr. CURRAN. Both Mr. Hagerich and I see eye to eye on the causes affecting the plight of the industry in this case, and also the decline of employment opportunities for our people.

We have also submitted proposals which we agree upon to remedy this most serious condition.

Finally, Mr. Chairman, I have in my hand a copy of a brochure which was prepared by the Laborers' International Union outlining the skill, the craft, and the artistry of the stone carvers who are members of our international union. I would like to submit this to the chairman with an understanding that if he deems it necessary to add to the remarks that we have made in our prepared statements, I would appreciate it very much if he would submit the written portion as a part of our official statement.

Mr. WATTS. Without objection, that will be done, sir:

(The written portion of the brochure referred to follows:)

[Reprinted from *The Laborer,* Official Publication, Laborers' International Union of North America, AFL–CIO]

STONE CARVERS CARRY ON AGE-OLD TRADITION OF DEDICATED SKILL AND ARTISTRY ON CATHEDRAL

The age-old craft of stone carving is being practiced by members of Laborers' International Union at one of America's most elegant structures, the Washington National Cathedral.

For many of these craftsmen, this great church represents the efforts of most of their working lives. Some have worked there nearly 30 years. One carver has been joined on the job by his son. And yet, they will probably work many more years before they see their work finished.

The stone carvers, who are now members of the Laborers union, formerly were members of the Journeymen Stonecutters Association of North America. This union merged with the LIU last year.

Although Washington Cathedral was begun in 1907, it is still only 65 percent complete. Its construction, in fact, is the fulfillment of a dream of George Washington. The church was chartered in 1893. Though it is Episcopalian in denomination, it has no congregation of its own, and draws its construction funds and continuing support from people of all religions throughout the world.

The portions of the structure already completed are used by many different church groups, with services held for such organizations as the Free Masons, the United Nations, and all the branches of the Armed Forces.

The structure is 14th century Gothic in design, and when completed will be the fifth largest cathedral in the world.

The church occupies a prominent peak in the northwest part of the District of Columbia known as Mount St. Alban. Its central tower has a comanding view of the entire capital area, rising more than 120 feet above the historic 555-foot Washington Monument a few miles away.

The stone carvers hewed from Indiana limestone blocks the man-sized filials which rest on each of the four corners of the church tower, the highest stones in Washington. These carvings are but a small portion of the many hundreds that embellish the cathedral. The carvers are under the direction of Carl Bush, cathedral sculptor-in-residence, who created the sculptures that are used as models for the stone carvings. George A. Fuller Company is the general contractor for the structure.

The Washington Cathedral is enriched with more stone sculpture than any other form of embellishment. The carvings are used in many instance to tell a story from the Bible, to illustrate a form of worship, to recall a happening in the history of the Church, or simply to decorate.

Although the art of stone carving dates to antiquity, not many changes have altered the basic and highly skilled techniques. Carvers at Washington Cathedral are aided by two important tools: (1) the pointing machine, capable of making measurements in three dimensions which is moved from plaster model or pattern to the actual stone work to determine proper size and shape, and (2) a pneumatic hammer, which is used to power special tools which are readily interchangeable to cut the stone.

Even with the use of a pneumatic hammer, carving is a slow, tedious and exacting craft. Stone carver Roger Morigi and at least one other man have been working in the South Portal of the cathedral for more than two years on 44 small angel figures and canopies. It is estimated that it will take two men another year and a half to complete these pieces. The work is performed in a carving shed adjacent to the cathedral. Only the carving which is done freehand and the final trimming—which is actually classed as stone cutting—is done on the cathedral site.

Much of the carving follows set design, and is often repeated again and again to make identical works of art. Certain pieces are "free carving," however, which allow the craftsmen to use their imagination. Some of these original creations (as might be found on the hundreds of "gablet terminations," used on the outside of the cathedral to shed or carry water away from the building so that it will fall rather than run down the surface of the stone) are quite whimsical and sometimes even grotesque. The carvers are also responsible for transforming a sculptor's work, done in plaster, into giant stone figures. Several of the carvers are accomplished sculptors in their own right.

In the words of one church spokesman, "The Washington Cathedral's lavish use of stone carvings offers some of the richest symbolism in art and religion." These carvers have truly left their mark of fine craftsmanship on one of America's finest places of worship, the National Cathedral.

Mr. CURRAN. May I express the appreciation for myself and Mr. Hagerich for allowing us to present our statements here this afternoon.

Mr. WATTS. We are delighted to have you.

(The following statements were received for the record:)

STATEMENT OF ANTHONY MAZZOCCHI, CITIZENSHIP-LEGISLATIVE DIRECTOR, OIL, CHEMICAL AND ATOMIC WORKERS INTERNATIONAL UNION, AFL-CIO

Mr. Chairman, it is with great distress that we view the decline in employment in the American marble industry. Our Union represents a number of workers who have earned their livelihood in this industry and who are now joining the ranks of the unemployed and those whose jobs are threatened.

The cause of this tragic situation is the importation of fabricated marble into this country.

It is not the purpose of my testimony to detail the domestic decline of this industry and its subsequent effect on the employees of the marble industry whom we represent. The case, in our opinion, has been adequately covered by Don A. Hagerich, Executive Director of the Marble Institute of America, in his testimony before your Committee. The Oil, Chemical and Atomic Workers International Union endorses the position which he has outlined in his testimony.

Our purpose is to ask, Mr. Chairman, that the jobs of American marble workers be protected. It is essential that Congress take the appropriate measures to accomplish this.

The Oil, Chemical, and Atomic Workers International Union, AFL-CIO, especially supports Mr. Hagerich's suggested remedy for the American marble industry, specifically that Congress do the following:

1. Reduce tariff on all imported rough marble blocks.

2. Increase the tariff on imported manufactured marble, or impose quotas on the imports of all manufactured marble, based on the 1960 importation levels.

(3. Amend the Buy American Act's 6 percent differential clause by increasing it to 40 percent.

NATIONAL BUILDING GRANITE QUARRIES ASSOCIATION, INC.,
Concord, N.H., June 5, 1970.

Re. The effects of granite imports.

JOHN M. MARTIN, Jr.,
Chief Counsel, Committee on Ways and Means,
House of Representatives,
Washington, D.C.

DEAR MR. MARTIN: We wish to take this opportunity to inform you of both the rapid increase in the imporation of granite and the serious effect it has already had on the granite industry in the United States.

The increase in imports is illustrated by the enclosed graph. It shows granite imports increasing from $2,058,000 in 1966 to $5,222,000 in 1969, an increase of 250 percent. For the same period, it shows sales of domestic granite increasing about 25 percent. It is questionable how long the domestic industry can withstand the effect of this great differential in growth rates.

In fact, the increase in the importation of granite for buildings forced many companies from that industry during this period. It is significant that these companies were forced from the industry during a period of increasing sales, most of which were promoted by a revitalized domestic industry but captured by foreign ones. The companies which have withdrawn are the following:

Georgia: Davidson Granite Company, Lithonia.

Maine: The Deer Island Granite Company, Stonington; Grenci & Ellis, Frankfort; Hocking Granite Company, Clark's Island.

Minnesota: Delano Granite Industries, Delano.

Vermont: Rock of Ages Corporation, Barre.

We are sure you well realize the suffering, in both economic and human terms, which a list like the above represents.

If the domestic industry is going to survive, it needs some protection from the increasing flood of imports. The domestic industry is, and has been, willing to invest in extensive research, the building and equipping of new and modern plant facilities, and the development of new wall systems, to facilitate granite's installation on buildings. However, these efforts, alone, are not enough.

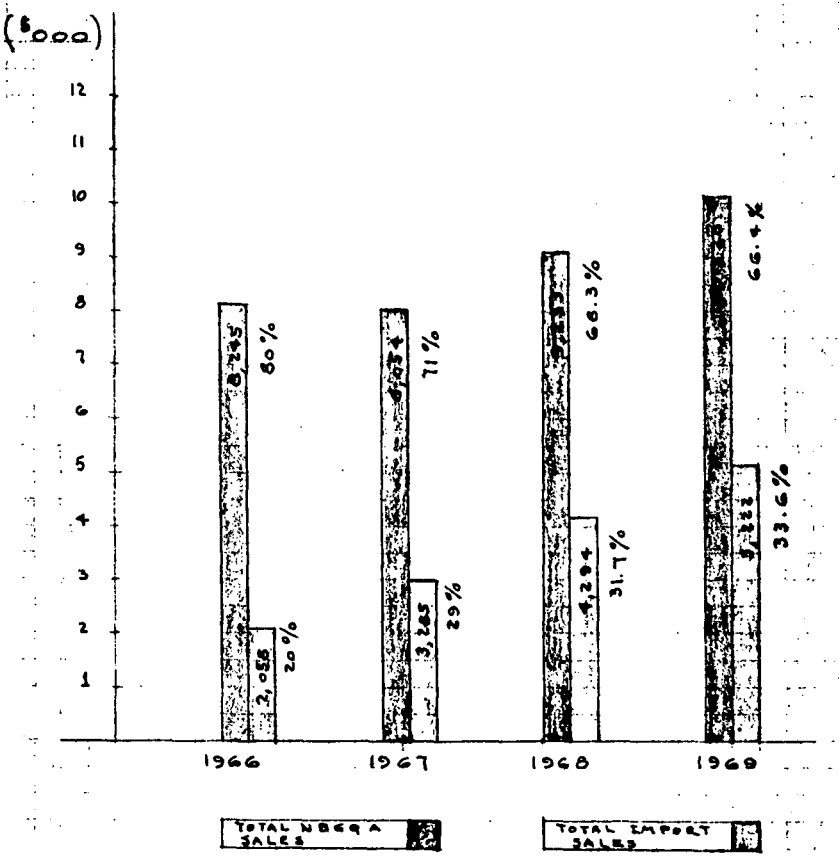
We ask your help.

Sincerely yours,

KNEELAND SWENSON, *Secretary.*

Enclosure.

BUILDING GRANITE SALES REPORTED TO NAT. BLDG GRANITE QUARRIES ASSOC. & IMPORTS REPORTED TO U.S. DEPT COM.



COLD SPRING GRANITE CO.,
Cold Spring, Minn., June 8, 1970.

Hon. WILBUR D. MILLS,
Chairman, Committee on Ways and Means,
House of Representatives,
Washington, D.C.

Subject: Granite Imports—Statement in lieu of Personal Appearance.

GENTLEMEN: We ask that you accept this statement of the effect of granite imports on our company and industry and make it a part of the printed record of the public hearings on foreign trade and tariffs now underway.

As you can see by the enclosed graph based on figures supplied by the Department of Commerce, imports of fabricated granite have risen 300 percent between 1966 and 1969. During the same period, according to figures from the National Building Granite Quarriers Association, the increase in domestic sales of fabricated granite has been only 20 percent (not even holding its own with normal escalation).

Where there used to be 30 to 40 granite firms in the St. Cloud, Minnesota area there are now 10. Across the nation in the last few years many firms have either discontinued business entirely or have discontinued fabrication of granite for the building industry because of foreign pressure. Some of these firms are: Grenci and Ellis, Deer Island Granite Corporation, and Hocking Granite Company in the state of Maine, Rock of Ages Granite Corporation in Vermont, Delano Granite Company in Minnesota, Davidson Granite Company in North Carolina and others. Also affected in other parts of the country are plants and quarries in granite producing states such as New York, Texas, California, Wisconsin, Georgia, New Hampshire and South Dakota.

To illustrate what is happening, we might just give you one example of a building project, namely Atlantic-Richfield Building in Los Angeles now under construction. We were asked to and did bid our domestic granite facing for this building but were not able to compete with and lost to foreign granite and fabrication. The building is being faced with a granite that is being quarried in Canada, shipped to Italy for low cost fabrication and then shipped to the building site in Los Angeles, California!

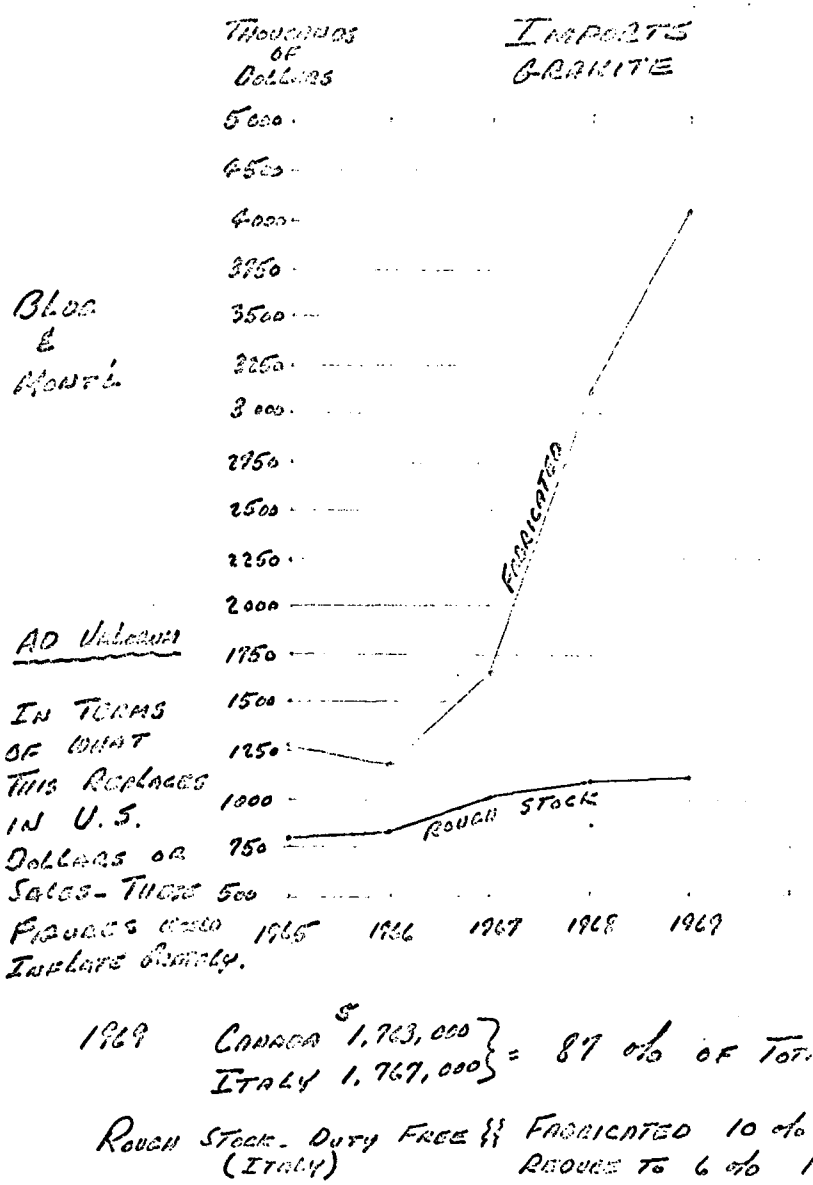
To summarize briefly, we are asking that protection in the form of tariffs be increased substantially (and not decreased as now scheduled) to keep our granite industry alive. With continuing substantial investment in exploration and development of quarries prior to fabrication, ours is not an industry that can survive under existing conditions or be revived easily once lost. We need help quickly and help that is of a significant degree to continue to provide employment for the thousands in the granite industry.

Thank you very much.

Very truly yours,

KENNETH R. KRUCHTEN,
Director of Marketing.

Enclosure.



1969 Canada $1,763,000 } = 87 % of Total
Italy 1,767,000 }

Rough Stock - Duty Free (Italy) } Fabricated 10 % - will Reduce to 6 % 1-1-72

Mr. Watts. The committee will stand adjourned until 10 o'clock in the morning.

(Whereupon, at 3:50 p.m., the committee adjourned, to reconvene at 10 a.m., Tuesday, June 16, 1970.)

O