

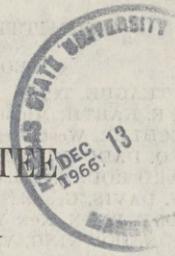
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89-2/8 INTERNATIONAL COMMERCIAL STANDARDS ACTIVITIES

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HEARINGS
BEFORE THE
AD HOC SUBCOMMITTEE
OF THE
COMMITTEE ON
SCIENCE AND ASTRONAUTICS
U.S. HOUSE OF REPRESENTATIVES
EIGHTY-NINTH CONGRESS
SECOND SESSION
ON
H.R. 17424 and H.R. 17598
(Identical Bills)



SEPTEMBER 20, 21, AND 22, 1966

[No. 8]

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INTERNATIONAL COMMERCIAL STANDARDS ACTIVITIES

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INTERNATIONAL COMMERCIAL STANDARDS ACTIVITIES

TUESDAY, SEPTEMBER 20, 1966

HOUSE OF REPRESENTATIVES,
COMMITTEE ON SCIENCE AND ASTRONAUTICS,
AD HOC SUBCOMMITTEE ON H.R. 17424,
Washington, D.C.

The subcommittee met, pursuant to call, in room 2325, Rayburn House Office Building, at 10 a.m., Hon. J. Edward Roush (chairman of the subcommittee) presiding.

Mr. ROUSH. The committee will be in order.

This morning we begin 3 days of hearings to consider H.R. 17424 and H.R. 17598, which are identical bills, to promote and support representation of U.S. interests in voluntary international commercial standards activities, to establish a clearinghouse for commercial and procurement standards, and for other purposes. I would like the record to include a copy of the bill at this point, together with the statement of purpose and need.

(The material referred to follows:)

[H.R. 17424, 89th Cong., 2d sess.]

A BILL To promote and support representation of United States interests in voluntary international commercial standards activities, to establish a clearinghouse for commercial and procurement standards, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

DECLARATION OF PURPOSE

SECTION 1. That Congress finds that voluntary standardization of products, with appropriate participation in the international commercial standardization process, by producers, distributors, users, and consumers promotes the beneficial exchange of goods and services of high quality, internationally and domestically, all to the benefit of the general public. The Congress, therefore, declares that the purpose of this Act is to promote and support adequate representation for United States interests in voluntary international commercial standardization activities and to authorize the establishment and support of appropriate central information clearinghouses for commercial or procurement standards and standards activities for the benefit of producers, distributors, users, consumers, and the general public.

SEC. 2. The Secretary of Commerce is authorized, in cooperation with private United States standards organizations or bodies, and appropriate Federal and State agencies, and others—

(a) to promote, develop, support, and improve United States participation in the international commercial standardization of products, processes, test methods, and performance characteristics of products and processes, including cooperation with foreign standards-making bodies in developing standards, through any appropriate international organizations or bodies or with the standards organizations or bodies of any country, for the purpose of issu-

ing international commercial standards for products, processes, test methods, and performance characteristics of products and processes.

(b) to establish and maintain a clearinghouse service for the benefit of producers, distributors, users, consumers, and the general public, for the collection and dissemination of engineering or product standards and Federal, State, or local procurement standards and information pertaining to such standards from whatever sources, foreign and domestic, that may be available; to collect, translate, catalog, classify, coordinate, and integrate such standards and information pertaining thereto; and to make such standards and the information pertaining thereto available to producers, distributors, users, consumers, and the general public.

SEC. 3. The Secretary of Commerce shall have the authority, within the limits of available appropriations, to do all things necessary to carry out the functions described in section 2 of this Act, including, but without being limited thereto, the authority—

(a) to make grants, enter into contracts or other arrangements, or modifications thereof, with any private, nonprofit standards organization or body which he determines represents the general interests of producers, distributors, users, and consumers within a specific industry or in commerce and industry throughout the country generally and which he deems has established adequate procedures to permit participation in the organization by these interests;

(b) to enter into contracts or cooperative arrangements with any public or private organizations, institutions, firms, or persons deemed by the Secretary to be qualified to carry out any or all of the functions authorized herein without regard to any other provision of law; and

(c) to establish such policies, criteria, and procedures and to prescribe such rules and regulations as he may deem necessary for the administration of this Act and to carry out the functions authorized thereunder, including the fixing of reasonable prices, fees, or charges for information furnished or services rendered under section 2(b) hereof, notwithstanding the provisions of section 1 of the Act of May 11, 1922 (ch. 189, 42 Stat. 541; 44 U.S.C. 72 as amended); and section 307 of the Act of June 30, 1932 (ch. 314, 47 Stat. 409; 44 U.S.C. 72a); and the amounts received shall be subject to the Act of March 3, 1901 (ch. 872, 31 Stat. 1449; 15 U.S.C. 271-278e), as amended, and the functions authorized herein shall be considered to be authorized by such Act. To the extent feasible and appropriate, such prices shall reflect the cost of collection, translation, cataloging, classification, coordination, integration, and dissemination of the information and services provided, including administrative costs.

SEC. 4. There are authorized to be appropriated, without fiscal year limitation, such amounts as may be necessary for the purposes of this Act.

SEC. 5. (a) Each recipient of financial assistance under this Act shall keep such records as the Secretary of Commerce shall prescribe, including records which fully disclose the amount and disposition of such financial assistance; the total cost of the related approved program; the amount and nature of the cost of the program supplied by other sources; and such other records as will facilitate an effective audit.

(b) The Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access to any books, documents, papers, and records of the recipient that are pertinent to amounts paid under this Act.

U.S. DEPARTMENT OF COMMERCE STATEMENT OF PURPOSE AND NEED

I. INTRODUCTION

The National Bureau of Standards of the Department of Commerce has traditionally provided technical support to the activity of U.S. industry in voluntarily developing domestic standards for the United States. The proposed legislation is needed to clarify the authority of the Department through its National Bureau of Standards to promote and participate similarly in voluntary international standardization activities on behalf of U.S. interests.

Since 1921 the National Bureau of Standards has provided industry and

commerce of the United States with substantial technical and administrative assistance in the development and publication of standards for products and commodities and of simplified practices directed to the reduction of sizes and styles. Professional personnel of the Bureau have served on technical committees of many domestic standardization bodies and a limited number of international committees and have led in the development of technically competent engineering standards oriented principally to the performance criteria. The National Bureau of Standards publishes product standards covering many items, particularly when standardization of these items cannot reasonably be accomplished through private standardization organizations.

II. THE ROLE OF STANDARDS IN COMMERCE

Standards are the language of commerce. The seller is encouraged to market new products, confident that by meeting compatible, reliable and accepted standards they will be bought by consumers. The buyer is encouraged to buy because he is assured of a product that meets his requirements and specifications. The establishment of a standard permits, what would otherwise be virtually a hopeless task, the interchangeability of parts. Indeed the whole concept of mass production is based on such a capability.

Interchangeability permits decentralization of manufacturing plants, locating them most advantageous with respect to energy sources, raw materials, labor force, or proximity to market. It permits the greatest number of companies, large and small, to share in the industrial activity. It fosters innovation and the establishment of new businesses by assuring both the entrepreneur and the customer that the new product meets commonly accepted standards. It allows specialization of labor, with all the efficiencies which that brings. Finally, it facilitates control and automation of production processes. It is evident that an excellent system of standards in the United States, therefore, has significantly stimulated the growth of the American economy and the achievement of the highest standard of living in the world. The development of an international system of standards similar to the national system of this country would—

Provide the atmosphere in which the United States could compete in world markets on an equal footing with other nations, not handicapped by standards that are incompatible with our own.

Stimulate the economy of all nations, and thereby our own.

Facilitate the maturing of the underdeveloped nations, thereby increasing trade opportunities for all nations and reducing the need for foreign support programs.

An effective system of international standards, therefore, will tend to do for all countries what U.S. standards do for us. All nations will be able to exploit their special skills and technologies so as to participate more fully in world economic activity, benefitting not only themselves but other nations as well. It is an economic axiom that a thriving economy in one region depends on a thriving economy in all regions.

III. CURRENT SITUATION AND NEED IN STANDARDS DEVELOPMENT

A. Development and acceptance of international standards

Standards activity in the United States is basically a voluntary activity with the Federal Government, primarily the National Bureau of Standards, providing technical support.

Likewise, in the field of international standards, involving sovereign nations, standards activity is voluntary because there must be agreement among participating countries to develop and accept a given set of standards. Agreement in connection with international commercial or engineering standards is brought about chiefly through the efforts of such groups as the Organization for International Standardization (ISO), International Electrotechnical Commission (IEC), and Pan American Standards Commission (COPANT). The American Standards Association (ASA) represents the United States unofficially in ISO, IEC, and other international standards organizations, and enlists the technical assistance of both industry and the Federal Government in its international committee activities.

B. Participation in international standardization activities

Participation by U.S. industry in international standardization activities through ASA has been strong in some fields, such as photography, electronics and automatic data processing, but other fields such as rubber goods, packaging, cast iron pipe, and electrical instruments have received little support. Generally, the U.S. has not participated in international standards work at a level commensurate with American interest and capabilities. In some areas American interests have been at a disadvantage in international markets from lack of active participation in the development of an international standard.

Where U.S. industry cannot or does not choose to participate actively in international standards work, ASA looks to other organizations and the Federal Government for technical or financial assistance and support. Reasons for limited industry participation in international standards activities are generally due to a lack of understanding or interest in international standards activities; considerations of short-term gains in special areas rather than the long-range potential impact on the economic welfare of the U.S. as a whole; and the relatively high cost of financing delegates, secretariats and chairmanships.

C. Effect of inadequate participation

Inadequate U.S. participation has on occasion resulted in the adoption of standards which put American goods and services at a disadvantage in world trade. For example, some years ago when the Swiss Government placed a ban on the use of American sealed beam headlights because they were deemed ineffective on the sharp-turned, steep-graded Swiss roads, ISO distributed the Swiss standard to other nations which would have prohibited the use of United States' sealed beam headlights. Before the ISO recommendation was adopted, however, U.S. industry decided to participate in the ISO project and the recommendation which was ultimately approved enabled the United States to continue the export of headlights in the world market. Similarly, prior to World War II Germany translated an existing American standard for 16 mm sound film but placed the sound track on the side of the film opposite to U.S. practice. Germany promoted the adoption of the translated standard in its own and various European countries, thus, effectively blocking exports of American equipment involving the photographic and motion picture film industries. Here again U.S. efforts through ASA were successful in removing the export barrier. The ASA standard remains in effect today as an ISO standard.

However, not all such situations have been so favorably resolved. For example, at the present time there are differences between European and American standards in the depth and thread of lamp socket and lamp base which reduce U.S. exports for these items. Also draft standards on leather and cement and on color television currently under consideration as international standards, which are different than American standards, may if adopted, become barriers to U.S. export expansion. The absence of an international standard for a system of symbols for marking textiles makes it necessary for U.S. manufacturers to mark shipments in accord with the symbol system of each country, an expense that may make continued trade in this sector in the world market uneconomical.

D. Need for proposed legislation

The proposed legislation is needed to clarify the authority of the Department of Commerce, through its National Bureau of Standards, to promote and participate in voluntary international standardization activities on behalf of United States interests. It is necessary also to provide authority for the issuance of grants to qualified private non-profit organizations for the promotion and development of international standards in association with foreign standards-making bodies. Finally, it is needed to provide the authority to issue grants to qualified private non-profit organizations for establishment and maintenance of a clearinghouse and clearinghouse services for the collection and dissemination of private and public engineering or product standards.

As may be seen from the examples of the effect of inadequate participation given above, there is a compelling need for a program of more adequate participation by the Federal Government in international standardization activities in order to provide—

Support for international standards work is the national interest where industry for some reason is reluctant or unable to participate.

Technical support, committee leadership, and coordinated standards development by Federal agencies, such as the National Bureau of Standards, where unique or outstanding competence exists.

An objective, long-range approach to international standards development, especially in instances where the goals to be reached are public as well as private, as in cases where it would be desirable to coordinate standards development with foreign aid programs.

Cooperation with foreign standards-making bodies, particularly in underdeveloped countries, to assure the best possible standards systems. This serves two ends—it makes the countries involved more self-sufficient, and it assures United States industry of an equal opportunity to compete for trade rather than to be faced with standards set up by other, more aggressive nations which weaken the U.S. position.

The translation, publication, and distribution of U.S. standards, and the support of standards libraries in countries where standards work is starting to grow. Again, this would tend to put United States industry on a more equal footing with that of such nations as the United Kingdom and West Germany, which have tended to move quickly into a newly developing area to set up a preferred position with respect to standards.

Development of international standards is considerably complicated by the fact that there are different systems of measurement units and standards—metric, English, and others.

With the rest of the world moving in the direction of adopting the metric system, the United States is put at a disadvantage that can be minimized only by greater participation in international standards activities.

A larger role by the Federal Government in stimulating development of compatible international standards is necessary if barriers to the interchange of goods and services are to be minimized and a competitive free economy in the world market maintained. An effort to increase common or compatible international standards, to reconcile standards differences, and to help develop as broad a trade base as possible in international markets is essential. The proposed legislation is aimed at supporting the development of a strong and growing trade in present markets and markets of tomorrow through early and effective participation in international standards activities, on the part of U.S. industry, professional organizations and the Federal Government.

Industrially developed nations, such as those in Western Europe, have recognized the direct relationship between their export trade in world commerce and the standards generated in new or less industrialized nations. These European nations thus have moved quickly to assist standards-making bodies of other nations develop their standards and standards-related activities.

The proposed legislation will enable the Federal Government to protect and improve the economic position of American industry by increasing U.S. participation and cooperation with foreign standards-making bodies in their standards activities. Its purpose, therefore, by such means of cooperation and participation, is to encourage and promote the generation or adoption of standards common or compatible with American standards. Appropriate U.S. activities in this connection would include supporting missions to provide consultative and technical advice on training, organizing, managing, and developing commercial or engineering standards systems and activities, including demonstration laboratories; supporting studies of regional or national standards efforts, including recommendations as to what future steps to take; and providing new and less industrialized nations copies of U.S.A. standards or translations.

IV. STANDARDS CLEARINGHOUSE

A. Current situation

A great inhibitor to progress in the development and use of standards, both domestic and international, is the lack of communication among the many organizations and agencies that issue standards, as well as the users of standards. All standards-producing bodies have developed some way of publishing and distributing information concerning their standards. However, the systems used by standards-producing bodies vary.

System differences in nomenclature, format, classification of subject matter, and lack of coordination with modern current data retrieval systems, lead to widespread difficulty in locating, understanding and applying standards to current operations. Indeed, government and industry frequently find it difficult to determine whether a standard even exists. No central focal point is presently available to provide a potential user of a standard with a uniform, comprehensive catalog of standards.

Under the circumstances adequate use of a standard, in its own or technologically related fields, cannot be made. Duplicative standards cannot be eliminated. Appropriate revisions of out-moded standards cannot, without great difficulty, be undertaken.

B. The need—A clearinghouse

There is need for a Clearinghouse for commercial and procurement standards which will have the following functions:

1. Development of an improved library of standards and government specifications. This will serve as a central source of information on standards and standardizing efforts.

2. Providing a central focal point to which a potential industrial, institutional or governmental user of a standard can refer in order to become aware of the existence of the standard.

3. Development and maintenance of a catalog of existing standards. Such a catalog will go far in eliminating differences in nomenclature, format, etc., which make the present information so unsatisfactory.

4. Development of a central retrieval system to provide a quick and inexpensive route to the information contained in this comprehensive catalog. This would make available to subscribers information on such items as titles, numbers, subject matter, technical societies, trade associations, and committee activities on domestic and international levels.

In sum, it should be realized that international standards are very much a part of world trade and that foreign standards-making bodies are constantly at work with programs aimed at the improvement and broader application of those standards. Thus, while it may well be argued that international standards do not encompass the depth and breadth of American standards, it nevertheless behooves the United States to step-up its participation in international standardization activities, not merely to combat competition being waged in foreign countries against American products and services but to expand hitherto undeveloped markets for American industry and commerce. The essentiality of our participation in this area therefore, stated in its most simple terms, is to achieve compatibility for our products based on standards deemed acceptable to foreign methods of operations and systems as well as our own so as to stem the reduction or prevent the exclusion of our sales to foreign markets.

Finally, our cooperation with the emerging nations in developing and improving their commercial standards, which are likely to result in standards patterned largely after our own, will make American products more accessible to their markets, thereby enhancing our economy. More significantly perhaps, such service may reasonably be expected to rally support from such nations for our efforts with foreign standards-making bodies to adopt, whenever possible, American standards as international standards. Such adoption would provide further markets for American industry. This then is the purpose and design of the proposed legislation, whose goal hopefully may be realized from its enactment.

V. SECTION-BY-SECTION SUMMARY OF THE BILL

Section I of the legislation shows a recognition by Congress that voluntary standardization of products, both on a national and international basis, promotes the exchange of goods of high quality to the benefit of the general public. The bill states as its purpose in support of this Congressional finding, the promotion and support of representation for United States interests in voluntary international commercial standardization activities and the establishment of information clearinghouses for commercial or procurement standards for the benefit of all concerned.

Section 2 of the bill would authorize the Secretary of Commerce, in cooperation with other interested private and governmental agencies, to promote and support United States participation in the international commercial standardization of products, processes and test methods, through appropriate international organizations, for the purpose of promulgating international commercial standards for products, processes and test methods. He would also be authorized to establish a clearinghouse service for the benefit of producers, distributors, users, consumers and the public. The clearinghouse would collect and disseminate

engineering or product standards and governmental procurement standards and information relating to those standards from whatever sources that might be available. This data would then be provided to all those having a desire or need for it.

Section 3 would enable the Secretary to carry out the functions described in section 2 by authorizing him to make grants or contracts with any private, non-profit standards organization which he determines represents the interests of those groups which this bill is designed to benefit and which permit participation in the organization by such interests.

Also he would be permitted to enter into contracts or cooperative arrangements with anyone whom he thought qualified to carry out the functions authorized under the Act. Finally, he would be authorized to establish procedures and issue rules and regulations necessary to administer the Act and carry out its designated functions. This latter authority would include the right to fix prices and set fees for the information furnished or services rendered in connection with clearinghouse activities without regard to any other law under which Government sales are permitted. Such a practice is deemed consistent with Congressional and executive policy to recover from the special users of the clearinghouse information and services, a substantial portion of the cost of obtaining and producing the data. The Secretary would be authorized to use the working capital fund of the National Bureau of Standards in administering the Act.

Section 4 of the bill would authorize appropriations, without fiscal year limitation, of such sums as may be deemed necessary for the purposes of the Act.

Section 5 requires that those who receive financial assistance under the proposed legislation keep such records as may be necessary for the purpose of audit and examination relating to the receipt and disposition of funds provided under the Act.

Mr. ROUSH. Our information indicates that U.S. industry has been handicapped in certain world markets by its lack of participation in international standardization activities. The United States is unique in the world in the sense that such international participation is left largely to the private sector; the governments of other nations handle these matters directly, or heavily subsidize such activities. The result has been that, while American influence in certain areas has been appreciable, it has been inadequate or nonexistent with respect to other international standards developments.

The bill before us today is designed to encourage American industry to play a more positive role in the future, and to put the U.S. Government in a position to offer a helping hand so that American products will be able to compete in world markets on a more equal basis with other nations.

This bill looks to the future. While international trade is important to the American economy today, it seems destined to grow in volume and importance in the next few years. I believe that the economic welfare of the United States is at stake, and that we should act now to remove as many artificial barriers to American exports as possible. Not only will international trade have direct effects upon the American standard of living, but nagging financial problems such as "balance of payments" will be accentuated if we don't prepare for the future.

We are particularly pleased to have with us the Honorable J. Herbert Hollomon, Assistant Secretary of Commerce for Science and Technology, who is here this morning as the main administration witness in support of this bill. Welcome, Dr. Hollomon. Would you like to start with your prepared statement at this time?

STATEMENT OF J. HERBERT HOLLOWOM, ASSISTANT SECRETARY OF COMMERCE FOR SCIENCE AND TECHNOLOGY; ACCOMPANIED BY GORDON A. CHRISTENSON, ASSISTANT GENERAL COUNSEL FOR SCIENCE AND TECHNOLOGY, DEPARTMENT OF COMMERCE, AND GEORGE GORDON, NATIONAL BUREAU OF STANDARDS

Dr. HOLLOWOM. Thank you very much, Mr. Chairman. It is a pleasure to be here. I would like to introduce on my left Mr. Gordon A. Christenson, Assistant General Counsel for Science and Technology, Department of Commerce. Also with us is Dr. George Gordon of the National Bureau of Standards.

I also want to express to you Dr. Astin's regret at not being at this table. He has participated in the development of this legislation. He is, on the other hand, currently in Europe and in Czechoslovakia to help develop the very subject that we are talking about this morning.

Mr. ROUSH. We welcome you two gentlemen here this morning. I am especially pleased to see that our distinguished chairman, Congressman Miller, chairman of the full committee is with us.

Chairman Miller, do you have any remarks that you would like to make at this time before we proceed to hear this testimony?

Chairman MILLER. I am very happy to spend a few minutes with you this morning. It is always a pleasure to see Dr. Hollowom.

Dr. HOLLOWOM. Thank you very much.

Mr. ROUSH. You may proceed.

Dr. HOLLOWOM. It is a pleasure to be here today in support of the proposed legislation, H.R. 17424 and H.R. 17598, which are identical bills for the promotion and support of effective representation of U.S. interests in the voluntary international standards process. The legislation also would provide for standards information services through which producers, distributors, users, consumers, and the general public could obtain information on all types of engineering and commodity standards and standardization activities.

Standards are the language of commerce. They are the means by which the needs of the user are expressed. They are also the means by which the design or the performance of products which are offered for sale are specified. Standards provide the basis for mass production and for the interchangeability of parts. They permit decentralization of production facilities. They can stimulate or stifle competition. They can stimulate or stifle innovation. They can reduce or increase the barriers to exchanging goods or services across national boundaries. Through this legislation, we believe such barriers can be reduced and better use made of voluntary standards.

In the United States, the development of commodity or engineering standards except in certain special cases of health, safety, or public welfare, is a voluntary cooperative process involving producers and users. The process operates largely through mechanisms provided by technical societies and trade organizations. It may also operate through the voluntary procedures of the Department of Commerce. Although there are problems and inadequacies with this system, particularly with respect to coordination, by and large, enlightened self-interest on the part of the participants seems to assure its adequate functioning.

In the case of international standards, however, the situation is different. There seems to be insufficient awareness of their importance to producers in this country and of their importance to our national interest in assuring an adequate level of U.S. participation in the standards development process.

The establishment of international standards occurs principally through activities carried on by such groups as the Organization for International Standardization (ISO), the International Electrotechnical Commission (IEC), and the Pan American Standards Commission (COPANT). These groups are not treaty organizations. They were organized by the appropriate standards organizations in each of the countries represented. The United States of America Standards Institute (USASI), known until several weeks ago as the American Standards Association (ASA), has been the private body representing many technical societies and the producers and users of nationally recognized standards in this country. This body enlists the technical assistance of both industry and Government in its international committee activities.

International standards are two-edged swords; if they are compatible with standards in use in the United States, they permit access of American products to world markets and of foreign products to our markets. They can reduce barriers to exchanging goods and services.

If, on the other hand, international standards are not compatible with U.S. standards, the products of American manufacturers may in effect be excluded from world markets because the barriers to exchange are increased.

Similarly, products from other countries could be excluded by unnecessary barriers. The United States cannot be indifferent to the consequences of incompatible standards. There are numerous examples where these barriers have applied to U.S. products in foreign markets.

We believe it is a desirable goal to reduce artificial and unnecessary barriers to the exchange of goods and services. The interdependence of producers and users throughout the world requires harmony of exchange. The successful competition of U.S. products in world markets is essential to both the domestic economy and to our international balance of payments. A continued favorable balance of trade can stimulate the full use of our productive capacity and keep employment levels high. These are prerequisites for the rate of economic growth which we need in order to achieve our national goals.

The United States does not ask for preferential treatment in standardization matters. It does not expect all other countries to adopt our standards simply because doing so will favor our products in the foreign markets. But neither should we hesitate to provide adequate participating in the international process by which standards of various countries are harmonized. The access to markets for American products in the highly industrialized countries, as well as those emerging in less-developed countries, will increasingly depend on harmonized technical standards. Under the principle of consensus, our policy should be to participate as fully as possible with all interests concerned in the international standards process.

National technical standards tend to give a country's domestic producers a distinct advantage over foreign producers when there are incompatible standards. Some have considered the problem as a non-tariff barrier requiring government-to-government negotiation and we would not wish to exclude that as a possibility. However, the more immediate and constructive approach, which forms the basis for this legislation, is for the United States to participate more actively within international standards groups for the goal of international harmonization of technical standards.

The importance of the work of those groups has long been recognized in Europe. They have made much progress over the years toward more global agreements beyond just the harmonization of the standards of European countries. Yet despite these compelling reasons for more active U.S. participation in international standardization activities, there is general agreement that we have not participated in work on international standards at a level nearly commensurate with our interests and capabilities. The situation is perfectly understandable. The international standards groups are used by other countries to achieve mutual compatibility of technical standards among themselves, but not sufficiently with technical standards in the United States.

At this point it will be helpful to give an example. Recently, an ISO standard on hermetically sealed cans has been adopted which will have an adverse impact on exporters of American canned goods. The ISO recommendation is essentially a German standard and requires can sizes, contents, and labels different from those in common use in the United States which were compatible in most of the world markets. Trade in this world market will now require U.S. exporters to absorb the additional expense of using different can sizes, contents, and labels. Clearly this increased cost puts the American product at a disadvantage in the competition with products from countries in which the national standards are in keeping with the recently adopted international standards. Yet the ISO technical committee which was formed to develop this standard, issued a *carte blanche* invitation to U.S. interests to draft an appropriate standard for these markets. The United States did not participate.

An example of appropriate U.S. participation is in the standards for paper dielectric capacitors. Paper dielectric capacitors of all construction are major items of electronic components exported from the United States. Annual trade of these components has been shown to be in the tens of millions of dollars.

When an IEC standard on this type of capacitor was proposed, the European practice of life testing such capacitors at maximum temperature and at maximum rated voltage was insisted upon by European delegations. The methods of production and standardization of these capacitors in the United States, however, were not adaptable to testing under the foreign practice.

To remedy this problem, a committee of experts in this field in the United States undertook a scientific study of the history and performance and test experience of such capacitors based on U.S. practice and presented this report to IEC Committee in 1956. The methods and practices recommended in the report were accepted and included in the revised IEC publication. The savings to our capacitor industry and

new test equipment and facilities is estimated at several million dollars. It is just this kind of standards activity we wish to support for commodities in which we have or may have an international interest.

Standardization is most important when there is rapidly developing technology. There is a national interest in seeing to it that when manufacturers are entering new, competitive domestic markets and are not yet concerned with future world markets, they are not excluded from those markets because there was inadequate participating in the standards process. In the early stages of a rapidly developing technology, it is not clear which producers will be interested enough to finance the United States participating in the international standards process. Yet standards set early could set the future pattern for product development and affect markets.

Let me further illustrate the problem by describing the extent of United States participating in some of the international groups. Through USASI membership in ISO, the United States is listed as participating in only 75 of 118 ISO technical committees. The key to developing compatible international standards is of course the committee staff which devotes the major attention to the work through secretariats. Compared with the other highly industrialized member nations, the United States has not contributed to the effort in proper relation to its industrial activity by accepting secretariats. Of the 118 technical committees, the United States holds the secretariat for only 10. In contrast, the United Kingdom holds 25; France holds 18; Netherlands, Germany, and Belgium hold 9, 8, and 7 secretariats, respectively. Even when we do participate the delegation is not always adequately financed, staffed, or representative of all interests that may be concerned. Frequently, convenience rather than technical competence determines our participation.

The reasons underlying this relative lack of interest in international standards activities are not difficult to discern. Principal among them, as I have pointed out, is the lack of motive to invest in standards for markets that may never exist. Also, there are inadequate mechanisms for financing national delegations secretariats. There is little continuity of representation and the costs are not borne equitably among those who benefit—including the general public.

If, at the time of development of an international standard the major market for the particular item concerned is domestic, then there may be little interest among American companies in participating in international standardization. Sometimes there arises a popular misconception that since national standards are often "tougher" than international standards for the same item, there is nothing to worry about—the item will conform.

The argument can and perhaps will be made that if international standards were really as important to business as we say, then American business would be doing a better job of representing its interests in these activities. Why should the Federal Government now be concerned to the point that this legislation is desirable? The answer is that the national interest is greater than that of any one business. The health of our international trade, our balance-of-payments position, the concern about unnecessary international conflicts for those wishing to compete for markets, and the goals of promoting healthy markets are public matters. It is the responsibility of the Federal

Government to anticipate long-range problems and take actions, such as those proposed in this legislation, to promote and protect that national interest—and wherever possible through the voluntary process.

In the proposed legislation, the Secretary of Commerce is authorized in cooperation with private groups and Federal and State agencies to promote and improve U.S. participation in the international standards process. In exercising this responsibility, he may make grants or contracts with organizations or bodies which he determines are qualified to promote, develop, support, or improve United States participating in international standardization activities. Inherent in the term "qualified," as applied to organizations or bodies through which as specific industry might be represented, is that there should be adequate procedures, based on the consensus principle, to permit participation in the organization by producers, distributors, users, and consumers within the industry. The Secretary is not limited to providing financial support for these activities, but is authorized to use the full powers of his office to accomplish the purposes of this act. He may wish, for example, to send experts to other countries having inadequate standards institutions to give them advice and technical help.

The proposed legislation has a second major purpose. It will provide the means by which producers, distributors, users, consumers, and the general public can obtain full information about standards and standards activities. This service would have as its purpose the collection and dissemination of information on engineering, product, or procurement standards from all sources. It will tell where copies can be obtained and who is developing standards. It will provide information to businesses and consumers who do not know where to turn for information on standards. Three major sources for this information exist. There are Government standards (Federal and State procurement standards and specifications, for example), voluntary standards of U.S. industry and international and foreign standards. The act would authorize the collection, translation, cataloging, classification, coordination, and integration of all this standards and related information. There are no present ways for either a producer or consumer to obtain all this information, and there is no indication that it cannot be done without special support.

To anyone who has been active in the standardization process, either domestic or international, it is obvious that there is inadequate communication among the many organizations and agencies that generate or issue standards of the businesses and persons needing to use them. There are communications barriers not only in the way of conveying the content and meaning of a standard, but also in the way of obtaining information back from the users of the standards to aid in improving them.

All standards-producing bodies have developed some way of publishing and distributing information concerning their standards. There are many such systems, and they are far from uniform. There are differences among these systems in terms of nomenclature, format, and classification of subject matter, and there is a lack of modern data and information retrieval systems. There are no adequate translation services for foreign standards. All of these lead to widespread difficulty in locating, understanding, and applying standards to current operations. Indeed, Government and industry frequently find it diffi-

cult to determine whether a standard even exists. It is the intent of this legislation to improve these several important aspects of communication in the standards field and thus reduce the difficulties of using standards effectively.

In summary, the role and importance of standards in domestic commerce is accepted by American industry. The national standards development activities function reasonably well. On the other hand, support of international standards activities by American industry is spotty. The ramifications of inadequate United States participating in international standardization activities are of sufficient importance nationally that stimulation and cooperation by the Federal Government is warranted.

Effective use of standards is hampered by lack of knowledge concerning them. This legislation will improve information dissemination to businessmen, users, and the general public. This activity is clearly justified in light of the tens of thousands of standards in existence that are not even indexed or organized by content.

Mr. Chairman, it is our intent to rely to the fullest extent possible on the voluntary standards bodies and organizations in carrying out the purpose of the legislation. Standards often are the norms by which technology enters commerce. They reflect common interest and should reflect a sound public interest through involvement of all concerned—producers, distributors, users, consumers, and government.

We urge the subcommittee to act favorably on this bill which would strengthen this standards process.

Mr. ROUSH. Thank you, Dr. Hollomon, for your very comprehensive statement.

Chairman Miller, do you have any questions?

Chairman MILLER. I think Dr. Hollomon has covered the field very well. The need for this bill demonstrates again the process of coming into the technological age where these changes are taking place.

I remember years ago when I was in the California Legislature, we were concerned with the standards that were used in the processing and the selling of fresh fruits and agricultural products. In one part of the State we had one standard and in another part of the State we had another standard. When you bought a lug of peaches in northern California, it weighed so much. If you bought a lug of peaches in southern California it cost so much; and we used "lug" where bushels were the usual measure on the east coast. The legislature had to take cognizance of it and establish standards throughout the State, and I think this is what is taking place here today.

You see in Europe today a resurgence, a determination to fight for business; we can't do business with them unless we have a measure that they understand and we understand, a common measure of doing business. This is part of the necessity for this bill.

Dr. HOLLOWON. Thank you, Mr. Chairman.

Mr. ROUSH. Thank you, Mr. Chairman.

Mr. Conable?

Mr. CONABLE. Dr. Hollomon, how does this proposal square with our problems relating to the metric system?

Dr. HOLLOWON. Let's take a specific case of household refrigerators, for example. We are excluded without modification of our products in European markets. Now, whether or not we go metric in that case,

of course, is not applicable because these are electrical standards which are expressed in metric values.

There are two ways to approach this problem. One is that you decide on what the measures are and then allow each country to specify how he measures it in his own system.

Let's take another case; the most celebrated case in the standardization business having to do with it—the screw thread case. The American screw thread based on a certain number of turns per inch is the most standard screw thread. However, in Europe, it is specified in metric terms, but an agreement has been made to a large degree to use the conventional system as the means of specifying the number of turns per inch, so it is not necessary to insist on one measurement system or another to agree on what the standard would be.

Let's take the case of standardization of shipping packages. In Europe this is growing at a great rate, particularly in France, to get modularity so when you ship boxes you use the same size pallets and so forth. It is growing in this country in the container field. Here if they insist as they would in this case that they be metric units, we can adapt to that, except that we would specify the shipping package in inches or feet.

If the Europeans are on the metric system and we are not, or our products do not dominate the market for some reason or we can't persuade them otherwise, it may mean that the actual device has to be made in unit sizes related to the metric system, but this would have to be negotiated out.

What I am saying is that if we were on a metric system—not that we should be—it would give us an improved opportunity in making standards more compatible.

Mr. CONABLE. It would be easier to arrive at standards.

Dr. HOLLOMON. Right.

Mr. CONABLE. On page 5 you cite the failure of the canned goods manufacturers to participate.

Dr. HOLLOMON. Yes.

Mr. CONABLE. Did the Commerce Department study why the canned goods manufacturers did not participate?

Dr. HOLLOMON. One of the problems is finding the appropriate representatives and being able to support them in the activity. This would be my guess.

Mr. CONABLE. You stated that as an example of a bad failure, and I am sure there must have been some reason they didn't do it. We do have lots of canned goods producers associations of one sort or another.

Dr. HOLLOMON. Yes.

Mr. CONABLE. We are a food exporting country.

Dr. HOLLOMON. The information I have with me indicates that the ASA, the then ASA, asked the can manufacturing institute, one of the trade associations, to fund and support and develop our participation in this field. They were not able to do so either for financial or other reasons.

Mr. CONABLE. Do you conceive the information gathering part of this legislation to be perhaps its most important aspect?

Dr. HOLLOMON. No, sir, I don't. I think both are important. They are related in a very definite way, of course. In order to be able to deal with the problem of taking products to a foreign market, one

of the things an American manufacturer would like to know is what standards exist for that product. If you are a large company with foreign affiliates all over the world, this is not a difficult task. If you are a relatively small company exporting from this country, it is a very difficult task to find out exactly what standards apply; so certainly the information activity relates to the international standardization problem.

Therefore, I would say that the most important thing we should do is to get at the problem of assisting, developing, and supporting our international standardization activity, but in order to do that, one of the requirements is to have the information available to our people.

Now, there is a second part of the information problem which is equally important. There is a vast number of Federal standards issued by the Federal Government. Our present guess is somewhere between 20,000 and 30,000. Frequently, the Federal Government issues a standard when there is already an industry standard in use that they could have used, and they make it slightly different and this requires the producer to produce two kinds of products, one for the regular civilian market and one for the Federal market or conversely. There may be a Federal use for clothing for the military and for which people are trying to develop a voluntary standard and they don't know that the Federal standard exists.

We had a study relating to this legislation 2 years ago. We put together a private committee and they couldn't find out how many standardization bodies there are in the United States and how many standards that were available and what they were. This makes it very difficult for a manufacturer to determine how to proceed.

Mr. CONABLE. One other question. This activity would be within the Commerce Department? This work would be done by the Bureau of Standards?

Dr. HOLLOMAN. I think the majority of the activity would be carried out by the Bureau of Standards.

Mr. CONABLE. The Bureau of Standards is already doing work in this field, apparently.

Dr. HOLLOMAN. They are. The Bureau of Standards participates in activities when the Government is involved in setting standards. We are involved in some cases on a government-to-government kind of negotiation.

Secondly, the Bureau of Standards technical people participate to a large degree in committees that make voluntary standards in this country. They represent a neutral interest, but we do not support through funds the international activities of the country except now and then sending a person abroad to help. We frequently are faced with the former ASA coming and finding no one to represent the United States in one of these international bodies and sometimes we can arrange to have an expert who does that.

Mr. CONABLE. Would you tell us what Dr. Astin is doing in Czechoslovakia?

Dr. HOLLOMAN. At the moment he is meeting with a government standardization body having to do particularly with the business of the basic standards upon which all these measurements are based; that is, the meter, the foot, and so forth.

Mr. CONABLE. Yes, I see. That is all.

Chairman MILLER. Dr. Hollomon, regarding your remarks about standards development within Government, about 15 years ago we had quite a go-around in Washington when a committee headed by Congressman Hébert of the Armed Services Committee held what was popularly known and written about as the Chamber of Horrors. It was shortly after unification, when they brought in certain items of common interest used by the three military departments of the Defense Department. A light bulb that the Army used was carried under one nomenclature, maybe slightly different than one that the Navy used, and the Air Force came in with a third. Such common items as blankets were involved. It took a whole paragraph to describe a tenpenny nail, but we had the same nails described by different numbers. As a result of this study, the Defense Department has since pretty well standardized all items of common usage, and at a savings of millions of dollars to the Government. I don't think the Armed Services Committee is very proud of the fact that it had to force the Defense Department to do this, but it did it in a very dramatic way.

Isn't this what exists with other branches of the Government?

Dr. HOLLOMON. Yes. We have the GSA, which does much of the purchasing, and there are other Government agencies which have special functions. What we would attempt to do is not force the standardization, but to provide knowledge to everyone of what everyone else's standards are. What a man entering a new business wants to know is what standards do my products have to meet and if he has to go to a dozen different places to find this out, it puts him at a great disadvantage. The Federal Government writes standards when standards already exist which are perfectly appropriate. If you don't know if one exists, that puts you in the position of having to develop your own.

Mr. ROUSH. Dr. Hollomon, doesn't the Department of Commerce, particularly the National Bureau of Standards, have the authority now to promote participation in these international meetings so as to deal effectively with the problem of standardization? Don't you have the authority now to set up a clearinghouse? In other words, why is it that we need new legislation?

Dr. HOLLOMON. The National Bureau of Standards has generic authority to cooperate with other Government agencies and with private organizations in the establishment of standard practices incorporated in codes and specifications. We do not have the authority to give grants which we asked for in this legislation, and the reason we asked for the grant authority is that we believe that the situation with respect to international standardization is one in which the responsibility should lie with those institutions who take that responsibility; that is, such as the USASI, and they should determine what can be done with it. We believe it is not a question of the Government providing a service, but supporting an internationally oriented organization.

Secondly, while we have a clearinghouse responsibility we have limited our clearinghouse activities to Federal technical documents or translations of foreign documents, not standards.

Mr. ROUSH. With regard to our participation in many of these international standards conferences, isn't this a function or activity which the Bureau of Standards could perhaps best perform?

Dr. HOLLOMON. Some of its technical people ought to be involved in the participation, in voluntary standards operation and in some cases being the representative of the United States in the international activities where we have the technical competence. We do in fact furnish a number of people in the secretariats of these particular foreign operations. We furnish them, however, to assist in the voluntary process that takes place outside the Government.

Now, there are many cases we just don't have the expertise, or the competence to participate.

A very real difference exists in this country than in any other country in the world. Most every country has an agency or a quasi-government agency that does this job. In Germany, as I remember, it is a government agency essentially that does this.

We have chosen another route. We have chosen the route that the job will be done privately. The support that the Government has given to this private operation has to date wholly been in furnishing people who will serve in committees.

Mr. ROUSH. Then the United States is unique?

Dr. HOLLOMON. We are so far as I can tell, the only country in the world that operates this way.

Mr. ROUSH. Has this uniqueness worked to our detriment?

Dr. HOLLOMON. It has in a sense worked to our detriment because of two things. One is that the other countries see in international standardization a general public interest and have supported it with public funds. I believe that in part has been the reason why we have not participated to the degree which is appropriate.

Secondly, their government operations is much more closely tied to their trade policy. In other words, what standards they set as government agencies is much more closely attuned to what they want to sell and where they are going to put their emphasis.

Mr. CONABLE. Do you mean you don't initiate at all? You send people from the Commerce Department or from the Bureau of Standards to these meetings only if someone else starts the process? You don't call people together and say we ought to get in this sort of deal?

Dr. HOLLOMON. No. We separate two different things. We are talking about harmonizing existing standards of various countries. This is done by the initiative of USASI, which is a member of the international standardization organization, not by government initiative. We may take initiative government to government on some trade barrier and we may send our technical people to such a process. The private initiative is taken by the voluntary standardization activity of this country. If we see a problem and it isn't being done we try through the ASA to get it done, but it is not the National Bureau of Standards' direct responsibility by law.

Mr. ANDERSON. Doctor, I can see how this would work in a communications sense. You mentioned that none of the international standardization organizations were formed by virtue of the treaty organizations.

Dr. HOLLOMON. That is right.

Mr. ANDERSON. The U.N. is not involved in this matter?

Dr. HOLLOMON. I think the ISO is loosely affiliated. I don't believe there is any formal connection with ISO. I don't believe that is the

case. The United Nations has some organizations that do to some degree concern themselves with standards. They are not harmonizing organizations in the same way. There are no U.N. organizations that explicitly have the standardization activity. Both ISO and IEC, which is the international standards body that worries about electronics and electricity, have consulting status with the U.N. through the economic and social council, but they are not intimately connected with it.

Mr. ANDERSON. Then you would feel it is not indicated that the organization proposed would have any great degree of life with the U.N. or with any other international body?

Dr. HOLLOMON. The organizations that would propose to be supported would already exist. We would not propose a new one.

Mr. ANDERSON. What about the Common Market, what is the end road as far as standards are concerned?

Dr. HOLLOMON. There are two aspects of the Common Market. There is a standardization activity, for example, of the European coal-steel community which is a creature of the Common Market.

And then there are other standardization activities which take place. These are government-to-government negotiations. It is a strange thing. The ISO tries to get everything together to set a standard that is in harmony. If they can do that with the best technical experts in the world, there is no country in Europe that would have a different standard. They influence all these standards. Then within a given community, people may have a government-to-government negotiation with respect to what standards are going to be acceptable to their products.

Mr. ROUSH. Taking a country like the Soviet Union, is their participation limited to government-to-government activities?

Dr. HOLLOMON. No, sir. The Soviet Union is now a member of the ISO as an international standard body. They started in the late fifties to recognize how important this was to get products which were made in the Soviet Union to be compatible with the rest of the world. They view this as a potent tool in the expansion of their trade. I believe it has been, in their point of view. They have broadened and strengthened the role. They have taken on participation in those areas of ISO in which they want to emphasize their exports and they have taken an increasingly important role, as have the East bloc countries, in the international standardization activities.

Mr. ANDERSON. Doctor, setting aside the matter of pure communications of standards for the time being, do you feel that in the international sense and from the standpoint of long-term goals it would be desirable to be able to go into a hardware store in any country and buy a screw which you could describe everywhere in the same way.

Do you feel there are adequate international motivations toward standardization or not?

Dr. HOLLOMON. Well, some people are motivated to have incompatible standards if they feel in some way that would protect their interest. You know as well as I do of the difficulties in the Kennedy round to remove tariff barriers. Many people believe that the non-tariff barriers are even perhaps more important than the tariff barriers. I would say that the motivation of nations to the greatest degree is to try to harmonize and I think the motivation of any company

that is trying to enter world markets is to harmonize. I can't say that is the motivation for everybody.

Mr. ANDERSON. What about the OAS, have they become involved within their countries?

Dr. HOLLOWOM. No. They do it differently again. The South American or Pan American standards are done by a body like ISO, but it is called Copant. Again, it uses the completely voluntary procedure.

Mr. ROUSH. Those participants in these countries, do they have financial support from their governments?

Dr. HOLLOWOM. I am confident in the case of all European countries that is so. I am not entirely confident in the case of South American countries. My guess is, it is the case.

In all European countries the government not only participates in this, but it is often a government body that does this work rather than a voluntary body, and we are trying to keep the initiative on the voluntary side of the ledger.

Mr. ANDERSON. Thank you very much.

Mr. ROUSH. You suggested that the motivation of some might be against harmonization, against standardization.

Dr. HOLLOWOM. A country that has a large hold on the market of a particular product and sees the possibility of another country entering that market with a superior product or a different product might fear that product would take the market away from them.

Mr. ROUSH. Is it true of some of our U.S. industries?

Dr. HOLLOWOM. That may be true, but most countries recognize there is a quid pro quo, if you are going to have our products enter a foreign market, you are going to be willing to receive their products.

Mr. VIVIAN. I am curious to know the meaning of the phrase, "to promote, develop, support, or improve," which I think shows on page 8 of your statement, as well as the title of the bill, line 13 on page 2. What does the word "improve" mean?

Dr. HOLLOWOM. Improve participation. It refers to participation. There have been a number of cases in which the person who happened to be chosen to take a secretariat or to participate in a foreign standardization activity was a person chosen essentially because he was about to retire or somebody didn't know what to do with him and he could be made available for this activity by a company or a trade association rather than being able to say this is the best man in the country, we will support that activity and have him go. This is a connotation of the word "improve."

Mr. VIVIAN. That gives you authority to offer travel funds?

Dr. HOLLOWOM. Through his organization.

Mr. VIVIAN. You will be able to grant funds to the standardization body.

Dr. HOLLOWOM. Who in turn pay travel expenses.

Mr. VIVIAN. What does the word "support" mean?

Dr. HOLLOWOM. Increase the amount of money to them, or even technical support.

Mr. VIVIAN. In other matters I notice that you can enter into grants or contracts with nonprofit standards organizations.

Dr. HOLLOWOM. Right.

Mr. VIVIAN. But you can also enter into contracts with anyone authorized in the act. Why the difference between these two; why isn't the second category sufficient to cover the first as well?

Dr. HOLLOMON. I don't quite understand.

Mr. VIVIAN. You can enter into contracts with anyone who would be qualified to carry out the functions authorized by the act. Doesn't that include contracts with nonprofit standards organizations?

Dr. HOLLOMON. Just a minute. Let me understand the question. The essential difference is that the first one refers to standards organizations or related bodies which he determines represents the general interest. This puts a qualification on that aspect of the grant or contract by which he says these people must be qualified by virtue of their procedures, their organization, or their international relationships to participate in the activity funded by the act.

Mr. VIVIAN. It would seem to me by the phraseology used in the act, you are permitted to contract with anyone, but in the case when you do contract with a standards organization it must be one which permits entry of all pertinent members.

Dr. HOLLOMON. That is right.

Mr. VIVIAN. I believe the phraseology is not appropriate.

Dr. HOLLOMON. My lawyer says it is really intended to separate the criteria for giving grants or contracts supporting services in the public interest from the general contracting authority to aid the government. I think there can be some tightening up with respect to these activities.

Mr. VIVIAN. Would you desire to make contracts with standards organizations which do not allow participation?

Dr. HOLLOMON. If that particular organization could carry out some particular activity such as gathering information to carry out the act; but certainly not representing the United States abroad.

Mr. VIVIAN. May I suggest the phraseology of these two sections might be reviewed to make it more clear what your purposes are?

Dr. HOLLOMON. We will review that.

Mr. VIVIAN. I asked the interpretation of the word "improve." If the word "improve" were left out of the act, what harm would be suffered?

Dr. HOLLOMON. Not any to speak of, but there should be no implication that we could not "improve" U.S. participation in the international process.

Mr. VIVIAN. The next item is, I am not certain where this shows in the bill, but page 8 in your remarks:

The Secretary is not limited to providing financial support for these activities, but is authorized to use the full powers of his office to accomplish the purposes of this act.

What does the phrase "full powers of his office" mean?

Dr. HOLLOMON. He is authorized to do anything which is stated under section 2 of the act, the implication being that he is not limited to grants or contracts, but may take initiative to support in any way the purposes of the bill.

Mr. CONABLE. The Secretary can prescribe rules and regulations?

Dr. HOLLOMON. Yes. He would encourage the establishment of a new voluntary body, such things as that.

Mr. VIVIAN. I have another question that relates to the subject of publication. We went through a long consideration some time ago on the matter of publishing standard reference data. The result was a bill authorizing publication of such scientific data under certain circumstances and with recovery of funds under prescribed rules. I believe what I see in this bill corresponds to the same phraseology used in this previous bill.

Dr. HOLLOWOM. That is right.

Mr. VIVIAN. There is no disparity between these two.

Dr. HOLLOWOM. I don't believe there is, but if there is we will reconcile it.

Mr. VIVIAN. I would appreciate it if our counsel would review the two.

Mr. CONABLE. I think we had some special wording.

Dr. HOLLOWOM. We will work with your counsel to be sure they are coordinated.

Mr. ROUSH. Your suggestion will be followed. Counsel will get a statement for the record on this point from the Joint Committee on Printing.

(The information requested is as follows:)

CONGRESS OF THE UNITED STATES,
JOINT COMMITTEE ON PRINTING,
Washington, September 21, 1966.

Mr. FRANK R. HAMMILL, JR.,
Committee on Science and Astronautics,
House of Representatives, Washington, D.C.

DEAR FRANK: Reference is made to H.R. 17424 which relates to the promotion and support of U.S. interests in voluntary international commercial standards activities, the establishment of a clearinghouse for commercial and procurement standards, etc.

The language of the bill, especially Section 3(c), has been considered. It is recognized that, in order for the Secretary of Commerce to recover the costs enumerated in the last sentence of this section, the prices to be charged for related publications cannot be established in accordance with the formula used by the Superintendent of Documents to price Government publications as set forth in 44 U.S.C., sec. 72a. Also, because the referenced publications will be sold by the Department of Commerce in lieu of the Superintendent of Documents, the provisions of 44 U.S.C. sec. 72 may also be disregarded. In summary, it may be said that the Joint Committee on Printing does not object to the existing language of the bill.

Please accept the appreciation of the Joint Committee for your interest in bringing the referenced bill to its attention.

Yours sincerely,

JOHN F. HALEY,
Staff Director.

Mr. VIVIAN. I do not necessarily object to the fact that the phraseology might be different, but I would like to know if it is different.

Another question, suppose this bill were never passed and you were to take these actions on the initiative of the Secretary of Commerce and proceed; who would have objected?

Dr. HOLLOWOM. I don't think we have the authority to give grants. I know we don't have the authority to give grants for this purpose. We have never had a program for an information system with respect to all voluntary standards or all Federal standards.

Mr. VIVIAN. It seems to me that the Secretary's broad authority would allow for the dissemination of information.

Dr. HOLLOWOM. One could interpret it that way. In the history of the Department of Commerce we have not had an information program

on standards issued by the private sector. I have two sorts of views on that. There are two things in the bill which are different.

I also believe that it is at the borderline as to whether or not we have a mandate from Congress to insure coordination. Certainly one could interpret almost anything under the generic authority of the Secretary of Commerce to promote commerce.

Mr. VIVIAN. Who would object? I repeat my question. Who would have objected if you had proceeded?

Dr. HOLLOMON. I don't know who would have objected if we did it. I doubt whether we would have done it.

Mr. VIVIAN. Why wouldn't you have done it, having general authority to do so? It would seem that you could and should proceed.

Dr. HOLLOMON. I think that is probably a good statement.

Mr. VIVIAN. I will leave the question at that point.

Dr. HOLLOMON. My own experience has been that when one travels a trail which is having the Government do something quite different than ever done before, I believe that it is appropriate for Congress to enact legislation.

Mr. VIVIAN. What is the significant difference between the grant and the contract authority dealing with these organizations?

Dr. HOLLOMON. The difference between the contract and grant authority is the general determination of what should be done. Under the grant its priorities would be in the hands of the grantee, and rather than contracting for a specific function to be performed for the Government we would give support for the institutions that would act in this regard. It would be all subject to and used within the context of the grant. We would support another institution. We would not buy another service for the Federal Government. I think that is an important distinction, a very important decision.

Mr. VIVIAN. You could not have written a contract that would have accomplished the same result?

Dr. HOLLOMON. I believe you could. There are certain differences between a contract and a grant.

In general, a grant is given for a general field of activity which is narrowed by the terms of the grant rather than the specification of a product or service which you are purchasing. That is the general distinction.

Mr. VIVIAN. If you had utilized the general authority of the Secretary and proceeded under a contract of broad definition, could all the purposes of this bill have been accomplished?

Dr. HOLLOMON. I don't think all the purposes, but the purposes could have been approached.

Mr. VIVIAN. Thank you.

Mr. ROUSH. Dr. Hollomon, could you give us your best estimate as to the annual cost of the program which would be authorized by this bill?

Dr. HOLLOMON. I think over 4 or 5 years that the cost of the program would be somewhere between \$1½ and \$2 million; at the end of 4 or 5 years.

Mr. ROUSH. Is part of the cost to be underwritten by industry?

Dr. HOLLOMON. Part of the cost is now and will continue to be underwritten by industry.

Mr. ROUSH. That figure which you just gave us, is that the cost which would be borne by the Government?

Dr. HOLLOMON. It was the amount of money which would be authorized and we believe would be expended by the Federal Government.

Mr. ROUSH. How much would it take for the first year?

Dr. HOLLOMON. Our preliminary estimate is something in the area of a million dollars.

Mr. ROUSH. How does this compare with the amount that industry is putting into this program, or do you know?

Dr. HOLLOMON. I can't quite say. I can tell you the approximate budget of USASI, for example. It has many other activities than the international activity. Their total budget last year is on the order of a million dollars, but much of the international representation was done by sort of gift and other private arrangement and the funds were never charged to the USASI. When the Bureau of Standards people would help, they are never charged.

I can't tell you the total real expenses. I can tell you a part of the out-of-pocket cost. Industry is now contributing to USASI about a million dollars a year. With the reorganization of ASA into USASI, I believe, and it is their hope that they will have a substantial increase in funding for all of their activities and I think you should also know that both the reorganization of ASA and the content of this bill were recommended some years ago and both of these are going at the same time.

Mr. ROUSH. What is the size of the staff in the Commerce Department now doing international standards work?

Dr. HOLLOMON. The only way I can tell you is how many people were engaged. I had this a moment ago.

Mr. CONABLE. They may have done other work, too.

Dr. HOLLOMON. Yes.

I can tell you, for example, how many trips away, how many days of travel, that sort of thing. Let's give just an estimate. Number of trips was 44; man-days of travel about a thousand; and direct and indirect costs, say, about \$150,000.

Mr. ROUSH. If this bill should pass, do you anticipate that this number will increase?

Dr. HOLLOMON. Absolutely.

Mr. ROUSH. Have you made any estimates as to the number of people?

Dr. HOLLOMON. No, but the funding that we are talking about would totally include that, Mr. Chairman.

Mr. ROUSH. But you do not have an estimate as to the number of people who might become involved?

Dr. HOLLOMON. No, I don't have the estimate.

Mr. ROUSH. How often are these international conferences held?

Dr. HOLLOMON. There are some 118 other committees. They have a semipermanent secretariat, someone working half or full time, and they cover a very large range of things. One of the committees is photography. This means that the standards have to be set for all elements of photographic equipment. The general attempt is to meet twice a year, but in some cases where there is a wider variety, the

technology is changed, they meet more frequently; in some cases they meet less frequently.

Mr. ROUSH. How many representatives from each country normally participate?

Dr. HOLLOMON. In any given standards, they are called participating people and observers. The number of committee members might be from 10 to 100.

Mr. ROUSH. I would assume that if this bill should pass that we would have both Government and industry people participating.

Dr. HOLLOMON. Yes, sir; just as we do now.

Mr. ROUSH. Our activity would be increased.

Dr. HOLLOMON. Yes, sir; hopefully. The secretariat is the key to the thing. It is the fellow who is working all the time that is important to these activities. I would hope that this would double or triple in 3 or 4 years so this would mean that we would be represented in 30 of the secretariats rather than 10. It would be something of the order of Great Britain under these circumstances.

Mr. ROUSH. If this bill should pass, is it the intention of the Commerce Department to support the USASI in its request for a Federal charter? I understand that they will be requesting a Federal charter.

Dr. HOLLOMON. I think we would have to know what was in the Federal charter to be certain we would support it. I would say that the general tendency is that we would support the application of a general charter under certain conditions and we would have to take a look as to what that Federal charter authorizes them to be. One of the things it couldn't authorize them to be would be the only standardization body in the country. You can't take away from the Secretary of State his authority where there has been a treaty, but in general an appropriate Federal charter we would support; yes, sir.

Mr. ROUSH. Would it be the only body receiving support through grants and contracts?

Dr. HOLLOMON. Not necessarily. At the present time it is the body with the subordinates of it which is the primary agent in international standardization. There are some other agencies that have to do with foods and drugs and so on. The USASI would be primary agent, I think. In the case of the information services, that does not need to be the case at all.

Mr. CONABLE. This may be a difficult question, but I wonder what was the genesis of this legislation; has this been in the works for some time; have there been a lot of complaints recently from American industry who wished they had participated in the past? What brought this legislation out?

Dr. HOLLOMON. Several things. I have a whole list here of case histories where our people, American industries, have complained about the restrictions or their inability to enter foreign markets because of international trade barriers. These have been a part of our international operation at the Department who thoroughly and completely support the legislation and have encouraged us in every way to participate in reducing these barriers.

On a number of occasions we have failed to participate and we have not been able to provide the funds because the industry association simply didn't have the wherewithal to do the job. But it really

started, this particular legislation, by the establishment of the LaQue committee 3 years ago. The Secretary of Commerce through an advisory committee established a committee under Frank LaQue and asked them to look into this. The reason he asked them was because the pressures were then clear as to the need to work more thoroughly in this, to deal with nontariff barriers and because of the inability to obtain information about standards. The LaQue committee reported to the Secretary on February 18, 1965, with certain basic recommendations. It recommended certain things. We went back to industry, to labor unions, to trade associations, to consumer groups and got their comments. As a consequence of that, this legislation was developed. Practices were reviewed and strengthened. The ASA proceeded to develop a new constitution and bylaws which they have now recently adopted in the State of New York and intend to obtain a charter. So, many pressures required a relook at this problem, but the main initiative was the committee which was referred to now in the standards industry as the LaQue report.

MR. CONABLE. Have you been aware of any strong pressure against this legislation?

DR. HOLLOWON. No. It would also support the development of standards domestically. It would actually support standardization. Industry in this country said if the Government puts money in organization they could. We backed off from that recommendation of the LaQue report. That is the only opposition that I know of.

MR. ROUSH. Is there evidence, Mr. Secretary, that certain foreign nations have promoted standards specifically designed to freeze the United States out of certain markets?

DR. HOLLOWON. It is hard to tell what people's motivations are, and I am not sure that this is the appropriate forum to be that explicit even if I knew, so I would like to defer that question and say there have been many questions in which standards have been set which have had as their consequence making it difficult for us entering the market.

MR. ROUSH. Could you give us examples of this?

DR. HOLLOWON. I have a number of examples. Take, for example, 16-millimeter sound film. That standard was issued. We got it changed. The whole electrical business, of course, the difference in voltage in Europe with respect to electrical appliances creates a difficulty for the entry of U.S. appliances on the European market.

There has been recently a very large move in Europe to get standards of packages and packaged containers in which we did not participate thoroughly. We will have to redo the standards for our package sizes. These are not packages for the consumer, but packages in which goods are shipped and marked.

MR. ROUSH. Is it possible that a nation or a group of nations could use this means to freeze us out of a particular market?

DR. HOLLOWON. Well, I think it is possible. I think the only remedy to that is participation. I think the only remedy to having a group of people try to adopt standards which are incompatible with the easy flow of products in the market is to participate, deal with them on a nation-to-nation basis if they look really reprehensible. We have a very serious trade problem having to do with color television in Europe, and the lack of compatibility with the U.S. system. It is a gov-

ernment-to-government problem, the Russian Government, the German Government, the French Government, and we are going to have great difficulty in entering that market, a very large market.

Mr. ROUSH. Was there U.S. participation in this particular conference?

Dr. HOLLOMON. I don't believe it occurred early enough to anticipate the difficulty. I don't believe that we participated early enough and strongly enough to influence the result.

Mr. ROUSH. It has occurred to me that large businesses can pretty well take care of themselves on the question of standardization, but small businesses might reap the greater benefits in the solutions we are attempting to find through this legislation; is this true or not?

Dr. HOLLOMON. You are going to have here as I understand it some people from one or more of the large companies.

Where the product, the number of companies in this country is very small, and where they are already internationalized, let's take the oil companies, for example, I don't think they have much of a problem. I don't think that the automobile companies where we have four or five companies and so on have much of a problem, but where we have a larger number of companies, even where some of them are large and where they are not already engaged in international business, I think there are problems. So it would help the smaller companies or the companies that are just newly entering foreign markets. It would not help a company like IBM, which is already the dominant influence in the international computer market.

Mr. ROUSH. A large company might be happy with the situation as it exists?

Dr. HOLLOMON. I have never heard a comment from the larger companies that international standardization was not desirable.

Mr. ROUSH. Are there other questions?

(No response.)

Mr. ROUSH. Dr. Hollomon, we appreciate your coming here this morning and I am sure there will be other questions arise during the course of our hearings. We will propound these questions to you, and if you can give us your further cooperation by answering such questions we will be happy to hear from you.

Dr. HOLLOMON. I will be happy to cooperate in any way, and we will try to be prompt.

Mr. ROUSH. If there are no other questions the committee stands adjourned until tomorrow morning at 10 o'clock.

(The biographical statement of Dr. Hollomon follows:)

BIOGRAPHICAL STATEMENT OF J. HERBERT HOLLOMON

J. Herbert Hollomon became Assistant Secretary of Commerce for Science and Technology in May 1962, having been nominated by President Kennedy and confirmed by the Senate. In this position he supervises the Patent Office; the National Bureau of Standards; the Environmental Science Services Administration; and the Office of State Technical Services. He also is the principal advisor on scientific and technical matters to the Secretary of Commerce, and he is a member of the Federal Council for Science and Technology, consultant to the President's Science Advisory Committee, and Chairman of the Interdepartmental Committee for Atmospheric Sciences.

Dr. Hollomon was with the General Electric Company for 18 years, as metallurgical researcher, Manager of Metallurgy and Ceramics Research, and General Manager of the General Engineering Laboratory.

He is author of a textbook on metallurgy, editor of a series of technical books, and author of many technical and general articles.

Professional societies to which he belongs include the American Society for Metals, of which he formerly was a trustee; the National Academy of Engineering, of which he is a founding member and a member of the Council; and the American Association for the Advancement of Science.

Dr. Hollomon has received such honors as the Raymond W. Rossiter Award of the American Institute of Mechanical Engineers; the Alfred Noble Award of the Combined Engineering Societies; the Army Legion of Merit; and the Rosenhain Medal from Great Britain's Institute of Metals (first American recipient). He was the Edward DeMille Campbell Memorial Lecturer, American Society for Metals, 1965.

He received the B.S., 1940, and the D.Sc., 1946, from the Massachusetts Institute of Technology. He also has received honorary doctorates from Worcester Polytechnic Institute, Michigan Technological University, and Rensselaer Polytechnic Institute.

He has been an instructor at Harvard University School of Engineering and Applied Science and adjunct professor at Rensselaer Polytechnic Institute. He also has been affiliated with three other engineering schools and has directed several studies of engineering education.

(Whereupon, at 11:28 a.m., the committee adjourned until 10 a.m., Wednesday, September 21, 1966.)

The utilization of a notebook on the utilization of a series of technical books...

Technical books to which he refers include the American Society for... which in turn was adopted by the National Academy of Sciences...

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...the National Academy of Sciences... the American Society for... the National Academy of Sciences...

(Washington, D. C., 1958) the volume referred to in the... Technical, December 21, 1958)

INTERNATIONAL COMMERCIAL STANDARDS ACTIVITIES

WEDNESDAY, SEPTEMBER 21, 1966

HOUSE OF REPRESENTATIVES,
COMMITTEE ON SCIENCE AND ASTRONAUTICS,
AD HOC SUBCOMMITTEE ON H.R. 17424,
Washington, D.C.

The subcommittee met, pursuant to adjournment, in room 2325, Rayburn House Office Building, at 10 a.m., Hon. J. Edward Roush (chairman of the subcommittee) presiding.

Mr. ROUSH. The committee will be in order.

Our first witness this morning was to have been Congressman John D. Dingell of Michigan. Congressman Dingell has a prepared statement for the subcommittee which I understand will be presented by Mr. Gregg Potvin, counsel to the Select Committee on Small Business of the House of Representatives.

Mr. POTVIN. That is correct, Mr. Chairman.

Mr. ROUSH. You may present Mr. Dingell's testimony as you see fit.

Mr. POTVIN. Mr. Chairman, members of the subcommittee, Congressman Dingell has asked me to express his regrets at not being able to appear. His two legislative committees are meeting at the same hour this morning. He has asked me to express his appreciation for kindly allowing me to substitute for him.

STATEMENT OF CONGRESSMAN JOHN D. DINGELL (MICHIGAN), SELECT COMMITTEE ON SMALL BUSINESS (PRESENTED BY GREGG POTVIN, COUNSEL)

Mr. POTVIN. Mr. Chairman, members of the committee, thank you for this opportunity to appear and present my views concerning H.R. 17424. I would like to commend Chairman Miller for introducing this bill and you, Chairman Roush, for holding these valuable hearings.

The question of standards is one which is of increasing concern and importance to many sectors of our economy. It is clear that participation by the Federal Government in international standardization must be increased if America is to compete in the overseas markets which are expanding so rapidly. I am fully in accord with the intent of the bill and feel confident that the Secretary of Commerce will act to advance our national interests through the tools proposed to be given to him through this legislation.

I am here primarily, however, to express an antitrust and small business point of view. In this capacity there are a few caveats I wish to

enter. The language of H.R. 17424 is necessarily broad. The Secretary of Commerce is authorized to promote, develop, support, and improve U.S. participation in international commercial standardization and to establish and maintain a clearinghouse service for the benefit of producers, distributors, users, consumers, and the general public for the collection and dissemination of engineering or product standards. In furtherance of this grant of authority, the Secretary of Commerce is empowered to do all things necessary to carry out these functions. This includes the making of grants to, and the entering of contracts with, private nonprofit organizations and the establishing of such policies as are necessary for the administration of the act.

Quite frankly, when confronted with language this broad I find myself unable to state with any degree of certainty what the precise result of the bill might be.

As an example, the bill would seem to give the option to the Secretary to either have the Department of Commerce itself participate in international standards activities or contract this function out to private nonprofit organizations. This is evidently left to the discretion of the Secretary. There is no way to foresee the extent to which either of these options will be exercised. It is my hope that the language of the bill will not be regarded as a mandate to contract out all such activity. It is clear that in most instances a public agency is best qualified to pass on matters affecting the public interest. It is often difficult for members of a particular industry to take a broader point of view than their own needs might dictate. Not infrequently the standard most convenient or profitable to a given set of producers is less than satisfactory to their smaller competitors or to distributors and consumers. It must be borne in mind, too, that present standards promulgated under the administration of the Department of Commerce, that would be the commodities standards program, require participation not only by producers, but by distributors and consumers as well, on the standards committee while the procedures of the private sector counterpart of this program center around committees consisting of producers only.

In reading the language of the bill, I do not find a requirement that the public interest—consumers, distributors, users, and the general public—be represented on the various committees and subcommittees that must be created to implement the act. While I have the utmost confidence in the present Secretary of Commerce, I do believe that the bill should be amended to include such a safeguard. Again, I find no limitation on the duration of contracts that can be entered into with private organizations. Unfortunate experiences in other agencies and an inability to foresee the future again indicate that the committee would do well to consider imposing such a limitation. This is in no way meant as a comment on the present personnel of the Department of Commerce but is rather evidence of our inability to foresee the future.

The bill addresses itself primarily to the international aspects of standardization, yet it is clear that domestic programs must be coordinated and indeed integrated with international standards programs. As a practical matter, it is unusual to have one standard for a given domestic product and another for the same product for export trade. What is, of course, most apt to happen is that a standard would

be devised which would be equally appropriate for both purposes, where possible. We must also, therefore, consider the impact of the legislation upon competitive balances within our own economy.

It is a fact that within the private sector those fully versed in the technicalities and intricacies of standards matters are almost without exception employees of, or at any rate primarily available to, larger firms.

Also, in the past the majority of those actively participating in the adoption of standards within the private sector have been representatives of larger firms. Even within standards programs administered by the Department of Commerce there have been problems. Members of the House Small Business Committee have sometimes found it necessary to call to the attention of the Department that standards committees have not included adequate small business representation.

As a result of such activity, the Softwood Lumber Standards Committee was reconstituted to provide a broader base of representation and the Plywood Standards Committee had a small business representative added to it.

Just this week, the chairman of the House Small Business Committee, Hon. Joe L. Evins, has written the Secretary of Commerce pointing out the necessity of a small business representative on the Automotive Safety Advisory Council.

In examining the bill I am disturbed by the fact that I do not find a requirement that the antitrust division of the Department of Justice be consulted concerning the vast anticompetitive potential of increased standards activities. In my judgment, there should be a requirement that the antitrust division should be asked to pass upon the antitrust aspects of new standards, et cetera. I am troubled, too, in attempting to determine the effect of the bill on the private antitrust litigant who feels that he has been damaged by trade associations or similar groups of producers who have obtained a standard which in one way or another prevents him from competing on equal terms. I am hopeful that these are matters which the committee will explore fully in their consideration of the bill.

Because of my very high regard for Secretary Connor, I feel that he is entitled to have the committee see that he is provided with all the tools required to perform the vital tasks envisioned by this legislation. For this reason it seems to me the committee should receive testimony which would develop staffing patterns that might be expected at the Department if the bill is enacted. Ample staffing is imperative if the public interest is to be fully protected.

In closing, gentlemen, I would like to reiterate my unqualified support of the intent of this legislation and to underline my concern regarding the necessity for insuring against any possible misuse or anticompetitive impact which might occur in the future if adequate safeguards are not included in the legislation.

Mr. ROUSH. Are you prepared to answer questions in this field? I am sure that as counsel to the Small Business Committee you are acquainted with efforts toward standardization.

Mr. POTVIN. While, I'm not sure I can answer them to the degree the Congressman could; in his absence I certainly would be most willing to attempt to do so.

Mr. ROUSH. Did the Congressman expect you to be answering questions this morning?

Mr. POTVIN. I believe that was his intention.

Mr. ROUSH. On page 4 of the Congressman's testimony, the last sentence of the paragraph which has been carried over from the preceding page, he state:

We must also, therefore, consider the impact of the legislation upon competitive balances within our own economy.

Do you see that there will be either a positive or a negative impact?

Mr. POTVIN. I believe the cardinal point we wanted to make was that the language of the bill as such does not reveal this. New standards inevitably have profound effects on competitive balances. I know in the work of the committee we have had hearings on one set of standards and are currently looking at several other standards that were having very, very great effect in some regions and on some of the smaller producers in those industries.

Now, it simply does not seem possible at this time to foresee the extent to which domestic standards might be altered as a result of increased international participation. It is safe to say that to some degree it is bound to happen, and when it does I think it is just imperative that not only the consumer but the smaller producer be given a voice and a vote in the fashioning of these new standards.

Mr. ROUSH. We discussed this with Dr. Hollomon yesterday, particularly expressing concern that small business might come out on the short end if big business were permitted to control the setting of standards, and it is a matter that the subcommittee is concerned with. It is a matter that we are going to explore further, and you might tell the Congressman of our concern.

On page 3, middle paragraph, the Congressman states that he finds no limitation on the duration of contracts that can be entered into with private organizations.

Do you know whether he is prepared to suggest a time limitation, together with language which might be added to the bill?

Mr. POTVIN. It is not clear to me whether he had a precise length of time to suggest. His thinking that is something on the order of 2 or 3 years would perhaps encourage a review from time to time of how the relationship is working out and allow the infusion of such new ideas as might be appropriate rather than crystallizing it for a longer period of time.

Mr. ROUSH. If there are no further questions, we would like you to express our appreciation to Congressman Dingell for his statement and his concern in this field. The Congressman is a very capable legislator and able spokesman for those causes in which he believes. And I believe through this statement he has made a valuable contribution to the work of the subcommittee as it addresses itself to this particular bill.

I would appreciate it also if you would assure the Congressman that the suggestions which he has made will be explored further and given full consideration.

Mr. POTVIN. Thank you so much, Mr. Chairman, for your courtesy. I will convey your message.

Mr. ROUSH. Thank you.

Our next witness is Mr. Francis K. McCune, vice president of the United States of America Standards Institute.

Mr. McCune, we are very happy to have you with us this morning. I see that you brought with you a supporting witness?

Mr. McCune. That is right.

Mr. Roush. Would you like to introduce him to the subcommittee?

Mr. McCune. This is Don Peyton, who is the new managing director of the United States of America Standards Institute.

Mr. Roush. All right.

You may proceed with your prepared statement, Mr. McCune.

Mr. McCune. Thank you, sir.

STATEMENT OF FRANCIS K. McCUNE, VICE PRESIDENT, UNITED STATES OF AMERICA STANDARDS INSTITUTE; ACCOMPANIED BY DONALD PEYTON, MANAGING DIRECTOR

Mr. McCune. My name is Francis K. McCune. I appear today on behalf of the United States of America Standards Institute, which I serve as vice president and chairman of the finance and planning committees.

With me is Mr. Donald Peyton, managing director of the Institute. We favor enactment of H.R. 17424, introduced by Congressman Miller, and the companion bill, H.R. 17598, introduced by Congressman Roush.

By way of brief explanations, the Standards Institute is the reconstituted American Standards Association, which has been in existence since 1918 when it was founded as the American Engineering Standards Committee.

During its 48-year history the ASA did a commendable job in many areas of standardization, such as industrial, engineering and safety standards. ASA represented the United States in recognized international standardization bodies such as the International Organization for Standardization (ISO), the International Electrotechnical Commission (IEC), and the Pan American Standards Commission (COPANT). This representation will be continued by the United States of America Standards Institute.

Realizing full well the necessity of improved standardization activity, both domestically and internationally, the officers and directors of ASA took steps to strengthen the organization and the procedures through which voluntary national standards are developed and American representation in international standards activities assured. As a result of this activity, the Standards Institute was formed and received its new charter under the laws of New York State in August, 1966.

The purposes of the Institute—as stated in the constitution—is as follows:

(1) To act as the national coordinating institution for voluntary standardization in the United States of America through which organizations concerned with standardization may cooperate in recognizing, establishing, and improving standards of the United States of America based on a consensus of parties at interest, to the end that such standards remain dynamic; that duplication of work is minimized; that

promulgation of conflicting standards may be avoided; and that individual enterprise and initiative is encouraged.

(2) To further the voluntary standards movement as a means of—

(a) Advancing the national economy;

(b) Benefiting public health, safety, and welfare;

(c) Facilitating domestic and international trade and communications and understanding;

(3) To assure that the interests of the public, including consumers, labor, industry, and government, may have appropriate protection and representation in standardization activity.

(4) To provide the means for determining the need for new standards; to assure activity by existing organizations competent to resolve the need; and to work toward establishment of suitable groups for this purpose where such do not already exist, but not itself to formulate standards.

(5) To promote knowledge and voluntary use of approved standards.

(6) To stimulate the work of existing committees and organizations competent to formulate standards according to suitable criteria for recognition as standards of the United States of America.

(7) To cooperate with departments and agencies of Federal, State, and local governments in achieving (a) optimum compatibility between government codes and standards and the voluntary standards of industry and commerce and (b) maximum common usage of standards of the United States of America.

(8) To be the representative of the United States of America to international standardization organizations concerned with civilian safety, trade, and commerce, except where otherwise provided by treaty.

(9) To serve as a clearinghouse for information on standards and standardization work in the United States of America and of foreign countries.

These are purposes which, I think, give some sense of what the organization is.

With your permission, Mr. Chairman, I would like to submit a copy of the entire constitution and bylaws of the Institute for the record, in order that the members of the subcommittee may know what the Institute is, and how it will serve the Nation in standardization activities.

Mr. ROUSH. We would like to receive that for the record. Can you leave a copy with us?

Mr. McCUNE. Yes, sir.

Mr. ROUSH. Unless there is objection, we will include it in the record at this point.

(The information requested is as follows:)

United States of America Standards Institute

CONSTITUTION

and

BYLAWS

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Approved by Member Bodies
August 10, 1966

Article 1 — Name

C1.1 The name of this corporation shall be the United States of America Standards Institute, Incorporated, hereinafter referred to as the Institute.

Article 2 — Purposes

C2.1 The purposes of the Institute shall be:

(1) To act as the national coordinating institution for voluntary standardization in the United States of America through which organizations concerned with standardization may cooperate in recognizing, establishing, and improving standards of the United States of America based on a consensus of parties at interest, to the end that such standards remain dynamic; that duplication of work is minimized; that promulgation of conflicting standards may be avoided; and that individual enterprise and initiative is encouraged;

(2) To further the voluntary standards movement as a means of

- (a) Advancing the national economy;
- (b) Benefiting public health, safety, and welfare;

(c) Facilitating domestic and international trade and communications and understanding;

(3) To assure that the interests of the public, including consumers, labor, industry, and government, may have appropriate protection and representation in standardization activity;

(4) To provide the means for determining the need for new standards; to assure activity by existing organizations competent to resolve the need; and to work toward establishment of suitable groups for this purpose where such do not already exist, but not itself to formulate standards;

(5) To promote knowledge and voluntary use of approved standards;

(6) To stimulate the work of existing committees and organizations competent to formulate standards according to suitable criteria for recognition as standards of the United States of America;

(7) To cooperate with departments and agencies of Federal, state, and local governments in achieving (a) optimum compatibility between government codes and standards and the voluntary standards

of industry and commerce and (b) maximum common usage of standards of the United States of America;

(8) To be the representative of the United States of America to international standardization organizations concerned with civilian safety, trade, and commerce, except where otherwise provided by treaty;

(9) To serve as a clearinghouse for information on standards and standardization work in the United States of America and of foreign countries.

Article 3 — Basic Principles

C3.1 The approval of a standard by the Institute implies a consensus of those substantially concerned with its scope and provisions. In standardization practice a consensus is achieved when substantial agreement is reached by concerned interests according to the judgment of a duly appointed authority. Consensus implies much more than the concept of a simple majority but not necessarily unanimity.

Article 4 — Membership

C4.1 There shall be four classes of Members: Member Bodies, Company Members, Sustaining Members, and Honorary Members. The privileges, responsibilities, and eligibility requirements of members shall be defined in the Bylaws.

C4.2 Members shall pay such annual dues and charges for special services and shall have such voting rights as are provided in the Bylaws.

Article 5 — Board of Directors

C5.1 The Board of Directors shall be the governing body of the Institute. The Board may delegate any part of its authority over conduct of the affairs of the Institute.

C5.2 The Board of Directors shall be composed of not less than fifteen (15) and not more than forty-five (45) members and shall consist of the President and Vice-Presidents of the Institute, the immediate past President of the Institute, the Chairman of

the Member Body Council, the Chairman of the Company Member Council, and the Chairman of the Consumer Council. The remaining directors shall be elected, and vacancies on the Board shall be filled in accordance with the procedures set forth in the Bylaws.¹

C5.3 Election of directors shall take place at such intervals and for such terms as are provided in the Bylaws.

C5.4 The Board of Directors may elect or appoint an Executive Committee of its members to whom it may delegate authority to act on behalf of the Board in the interim between Board meetings. The Board, may, by resolution, appoint other committees, having such membership, duties, and responsibilities as the Board may consider advisable.

Article 6 — Officers

C6.1 The Institute shall have a President, one or more Vice-Presidents, as specified in the Bylaws, a Secretary, and such other corporate officers as may be prescribed in the Bylaws. Corporate officers may hold more than one office when permitted by the Bylaws.

C6.2 The President and the Vice-Presidents shall be elected by the Board of Directors in the manner prescribed in the Bylaws.

Article 7 — Councils

C7.1 The Institute shall have Councils including, but not limited to, a Member Body Council, a Company Member Council, and a Consumer Council which shall be organized and function as defined below with such further rights and duties as are set forth in the Bylaws.

C7.2 The Member Body Council shall be constituted as provided in the Bylaws. It shall develop and maintain all procedures relating to the preparation, approval, acceptance, and designation of standards, and the constitution of standards boards and committees, and shall perform such other functions as may be delegated to it from time to time by the Board of Directors.

C7.3 The Company Member Council shall be constituted as provided in the Bylaws. It shall develop programs to maintain liaison with, and represent the

interests of commerce and industry in the work of the Institute, and shall perform such other functions as may be delegated to it from time to time by the Board of Directors.

C7.4 The Consumer Council shall be constituted as provided in the Bylaws. It shall be responsible for the representation and protection of the interests of the consuming public in the work of the Institute, and shall perform such other functions as may be delegated to it from time to time by the Board of Directors.

C7.5 The Councils shall operate under procedures approved by the Board of Directors.

Article 8 — Bylaws

C8.1 Bylaws shall be adopted which are consistent with this Constitution.

Article 9 — Amendments

C9.1 Amendments to this Constitution may be proposed by any ten (10) voting members of the Institute, or any three (3) members of the Board of Directors, and shall be submitted to the Secretary in writing. The Secretary shall mail a copy of the proposed amendment to each member of the Board of Directors within thirty (30) days of its submission and at least thirty (30) days prior to the meeting of the Board at which the proposed amendment is considered.

C9.2 The Board of Directors shall consider but not act upon the proposed amendment at the designated Board Meeting. Action shall be taken by the Board at the next Special or Regular meeting of the Board of Directors. Approval for submission to the voting Members shall be by vote of three-fourths (75%) of those present and voting at such meeting.

C9.3 Within thirty (30) days of approval for submission by the Board, the Secretary shall submit the text of the proposed amendment, with a statement of purposes, for letter ballot to the voting members of the Institute. Letter ballot returns shall be closed sixty (60) days from the date of submission, and the amendment shall thereupon be effective if approved by two-thirds (66⅔%) of the members voting.

C9.4 The Board of Directors, after approval of a proposed amendment as provided in Section C9.2, may, by majority vote, defer its submission to the voting membership until the next Annual Meeting. At least thirty (30) days prior to the next Annual

¹If a Federal Charter is subsequently accepted by the Institute, the Board of Directors will also include the Director of the National Bureau of Standards or the person in the Federal Government who at any future time performs the substantially identical function now performed by him.

Meeting, the Secretary shall mail the text of the proposed amendment, with a statement of purposes, to the voting members of the Institute. At the Annual Meeting, it shall become effective immediately, if approved by two-thirds (66⅔%) of the members voting, in person or by written proxy.

C9.5 In the event the Board of Directors shall fail to act on or to approve a proposed amendment for submission to the voting members by the Secretary pursuant to the procedures and with the effect set forth in Sections C9.2, C9.3, or C9.4, upon the written petition of any twenty-five (25) voting members of the Institute, the Secretary shall submit the text of the proposed amendment, with a statement of purposes, for letter ballot to the voting members of the Institute. Letter ballot returns shall be closed sixty (60) days from the date of submission, and the amendment shall thereupon be effective if ap-

proved by two-thirds (66⅔%) of the members voting.

Article 10 — Use of Assets on Dissolution or Liquidation

C10.1 Upon dissolution or final liquidation of the corporation, after discharge or satisfaction of all outstanding obligations and liabilities, the remaining assets, if any, shall be distributed in accordance with the determination of the Board of Directors of the corporation and in compliance with the Constitution and Bylaws of the corporation and all Federal and state laws applicable thereto, to an organization or organizations organized and operated under Federal or state law for similar educational, scientific, or charitable purposes.

BYLAWS

Approved by Board of Directors
August 29, 1966

Article 1 — Membership

B1.1 Applicants for membership in the Institute shall subscribe to its purposes and principles, as set forth in its Certificate of Incorporation, Constitution, and Bylaws. By accepting membership in the Institute, each applicant agrees to perform and observe all the provisions of the Certificate of Incorporation, the Constitution, and Bylaws, and to pay promptly all dues, and charges for special services levied in accordance with the Bylaws and the Resolutions adopted from time to time by the Board of Directors.

Upon written application to the Secretary, an applicant may be admitted to membership in the Institute by a vote of three-quarters (75%) of the Board of Directors present and voting at any meeting, or voting on letter ballot. The Board by such vote shall determine the appropriate class of membership of each applicant.

B1.2 A Member Body shall be a non-profit technical, professional, scientific, trade, or other membership association or organization which is of national scope and recognition, and which is so organized that in the opinion of the Board of Directors it can properly participate in the development of standards. This class of membership shall also include governmental members, such as a department or agency of the United States or of any of the States, or an interstate or regional authority or agency, interested in the work of the Institute.

B1.3 A Company Member shall be a corporation, company, firm, partnership, or other organization which is engaged in industrial or commercial enterprise or professional, educational, research, testing, or trade activities. A non-consolidated affiliate or joint venture of a corporation, company, firm or partnership may, in the discretion of the Board of Directors, be eligible for membership.

B1.4 A Sustaining Member shall be an individual, or organization not otherwise eligible for membership, interested in development of standards. A Sustaining Member, upon expression of substantial interest, may attend meetings of any of the Councils, without vote, at the invitation of its chairman.

B1.5 An Honorary Member shall be an individual chosen by the Board of Directors for eminent service in carrying out the purposes of the Institute. A unanimous vote of the members of the Board of

Directors present shall be required for the election of an Honorary Member, who shall pay no dues. Election to Honorary Membership shall be for life.

B1.6 Other organizations, not clearly defined in B1.2, B1.3, or B1.4 may be admitted to membership in accordance with B1.1 and will be assigned to the appropriate category of membership.

B1.7 Each Member Body and Company Member shall have one (1) vote on matters presented to the Institute, and on any Council of which it is a member. Sustaining Members and Honorary Members shall have no vote in such capacity.

B1.8 Voluntary termination of membership shall be by notice in writing to the Secretary and shall be effective upon payment of dues for the current calendar half-year. The Board of Directors may, by majority vote of the entire Board, terminate the membership of any member for failure to meet the membership requirements. Membership shall be terminated for failure to pay dues within one year of date of invoice, provided that a first and second notice of delinquency shall have been given.

Article 2 — Finances

B2.1 Membership dues shall be established by resolution approved by three-fourths (75%) of the entire Board of Directors.

B2.2 The Board of Directors shall:

- (a) determine regular services, including publications, to which a member shall be entitled
- (b) define those services, facilities, and materials which shall be subject to charges by the Institute, and determine the amount to be paid for such services

B2.3 Acceptance by the Institute of gifts, grants, or funds, other than those received for dues and services defined in B2.2, shall be subject to the approval of a majority of the entire Board of Directors.

B2.4 The Board of Directors shall:

- (a) establish an annual budget
- (b) authorize acceptable accounting and disbursement procedures for all funds under the jurisdiction of the Institute
- (c) require an annual audit
- (d) arrange at Institute expense for the bonding of appropriate personnel of the Institute

Article 3 — Board of Directors

B3.1 The Board of Directors of the Institute shall be comprised as follows and its members shall be elected or shall hold their respective offices as hereinafter provided in these Bylaws:

- (a) The President
- (b) Three (3) Vice-Presidents
- (c) The Director of the National Bureau of Standards if willing to serve (ex officio, with vote)
- (d) The Chairman of the Member Body Council (ex officio with vote)
- (e) The Chairman of the Company Member Council (ex officio, with vote)
- (f) The Chairman of the Consumer Council (ex officio, with vote)
- (g) Immediate Past President of the Institute
- (h) Sixteen (16) directors nominated by the Member Body Council. Of this total normally four (4) directors shall be representatives of Member Bodies which are departments or agencies of the United States Government, except that no department or agency shall have more than one representative on the Board of Directors at any one time under this sub-section. The remainder shall be representative, on an equitable basis, of the other Member Bodies.
- (i) Twelve (12) directors nominated by the Company Member Council
- (j) Four (4) directors nominated by the Consumer Council
- (k) Four (4) directors-at-large to be nominated by the Board of Directors

B3.2 Each of the directors designated in Sections B3.1(h) through B3.1(k), nominated and elected pursuant to Article 5 shall serve for a term of four (4) years or until his successor is elected. Directors may serve for a maximum of two consecutive terms. At the Annual Meeting next following the adoption of these Bylaws the term of each director shall be stated by the nominating committees of the Member Body Council, the Company Member Council, the Consumer Council, and the Board of Directors to be one, two, three, or four years, so that one-quarter (25%) of the offices of such directors shall thereafter be vacated each year. The terms of officers and elected members of the Board of Directors shall commence at the beginning of the fiscal year.

B3.3 The presence of two-fifths (40%) of the members of the Board of Directors shall constitute a quorum at any meeting of the Board. Unless otherwise specified in the Constitution or Bylaws, the Board shall act by majority vote of those present at any meeting at which a quorum is present.

B3.4 The Executive Committee of the Board of Directors shall consist of the President, the Vice-

Presidents, the immediate Past President (if willing to serve), and additional Members of the Board of Directors as may be nominated by the President and elected by the Board. The Executive Committee is empowered to act for the Board between meetings of the Board, subject to Board ratification of such actions on behalf of the Board.

B3.5 Each person (his heirs, executors, and administrators) shall be indemnified by the Institute against expenses reasonably incurred by him in connection with any action, suit, or proceeding to which he may be made a party by reason of his serving or having served as a member of the Board of Directors, council, or a committee, or as an officer, or employee of the Institute, or of another corporation or organization with which he may serve or have served at the request of the Institute, except in relation to matters to which he shall finally be adjudged in such action, suit, or proceeding to be liable for negligence or misconduct in the performance of his duties. Such expenses shall include the cost of reasonable settlement made with a view to curtailment of litigation. The foregoing right of indemnification shall not be exclusive of other rights to which he may be entitled as a matter of law.

Article 4 — Officers

B4.1 The President shall serve as the Chairman of the Board of Directors, and in the event of his absence or incapacity to act the senior Vice-President present shall act as Chairman.

B4.2 The President shall serve for a term of one (1) year and each Vice-President shall serve for a term of three (3) years or until his successor is elected, except that at the Annual Meeting next following the adoption of these Bylaws the term of each Vice-President shall be stated by the nominating committee of the Board of Directors to be one, two, or three years, so that one of the offices of Vice-President shall thereafter be vacated each year. The President may serve for a maximum of three (3) consecutive terms and the Vice-Presidents for a maximum of two (2) consecutive terms.

B4.3 The Board of Directors shall designate a Managing Director who shall serve at the pleasure of the Board. He shall also serve as Secretary of the Institute and shall be its chief administrative officer. He shall devote his full time to the affairs of the Institute unless otherwise authorized by the Board. The Managing Director may be removed, with or without cause, by the Board of Directors.

B4.4 The Board of Directors may designate assistant secretaries from among the administrative per-

sonnel of the Institute to serve in the place and stead of the Secretary.

B4.5 The Secretary or his designated assistant secretary shall attend all meetings of the Board of Directors, without vote, and shall be responsible for maintaining a record of their proceedings as prescribed by the Board of Directors.

B4.6 The Managing Director shall have the care and custody of all funds and securities of the Institute subject to the direction and control of the Board of Directors. He shall keep or cause to be kept full and accurate accounts of receipts and disbursements and shall report thereon to the Board of Directors and to the members of the Institute from time to time as directed by the Board.

Article 5—Nominations and Elections of Officers and Directors

B5.1 The positions of President, Vice-President, and elected members of the Board of Directors shall be filled as follows:

B5.1.1 The President shall on or before June 1 of each year appoint a nominating committee of not less than five (5) members from the Board membership which shall submit nominations for the office of President, one (1) Vice-President, and one (1) director-at-large. The nomination of the director-at-large shall be submitted to the Secretary on or before August 1. Nominations may also be made by petition of four or more directors. The Board of Directors shall elect the President and one (1) Vice-President at the last regular or special meeting of the Board held prior to the end of the fiscal year.

B5.2 Vacancies in the offices of President, Vice-President, or of a director-at-large shall be filled by the Board of Directors for the balance of the unexpired term. Vacancies in the office of other elected members of the Board shall be filled by the Board of Directors from the Council which nominated the director whose office is vacant.

B5.3 The Chairman of each Council shall, on or before June 1 of each year appoint a Nominating Committee of not less than five (5) members from the Council membership. Each Nominating Committee shall prepare its nominations for the office of director as follows:

B5.3.1 Member Body Council

Four (4) directors (one of whom shall be a representative of a Department or Agency of the United States Government if eligible in accordance with Article B3.1(h)).

B5.3.2 Company Member Council

Three (3) directors

B5.3.3 Consumer Council

One (1) director

B5.4 The Nominating Committee of each Council shall submit their recommendations on or before August 1 to the Secretary of the Institute. The Secretary shall arrange for publication of all nominations for the office of director in an official publication of the Institute, or by mail to the members of the Councils, not later than September 15.

B5.5 Nominations for the office of director may also be made by written petition signed by fifteen (15) or more members of a Council for a vacancy to be filled by the Council of which they are members, and for a director-at-large. Nominating petitions must be filed with the Secretary of the Institute not later than October 15.

B5.6 The Secretary of the Institute shall prepare a letter ballot which will set forth all the nominations for director from the Nominating Committees and by petition. The letter ballot shall be mailed to the last known address of all voting members of the Institute, on or before November 1. All ballots returned to the Institute on or before November 25 shall be counted, and the nominees receiving a plurality of the votes shall be elected. If prior to the Annual Meeting next following the adoption of these Bylaws, it shall not be practicable to comply with the foregoing schedule of nominations and elections, the initial schedule shall be as established by the Board of Directors by resolution.

Article 6 — Councils

B6.1 Each Council of the Institute shall discharge the responsibilities set forth in this Article and such further responsibilities as may be delegated to it by the Board of Directors. Each Council shall periodically report to the Board on its activities.

B6.1.1 Each Council shall be composed of one (1) representative of each member of such Council, and representatives of such other Councils as are specified hereinafter in this Article. An Institute member is entitled to membership in only one Council of the Institute except as provided in B6.1.2. Selection of membership in a Council shall be for a minimum of one (1) year. Each representative shall be selected by the Member or Council he represents, and shall be entitled to one (1) vote. Representatives shall serve for terms not to exceed three (3) years, and shall be eligible for re-election.

B6.1.1.1 An alternate for each representative may, if desired, be selected. He shall have all the privileges of the representative, except that he shall vote only in the absence of the representative.

B6.1.2 United States Government departments or agencies qualified for membership on more than one Council may apply to the Board of Directors

for multiple Council membership on the basis of the potential participation of that department or agency in the activities of an additional Council.

B6.1.3 Each Council shall elect from among its members a Chairman and a Vice-Chairman, who shall be nominated and elected in accordance with the Operating Procedures of each Council. Officers shall serve for one (1) year, but shall be eligible for re-election for not more than three (3) consecutive terms. A staff member of the Institute shall serve as non-voting Secretary of each Council. Officers of each Council shall also serve as officers of the Council's Executive Committee.

B6.1.4 Each Council shall establish such Boards and Committees as are considered necessary to accomplish its program.

B6.1.5 The functions, duties, and responsibilities of each Council shall be further defined in the Operating Procedures. The Operating Procedures of each Council and subsequent changes thereto shall be effective when approved by the Board of Directors. The Board may also make changes in any of the Operating Procedures at any time.

B6.1.6 Each Council of the Institute shall schedule a minimum of one (1) meeting each calendar year, at a time and place to be determined by its Executive Committee.

B6.1.6.1 Special meetings of any of the Councils may be called by the Chairman or the Executive Committee of such Council, or shall be called by the Secretary of the Council concerned on petition of ten percent (10%) of the Council membership.

B6.1.7 Notice of the time and place of meetings of any of the Councils shall be given by the Secretary of the respective Council. Such notice shall be given by mail, telegraph, cable, or by delivery in person to each member at least seven days before the meeting. Attendance at the meeting shall be deemed waiver of notice. The notice shall include an agenda of the principal items to be considered, and action shall not be taken by any meeting on matters not specified in the agenda.

B6.2 Member Body Council. The Member Body Council shall be responsible, as set forth below, for standards activities of the Institute, and shall discharge its activities in accordance with the objectives of the Institute as specified in the Constitution.

B6.2.1 Approval of USA Standards is delegated to the Member Body Council by the Board of Directors. The Board of Directors retains final authority on all matters pertaining to the procedures of the Institute including the approval of USA Standards, and shall specifically act:

(a) when petitioned by the Executive Committee of the Company Member Council or the Consumer Council to review a standard; or

(b) when a majority of the Board of Directors or its Executive Committee recommends such action

B6.2.2 The Member Body Council responsibilities shall include, but not be limited to, the following:

B6.2.2.1 Be alert to the need for new standards or the re-examination of existing standards in the light of changing conditions.

B6.2.2.2 Establish procedures for the preparation, acceptance, designation, and approval by the Institute of Standards as USA Standards.

B6.2.2.3 In initiating standards projects, first seek action by an organization competent and accepted in the field, or jointly by two or more such organizations. If unable to obtain acceptable action, to designate an equitable and representative Board or Committee to develop the standard, and a separate Board or Committee to review the standard for acceptance and approval as a USA Standard.

B6.2.2.4 Examine standards developed by competent organizations, and qualify them for acceptance and approval as USA Standards under the procedures of the Institute.

B6.2.2.5 Define the scope of proposed standards projects and assign administrative responsibility.

B6.2.2.6 Establish procedures for such certification programs or activities as may be authorized by the Board of Directors.

B6.2.2.7 Stimulate the work of organizations or committees engaged in the development or revision of standards to the end that such work is completed expeditiously and that standards are thus timely and adequate.

B6.2.2.8 Be watchful of the interests of those who may be affected by a particular standards activity so that their views are heard and that a consensus is sought; and that enterprise and initiative are encouraged.

B6.2.2.9 Assure and assign the representation of the United States of America in pertinent international standards development activities concerned with civilian safety, trade, and commerce.

B6.2.2.10 Provide a channel through which another Council, any member, or interested non-member may request a review of any USA Standard.

B6.2.3 The Member Body Council shall be composed of one representative of each Member Body and governmental member (as defined in B1.2) and desiring representation thereon, and the designee (ex officio, with vote) of the Company Member Council and the Consumer Council.

B6.2.4 The Executive Committee of the Member Body Council shall be the Executive Standards Board and shall be responsible for the administration of all activities under the jurisdiction of the Member Body Council in the interim between meetings of that Council. The Executive Standards Board shall be composed of the Chairman and Vice-Chair-

man of the Council and not less than five (5) nor more than twenty-five (25) members elected from the membership of the Member Body Council. They shall serve for a term of three (3) years.

B6.2.5 At any meeting of the Member Body Council the presence of forty percent (40%) of the Council members or authorized alternates shall constitute a quorum. At any meeting of the Executive Standards Board the presence of five (5) representatives or authorized alternates shall constitute a quorum.

B6.3 Company Member Council. The Company Member Council shall represent the interests of United States industry and commerce in the activities of the Institute and shall promote the welfare of USASI.

B6.3.1 The Company Member Council responsibilities shall include, but not be limited to the following:

B6.3.1.1 Advise the Board of Directors and the Councils of the Institute on behalf of commerce and industry in matters of policy, procedure, and planning.

B6.3.1.2 Promote the interests of the Institute and its acceptance by industry and commerce as well as the public of the United States as the source of approval for standards and undertake appropriate educational projects directed to this objective.

B6.3.1.3 Assist the Board of Directors to obtain an adequate and widely representative body of membership in the Institute and the needed financial support.

B6.3.1.4 Determine the needs of commerce and industry for standards and stimulate action by the Institute to bring about initiation of new standards development activities, to accelerate completion of pending standards projects, and to initiate review and improvement of existing standards.

B6.3.1.5 Provide a channel through which a member of the Institute may petition for a review of any proposed or existing standard.

B6.3.1.6 Assume responsibility for the advancement of United States industry and commerce in international trade through international standards activities; prepare long range plans for cooperation in such international standardization activities as measurement and communications; determine the needs of industry and commerce in the fields of international standards and obtain appropriate action by the Institute.

B6.3.1.7 Provide a forum for the exchange of experience which could lead to improvement of industrial practice through standardization.

B6.3.1.8 Conduct studies or surveys or sponsor research projects leading to the improvement of industrial and commercial practices by proper use of standards or standardization activities, or lead-

ing to the initiation of standards activities for improving methods of communication, identification, and classification for the benefit of United States science, technology, and industry.

B6.3.1.9 Identify areas in which certification programs are needed and obtain appropriate action. Promote acceptance of the certification programs of the Institute.

B6.3.2 The membership of the Company Member Council shall consist of representatives of Company Members or Governmental Members (in accordance with B6.1.2) who elect membership in this Council, and the designee (ex officio, with vote) of the Member Body Council and the Consumer Council.

B6.3.3 The Company Member Council shall establish an Executive Committee which shall be responsible for the administration of all activities under the jurisdiction of the Company Member Council in the interim between meetings of the Council. The Executive Committee shall be composed of the Chairman and Vice-Chairman of the Council and not less than five (5) nor more than fifteen (15) individuals elected from the membership of the Council.

B6.3.4 At any meeting of the Company Member Council the presence of twenty-five (25) members or authorized alternates shall constitute a quorum. At any meeting of the Executive Committee the presence of five (5) members or authorized alternates shall constitute a quorum.

B6.4 Consumer Council. The Consumer Council shall serve in educational, advisory, and coordinating capacities in order to maintain effective representation of consumers and to protect the interests of consumers in the activities of the Institute.

B6.4.1 The Consumer Council shall promote consumer standards and understanding by consumers of the proper function of standards and standardization.

B6.4.1.1 For purposes of this Council a "Consumer" is defined as a person who uses goods or services to satisfy his personal needs and desires rather than to resell them or to produce other goods or services with them.

B6.4.2 The Consumer Council responsibilities shall include, but not be limited to the following:

B6.4.2.1 Provide the Board of Directors with guidance in behalf of consumers on matters of policy, procedure, and planning in support of and advancement of Institute objectives as expressed in the constitution.

B6.4.2.2 Conduct studies and surveys of consumer needs for standardization of consumer goods and services.

B6.4.2.3 Make recommendations for development of standards or standards programs important to the advancement of consumer interests.

B6.4.2.4 Serve the Institute as a contact between the general public, government, and industry in the area of standards for consumer goods, services, and environment.

B6.4.2.5 Promote the education of consumers to the end that an awareness may be developed of the objectives, programs, and standards development activities of the Institute which are directed toward the interests of consumers and require their support and encouragement for maximum effectiveness.

B6.4.2.6 Assist the Member Body Council to achieve effective and adequate consumer interest representation in standards development activities.

B6.4.2.7 Provide a channel through which a member of the Institute may petition the Board of Directors or the Member Body Council for a review of any proposed or existing USA Standard.

B6.4.2.8 Identify areas in which certification programs are needed and work to obtain appropriate action. Promote acceptance of the certification programs of the Institute.

B6.4.3 The membership of the Consumer Council shall be composed as follows:

B6.4.3.1 Representatives of those Company Members or Member Bodies or United States Government departments and agencies which choose membership in this Council.

B6.4.3.2 Five (5) members of the Member Body Council to be elected by that Council.

B6.4.3.3 Five (5) members of the Company Member Council to be elected by that Council.

B6.4.3.4 Five (5) persons experienced and knowledgeable in the consumer field to be designated by the Board of Directors.

B6.4.3.5 Such other persons as may be designated by majority vote of the entire Executive Committee of the Consumer Council and approved by the Board of Directors.

B6.4.3.6 Five (5) representatives to be designated by the Executive Branch of the United States Government through its Consumer Advisory Council or other such organization.

B6.4.3.7 The Director of the National Bureau of Standards, (if willing to serve), or such other person designated by the Secretary of Commerce.

B6.4.3.8 Membership in the Institute shall not be a requisite for the designees under Sections B6.4.3.5 through B6.4.3.7.

B6.4.4 The Consumer Council shall elect from among its members an Executive Committee which shall be responsible for the administration of all activities under the jurisdiction of the Consumer Council in the interim between meetings of that Council. The Executive Committee shall be composed of the Chairman, and Vice-Chairman of the Council, the Director of the National Bureau of

Standards (if willing to serve) or such other person designated by the Secretary of Commerce, and eight (8) other members of the Council, including two (2) of the representatives from the Member Body Council and two (2) of the representatives from the Company Member Council, and four (4) designated by the Board of Directors, two (2) of whom shall be designees of the Executive Branch of the United States Government pursuant to Section B6.4.3.6.

B6.4.5 At any meeting of the Consumer Council the presence of twenty-five (25) members or authorized alternates shall constitute a quorum. At any meeting of the Executive Committee the presence of five (5) members or authorized alternatives shall constitute a quorum.

Article 7 — Meetings

B7.1 The Annual Meeting of the Institute shall be held in December, or at such other time prior to the end of the fiscal year as may be determined by the President. The Annual Meeting shall be held at the principal office of the Institute or at such other place as the Board of Directors may determine.

B7.2 The Board of Directors shall hold an organization meeting as soon as practicable after the commencement of the fiscal year. Regular meetings shall be held quarterly, upon not less than seven (7) days notice by the Secretary concerning time and place.

B7.3 Special meetings of the Institute, or of the Board of Directors, may be called by the President, or the Executive Committee of the Board, or shall be called by the Secretary on petition of twenty percent (20%) of the Board membership.

B7.4 Notice of the time and place of the Annual Meeting or of a Special Meeting of the Institute shall be given by the Secretary by mailing a copy thereof and a statement of the purpose of any Special Meeting to each member not less than twenty (20) days before such meeting. The notice shall include an agenda of the principal items to be considered and action shall not be taken at any Special Meeting on matters not specified in the agenda.

B7.5 Notice of the time, place, and purpose of Special Meeting of the Board of Directors shall be given by the Secretary of the Institute. Such notice shall be given by mail, telegraph, cable, or by delivery in person to each member at least seven (7) days before the meeting. Attendance at any such meeting shall be deemed waiver of notice. The notice shall include an agenda of the principal items to be considered and action shall not be taken at any Special Meeting on matters not specified in the agenda.

Article 8 — Fiscal Year

B8.1 The fiscal year of the Institute shall be the calendar year.

Article 9 — Parliamentary Procedure

B9.1 On questions of parliamentary procedure not covered in these Bylaws, *Robert's Rules of Order* (latest edition) shall prevail.

Article 10 — Amendments

B10.1 Copies of amendments to these Bylaws, proposed through written petition by any ten (10) members of the Institute or any one member of the

Board of Directors shall be circulated by the Secretary to each member of the Board of Directors at least thirty (30) days before the meeting at which action is to be taken by the Board. If a proposed amendment receives approval by three-fourths (75%) of those present at any meeting of the Board, the Secretary shall cause the proposal with notice of the Board action to be published in an official publication of the Institute, which is sent to all members. If, during the thirty (30) day period following publication, no objection in writing is received from a voting member of the Institute at the office of the Institute, the proposed change shall become effective at the end of such period. If an objection is received from a voting member during such period, the proposed change shall not be effective unless and until reaffirmed by a majority of the entire Board. Notice of the final disposition of proposed amendments shall be reported in a regular publication of the Institute.

Mr. McCUNE. It is obvious that the purposes of the Institute and the purposes of H.R. 17424—to strengthen representation of U.S. interests in voluntary international standards and standardization activities and support establishment of a clearinghouse for standards and standardization activities—are in complete accord.

Early enactment of H.R. 17424 will provide necessary Government support to important standardization activities that need to be strengthened for the good of the overall economy, and to assure the proper competitive position of American goods and services in international trade and commerce.

This subcommittee has received previous testimony to the fact that, while the United States has excellent representation in many committees of the International Organization for Standardization, the International Electrotechnical Commission, and COPANT, such representation must be broadened and strengthened.

At the present time, there are some 115 active ISO projects and this nation participates in 74. The United States of America Standards Institute holds the secretariat of 10 committees.

The secretariat is not a secretary. A secretariat is the one who initiates the work and provides for it. This is spread through many, many nations.

Insofar as the work of the International Electrotechnical Commission is concerned, the United States participates in virtually all committees and the Institute holds the secretariat of six and the secretariat of an additional six subcommittees.

The role of the United States in COPANT activities is largely one of cooperation and advice. While we participate in some committees, it has been our policy not to seek secretariats, preferring to help strengthen the voluntary standardization activities of our South American neighbors.

Because H.R. 17424 affords, for the first time, the opportunity for the Federal Government to provide financial support for international standardization activities, I would like to present a few thoughts on why this support is necessary at this time. I want to state, however, that it is our sincere hope that the program envisioned in this legislation will become totally unnecessary in the years to come, as interest in international standards grows in American industry and required financial support by industry is obtained.

As an officer and director of the Institute, and of the former association, I am aware that the United States has not participated as extensively or as well in international standardization activities as might be expected. This was one of the primary reasons for reorganization of the Institute. As the Institute reaches its full potential under the new charter, constitution, and bylaws, we believe that industry along with trade and professional associations will support international activities and will participate in a broader range of programs.

It must be realized that industrial support for international standardization will not come overnight. The Institute must develop a program which will provide the opportunity for the development of standards and their adoption by international standards-making organizations. This is the best way to attract support. Federal assistance is necessary at this time, but, as I stated earlier, we hope such support will only be necessary on a short-term basis.

Another factor which has lessened U.S. participation is the sheer magnitude of the task, both in terms of time and required financial resources.

At present, it is necessary to raise funds for participation in international meetings, and for the support of secretariats, almost on a case-by-case basis. This is not a healthy situation simply because initiation of international projects, which tend to go on for a long time, and long-range planning are virtually impossible.

Another point regarding financial support must be recognized. It is the unfortunate case that much international standards work is of importance to industries which are fractionated, or which may not be represented by trade or professional organizations having the financial resources to support international work.

Again, short-term Federal support and continuing cooperation with private U.S. standards organizations such as the United States of America Standards Institute will provide the necessary "seed money" to bring about greater support by industry, trade associations, and professional societies for international standards and standardization activities.

Of almost equal importance is the establishment of a clearinghouse service where everyone interested in standards, both established and in process, may turn for information. There does not exist, I believe, in the whole world, a single comprehensive collection and dissemination source. This has resulted in expensive and unnecessary duplication of effort and a tragic dissipation of both scarce engineering talent and financial resources.

The task of establishing a clearinghouse is both complex and expensive. It is financially beyond the capability of any single private standards organization today. Involved is the necessity to collect all standards information, both domestic and international, including both industrial standards and Government procurement specifications and standards. A clearinghouse would include translation services; cataloging; indexing; information retrieval; and a broad gaged, fast, and dynamic dissemination program to assure utilization of standards and standardization information.

The Standards Institute has done a good deal of preliminary planning but much more needs to be done. The coordination and consolidation of both information and established standards will require the full cooperation and participation of all standards making bodies. Because many of the major standards developing organizations are members of the Institute—in fact, most of them—we feel confident that the job can and will be done. We prefer, quite naturally, to see this work done by private, voluntary organizations, with full and complete cooperation with Government departments and agencies.

We are moving ahead with our planning and will strengthen our capabilities in the months ahead. There will come, however, a time when Federal financial support will be required to establish the clearinghouse envisioned. This will be primarily in the development of information retrieval and dissemination systems. Such support will be possible with enactment of H.R. 17424.

I want to turn now to the specific provisions of H.R. 17424, and to offer certain suggestions designed to improve the legislation and more fully carry out its intent. In some instances, which I will spell out,

the suggested amendments are intended to clarify the purposes of the act and you may prefer to handle these matters in the committee report rather than in amendments to H.R. 17424.

We feel that the use of the term "commercial" to denote the type of standards activity and clearinghouse authorized by the bill is unfortunate because of its limited meaning. We suggest that the legislation will be strengthened by amending the preamble to read as follows:

To promote and support representation of United States interests in voluntary international standards and standardization activities, to establish a clearinghouse for standards and standardization information useful in commerce.

This may seem like a tiny point, but many persons in the standards field look upon "commercial standards" as applying only to specific products. What is intended, I am sure, by the bill is that all types of standardization activities must be promoted and supported. This would include many types of standards such as safety, acoustical, information, and terminology, which are not "commercial" per se but are certainly vitally important in "commerce."

Section 1—page 1, line 5—states a preference for voluntary standardization of products. We feel that the intent of this section must be carefully spelled out. It is seldom, if ever, in the public interest to standardize products. Standardization should include such characteristics of a product as definitions, methods of test, performance, and interchangeability of components, but standardization of products as a whole eliminates the competitive pressure for continued improvement and reliability. We suggest that the term "of products" be eliminated, or carefully and specifically defined in the committee report.

Section 2(a) states in part—line 18—"through any appropriate international organizations or bodies or with the standards organizations or bodies of any country, for the purpose of issuing international commercial standards."

While we recognize that it may at times be necessary to participate in the work of international organizations such as the United Nations or the Organization for Economic Cooperation and Development, or others, we believe that preference should be stated for participation in the recognized international standards making bodies, such as the International Organization for Standardization, the International Electrotechnical Commission, and the Pan American Standards Commission. This is suggested because the operating procedures of the above-mentioned groups assure participation by all parties at interest, including producers, distributors, users, and consumer interests, which is not necessarily the case in organizations primarily representative of specific government interest.

There are just two additional provisions of the bill which I want to mention in the interest of clarifying the present language.

Section 2(b)—page 3, lines 7 and 8—states that among other activities the clearinghouse should "coordinate and integrate standards and information pertaining thereto." We suggest that this provision be clarified to assure that the primary purpose of the clearinghouse is to coordinate and integrate standards information, including information on published standards, and not to coordinate actual standards development activities. The latter is, and should remain, the responsibility of each standards making body with coordination through the United States of America Standards Institute.

Section 3(c) relates to prices, fees, and so forth, for information furnished or services rendered by the clearinghouse. We feel this is highly desirable and that realistic prices, based on reasonable costs, be established.

It should be made clear, however, that prices of standards publications as such should be determined by the standards making organizations, not the central clearinghouse.

The United States of America Standards Institute appreciates the opportunity to appear and testify on this important legislation. We hope it will be enacted without delay.

I would be delighted to try to answer any questions which you may have.

Mr. ROUSH. Thank you, Mr. McCune. We are grateful to you for appearing here today and giving us this very thoughtful and well prepared statement on the bills which we are considering.

Mr. Anderson, do you have any questions?

Mr. ANDERSON. Mr. McCune, on page 4 you say that "it has been our policy not to seek Secretariats." Would you care to elaborate on that point and give the reasons for it?

Mr. McCUNE. The Pan American Standards Union is quite recent. There are a number of South American countries or Pan American countries which have substantial standards programs. There are some that don't have any. There are different stages of development and it has been our feeling that they should be encouraged to undertake such work as is needed for standards development. Can I say it this way: There are world standardization bodies. Probably the prime purpose of COPANT would be for specific standards that would be primarily useful in the Pan American countries of this continent. We feel we should try to help with anything we can to assist their own standardization bodies. We would like to see them handle the secretariats for their own standards.

Mr. ANDERSON. To encourage them to take the initiative?

Mr. McCUNE. That is right, and this body will grow and become important. There is no question about it. Their next meeting is in Guatemala City in October with representatives from all over North and South America.

Mr. ANDERSON. It seems to me that we are talking about a rather major degree of participation by the Federal Government, and you make reference to people paying the fee for this clearinghouse type of service. I heard the figure yesterday that as envisioned the cost of this legislation would perhaps be in the early years around a million dollars a year. How does that strike you as far as the scope of the activity based on your experience with your institute?

Mr. McCUNE. Well, I haven't a good fix on what portion of the money would be required by the Department of Commerce. I couldn't speak to that at all.

As far as the increased participation in the development of international standards, this work will grow. Most of this is being carried by industry at present. I think the principal part of this bill is the clearinghouse provision. No one is going to establish a world clearinghouse of standards translated, abstracted, indexed, and some of these standards are about this thick [indicating] and they have to be

abstracted and finally put on computer tapes so people can find what they want. This is a massive job and a million dollars wouldn't even touch it. It would take years and years to get this done. The amount of money in this bill depends primarily on the rate you want to attack it.

And it also depends on the fact that there are not many people who know enough about this area. You can't immediately amass a staff of knowledgeable people, and you can't do this without knowledgeable people. People who did not understand what was going on would create more misinformation than information, so this is going to take awhile to do, and it should be done very carefully with highly competent people who have to be trained although there is a nucleus available, so I can't speak specifically to your question. I hope that is an answer.

Mr. ANDERSON. Yes.

Would you care to make any comment regarding the matters brought up a few minutes ago, that is, the protection of small business interests, and the desirability of the Antitrust Division of the Department of Justice having responsibility in some of these contract areas?

Mr. McCUNE. Of course, I haven't studied the Congressman's testimony, although I listened to some of it as I sat here. I wouldn't be prepared to make a statement that representatives of small business are not engaged in this activity until I've done some checking into it.

I would like to point out, though, a point that I made in my testimony that very often one of the highly competent people working on a national standard may even be a private individual or a representative of a very small business because representation work on standards activities requires a lot of personal dedication. If you have a large group of people working on standardization, we would like to be able to send the man who understands it best in this group to represent the United States.

Very often this man is working for a local government. He has no funds, so we pick somebody else to go whose organization will support him, and this is what you have to do. The whole thrust of this bill is to help the situation.

As far as antitrust is concerned, I am not clear what is the point. Every time that you promulgate a standard to some extent it "hurts" somebody. Such standardization, I am sure, in the early days as a screw base on a lamp, that probably hurt somebody whose screw base wasn't the size it chose. Lord knows who chose it, but that was standardized long ago. And this will always be the case, and the procedures as you can see from our constitution of the United States of America Standards Institute, are that you first establish some sort of a group who are representative of the parties at interest. Nevertheless, you do sincerely try to get the parties at interest, manufacturers, consumers, and so forth. Some standards are important to consumers, other standards may only be important between two industries, as for example, a standard on a chemical that is made by one industry and bought by another industry. So, the parties at interest are not always in the same groups, but you try to establish who they are.

Then you establish committees or working groups who actually draft a standard and they come back to a sponsor and he submits it to this

committee and they vote. Then this vote comes up to a standards board which is also chosen to represent as best you can all interested parties, and before this board anyone who has an objection is recorded. If the person wishes to submit the objection in writing, our rules are that we must as a whole have it read to us and considered. We do not affirm a standard as a U.S. standard until these disagreements have been thrashed out and every last person who wishes to say "No" has a chance to say "No." We do not issue them until we believe there is a consensus. Consensus is not unanimity, but the consensus is the great majority of people who think it is right. This might mean that one single organization presenting a very valid objection would be enough to say there wouldn't be a consensus. This is a matter of human judgment, but our procedures really cover this.

Now, there is another area—I am not a lawyer—but if a group of people were to get together with the intent of establishing a standard and then forcing all others to manufacture nothing but this, that is clearly illegal; and if you were to do this, you would be in trouble with the antitrust laws immediately. But where you get together and have a voluntary standard, there is no compulsion. Competitive pressures may force people to do it, or in many cases they are forced by law where it is considered necessary. Laws at the local, State, or Federal level, are enacted to make the codes mandatory. Many of our American standards have been made mandatory by law which is the only way that you can legally make a standard mandatory, and this also hurts people. It must be remembered that when laws are passed you are probably hurting people, but if you are arriving at a consensus you are probably hurting the least number of people with the law.

That is the best way I can answer your question.

Mr. ANDERSON. Thank you very much. I think your statement is excellent.

Mr. ROUDEBUSH. I also want to congratulate you on the excellence of your statement.

Just in terms of a layman, can you give me examples of where there is a glaring need to establish standards? Could you tell me some cases where you feel that need exists?

Mr. McCUNE. I think I can give you a good one.

Mr. ROUDEBUSH. All right.

Mr. McCUNE. I happen to be at the moment, in addition to my other jobs, chairman of the Nuclear Standards Board of the Institute. It was obvious 7 or 8 years ago that with the advent of atomic energy we would need many standards never before envisioned. The Nuclear Standards Board was created. It has a large number of sectional committees. It has a large number of sectional groups including many sponsoring these standards and we are just at present reorganizing our sectional committees in order to better handle the input that we get from the industry which you know is growing pretty rapidly, and from the Atomic Energy Commission which is participating freely.

That is an instance of where standards are obviously needed and a very clean one and this would be true of any new technology of major impact.

There are other instances. There are instances in which consumer standards are needed. As a matter of fact, I think it fair to say that as

the consumer has more and more money to spend, and as technology gives him more and more complex products, we are going to have to produce more products useful to and understood by the consumer.

Then, finally, there is another whole area. For example, perhaps you don't care if I burn my house down, but you do care if I set two or three people's houses around me on fire. Society has to step in. These are safety standards. More and more, we get more control over the forces of nature, you must institute safety standards which before weren't needed.

Mr. ROUDEBUSH. You mentioned the need in the case of atomic energy. These are, of course, new fields. How about in past or existing fields, where is the glaring need of a standardization? Do you follow my question?

Mr. McCUNE. Yes. We put out a publication that is quite thick. That includes all the new projects going right now, and we hope that every one of them represents a need. There are hundreds and hundreds of them.

In addition, there are many standards which under our procedures require review, for example, the National Electrical Code which is an American standard, is revised continuously. It is revised every 2 years, but the committees working on it are continuously working on it to get new information on products. New information is being fed in by associations who belong.

Mr. ROUDEBUSH. Now, one final question. How much difficulty do you run into by having different units of measure used in different countries, like the metric system in use in France, and a different system used in most of the English-speaking countries? I realize even the gallon is different between Canada and the United States. Does this cause much problem in standardization?

Mr. McCUNE. I would have to give a longer answer than I think you would like. The answer is "not much," if you make it short. Let me qualify this a little. Measurement is no problem at all, the decimal inch and the linear centimeter, and so forth, no problem at all. You can express anything in both.

On the other hand, far more important are the kinds of things where one country has certain gages of steel and another country is different; one country has a certain size drill and another country has a different size drill. The simplest of these examples is screw thread. Different countries have different shapes and sizes of screw threads, different numbers. Yet today we have an international standard on screw thread and various countries are getting closer to the same thing. It makes no difference of how you express it in terms of linear measure. What is more important is to choose something that is uniform; it is not a question of measure, but a question of uniformity.

Mr. ROUDEBUSH. That is all I have.

Mr. McCUNE. I might add that in different industries, it is very different. I believe you will find in oil and pipeline, the whole world uses identically the same. The same thing in the aircraft industry, and so forth, whereas in other things you find great diversion.

Mr. VIVIAN. I am interested in remarks made by Mr. McCUNE. On page 8 you have evidenced some degree of apprehension regarding involvement of the United Nations in the standard-making operation;

and you indicate a preference for international standard-making bodies outside of the United Nations.

What difficulties have you had with the United Nations so far?

Mr. McCUNE. None. My intent was to say that one of our problems in this country is that we have so many standard-making bodies. It is quite conceivable for a single item you could find two or three different standards. This is not the case when you have a single American standard. If we fractionate the world activity so that you have standards through any number of agencies, you bypass the organizations which the world created in order that you would have a single one, and our standard becomes geometrically more valuable as it is not proliferated and different.

Mr. VIVIAN. In what ways are consumers more adequately represented in the Pan American standards organizations than they would be in the United Nations?

Mr. McCUNE. I can't answer that specifically because I don't know. What I do know, however, is both the international and technical commission and the international standard organization principles involve the same effort that I spoke of in getting parties at interest in the standard. I have carefully excluded the areas where we make treaties because this is a different thing, and I would suggest in treaty making we might well go through something like the United Nations. But in trade and commerce I think we would do better to work with the standard making organizations of all the nations who have formed international standards organizations. The reason there are two is because the international technical commission came long before the international standards organization.

Mr. VIVIAN. I ask you if you listened to or read the statement presented for Congressman Dingell and if you have any exceptions to take to the views which he expressed.

Mr. McCUNE. I do to this extent: I don't believe a check of the people who are actually developing standards would show that small business was not represented, or that small government or small people were not represented in this activity at all. I don't believe this would come out.

I share his desire that they may be represented, but I doubt seriously that a nose-to-nose count would bear this out.

And the other was this: If I understood his statement correctly, he was almost asking that the Department of Justice pass on each standard. There are thousands and thousands of standards, and if each one had to be approved by Justice we would never get a standard up.

Mr. VIVIAN. That is very close to what he said.

Mr. McCUNE. We believe that procedures which are obligatory upon us because of our constitution and charter carefully avoid any situation which would be considered unsatisfactory by the Department of Justice. We would like some time to petition the Congress for a Federal charter for this organization. We recognize that there are quite a few in line now and Congress is considering how this might be done.

You will find that this constitution provides for our operation under a Federal charter or a State charter. We are operating under State charter because we had a State charter. I believe if we had a State

charter and the Department of Justice reviewed it on that basis there would be no objection. It would be a long time before we get a Federal charter.

Mr. VIVIAN. Congressman Dingell has used the words "asked to pass upon the antitrust aspects of new standards, and so forth." How do you encompass that function at all at the present time for the procedure making standard?

Mr. McCUNE. You don't, as I understand it, and again I am not a lawyer, but the antitrust aspects would be primarily, I would think, such things as a combination in restraint of trade and unreasonable attempt to force people out of business unjustly, and so forth. This is the area where there would be concern. We avoid this by allowing all parties at interest to express their opinion and carefully avoiding the promulgation of standards in which there isn't a reasonable consensus, which is really the only way anyone can do it.

Mr. VIVIAN. Have there been efforts to change the standards pattern being developed?

Mr. McCUNE. There have been none during the time that I have been associated with American Standards Association that I can recall. There have been suits filed against the association, and I believe successfully defended. A standard hurts.

Mr. VIVIAN. Are there consumer representatives?

Mr. McCUNE. Yes.

Let me go into this a little bit. We have had in the American Standards Association a Consumer Standards Board. We have 16 or 17 standard boards. One of them is the Consumer Standards Board, and it was their job to protect the consumers' interests. Any organization which wished to, could join and have membership on this standards board. Our new constitution provides something quite different. That standards board was parallel to our other standards boards, and our new constitution has created three councils, one of which is called a Member Body Council. This would be primarily those people who engage in standards making activities and know how to do this.

A second board would be Company Member Council, and a third would be a consumer council; a consumer council has the right to petition if it doesn't like a standard. It has a right to request that standards making activity be undertaken. The Board of Directors of the Institute is the final ruling board.

We would also like representatives and we are hopeful that we can have interested branches of the Federal Government on our board of directors as you will see from our constitution and bylaws. This is the way we will do it. I am not saying we didn't, but I am saying we are trying to strengthen this. This is one of the important things in our reorganization.

Mr. VIVIAN. Thank you, Mr. Chairman.

Mr. CONABLE. Where does USASI get the money to operate now; are there membership dues?

Mr. McCUNE. Yes; there three sources of revenue—for the institute. The two primary sources of revenue are dues from members and the sale of standards.

Mr. CONABLE. The sale of standards?

Mr. McCUNE. American standards. We print them, offer them for sale to everyone.

Mr. CONABLE. How wide a membership do you have?

Mr. McCUNE. Well, there are 138 member bodies and about 2,000 companies. A member body might be, for example, the American Society of Mechanical Engineers or the Institute of Electronic Engineers, which has a hundred thousand members.

Mr. CONABLE. Apparently American participation in ISO projects has been sporadic.

Mr. McCUNE. Not sporadic, sir; it is continuous.

Mr. CONABLE. But it has only been partial. You say that we have 115 active ISO projects and the Nation participates in 74. As a result of this legislation, do you think our participation would go up substantially?

Mr. McCUNE. I think as a result of this legislation there would be participation in areas, not of present overweening interests, but I would like to have strong future impact where we would get in.

I think more important, however, in the areas which we are represented we would do a more effective job in representing the interests of the United States.

Mr. CONABLE. Our whole interest in this field has been voluntary participation.

Mr. McCUNE. That is right.

Mr. CONABLE. Do you see any possible danger of losing the voluntary aspect of this organization if the Government starts making grants in areas in which they feel we should be participating, but where there hasn't been sufficient interest? Can we find ourselves in a subsidy situation in which as it has been said, "Federal control follows Federal funds"; can the whole process become considerably less voluntary if this legislation serves as a foot in the door?

Mr. McCUNE. You are talking like many of the members of our board of directors who have wrestled with this concept for quite some time and our consensus is that the United States would be better off with help in this area at the present time from the Government in this area.

Mr. CONABLE. You feel that this country should move toward the attitude that most of the other countries of the world apparently take. I understand that they strongly subsidize or actually directly control the function of standard making, something that we haven't done.

Mr. McCUNE. Well, I think your understanding is reasonable. Each country is different and I don't know exactly how it is in every country in the world. It is true that in many of the major countries the support of standards making varies from a wholly governmental activity to joint support and I think it is equally true that the United States is a country in which there is the least Government support in the whole standards making activity.

I want to be quite clear. The problem is that the word "standard" if you look it up in the dictionary has about 25 meanings. For example, I am not talking about the Bureau of Standards which is an entirely different thing which maintains physical standards and so forth. Here the United States does a beautiful job of supplying basic standards of that type. I am talking, however, about performance standards, safety standards, and so forth, which are quite different from the Bureau of Standards activities and here I think the United States has more of a voluntary system and I frankly believe that with

the kind of organization which we have drawn up here that we will not be wasteful of funds or be unduly pushed into activities that are not necessary, and the latter is quite important because if you start a new standards activity you will find that many, many people have to become part of it simply because they are afraid to be left off. Therefore, you have to use a lot of thought and care in establishing new standards and be sure there is a real need.

Mr. CONABLE. Do you think that the consensus of your board is that it is too difficult on a voluntary basis to elicit the necessary funds for broad scope standards activity?

Mr. McCUNE. I think there is a shade of difference. I quoted you the number of secretariats and the large number of participation, far more than half of the total world projects and we are probably the second or third nation in total number of secretariats in ISO, so we have a very substantial participation.

Mr. CONABLE. It certainly isn't proportionate to our commerce, though.

Mr. McCUNE. I would remind you that there are many other countries which in the past at least have depended on exports for their livelihood more than we have from our country. This is one of the differences. We have a very substantial opportunity to live. Export trade is very important, but there are countries in this world who are export or die. We have to get there and we will get there. This is important to the country. We have to do it for balance of payments and many other reasons.

And for these reasons we think participation here at this time with some help from the Government would be worthwhile, more participation and better participation, better in terms of better representing our interests.

Mr. CONABLE. What do you expect in the way of pattern of grants that will emerge? Actually, we talked a good deal yesterday about the grant powers of the Secretary relative to the contract-making powers that he would have. How do you think the pattern of grants would emerge here?

Mr. McCUNE. Let me say this, there are two areas we are talking about. One is support in international activities. I think the primary support that we need is really in terms of traveling expenses to attend these meetings so that we can always take the best man, and these are expensive.

For example, it may mean going to Calcutta for a week or 2 weeks and working on this, or some other place in the world. This kind of support is generally what is needed in this area.

A clearinghouse is a very different thing. Actually the establishment of a clearinghouse is going to require doing a little bit, doing this and a little more until we get it on straight, and I would presume that we, maybe others, hopefully the institute, would make proposals to the Department of Commerce and we have done a good deal of work on how you would actually get at the job, where are the standards, how do you index them so they are useful. You have to index them so they are useful to people.

Mr. CONABLE. I just wanted to have firmly in mind what you have in mind in seeking Government participation in what has been a voluntary activity up to this time. Apparently some element is missing

and I think it is largely the element of funds, and I am sure you understand the risks that go with accepting Government funds. You are looking to have broader participation along the line of Mr. Vivian's questions, more representation for consumers and other things.

Mr. PEYTON. I think the United States has a committee going to Tel Aviv next month to an international technical meeting. There are a number of people who should be at the meeting. We have some university people who have no funds of their own. This is a 2- or 3-week trip. It involves technical people and industry supports this thing to a great extent. They are virtually carrying the load. We should be able to attract to these national committees and to international standards-making bodies the talent that is necessary without having to go out and almost passing the hat to find travel money for them.

I believe there have been instances where the United States has passed up the opportunity to be the secretariat or the coordinating function of an international committee simply because we could not raise the money to support this thing adequately, or we have found ourselves in the position where we have had to go back for more money.

Mr. McCUNE. Again, let me go back to nuclear standards where I happen to be chairman and know more about it than some of the others. There are quite a number of projects going on and as a matter of fact we are the secretariat for the ISO in the nuclear standards area.

Now, those people give their time. There is a tremendous amount of research and development that is done by industry and by the Government, the Atomic Energy Commission, that isn't counted at all, and after doing all this, it would be nice to be in a position each time we have a meeting to have the right people go and we also need more secretarial help. When you are dealing with people from all nations and you are trying to establish and get agreements to what projects should go forward, there is a tremendous amount of just expediting the paperwork to do. In our present budget we have a small fraction. We are not able to do these things as we would like.

On the other hand, I don't want to leave you with the impression we don't support these things. This is not an easy job.

Mr. ROUEBUSH. Could the usage of standard diminish the quality of any product that you can think of? Is there a danger here?

Mr. McCUNE. If you try to standardize a product you get into deep trouble. As long as I use the things I make and you use the things you make, we don't need any standards. But as soon as we start using each other's things, we have got to have some standard. The first thing we need is language. The first standards are definitions. Normally following such things as definitions you go on to test methods. No test method is absolutely precise, but we agree how we are going to test it. Your test method is next.

And the third thing that comes up is interchangeability and safety. Both of these in a sense degrade a product to some extent because if everything is to be constantly interchangeable, this does stop progress.

On the other hand, we would be in a terrible mess if every lamp bulb had a different screw base. It is only through standards that we get that.

On the other hand, you would have better plugs if we didn't have a standard. This is a compromise and this is one of the difficult things in making of standards.

Very often, if you try to standardize a whole product you make a great mistake because you stop right there.

Mr. ROUSH. What is the result of participation in these various international committees?

Mr. McCUNE. Long term, better position in world trade.

Mr. ROUSH. Do you think it will materially affect our position in world trade?

Mr. McCUNE. This all depends on your definition of material. A lot of our world trade today is in products like wheat and I don't think we are going to affect our trade in wheat by standards. This is particularly true as our world trade goes to a smaller percentage of raw materials and more into highly sophisticated goods, which is the way it is going, I hope.

Mr. ROUSH. Is the USASI a nonprofit organization?

Mr. McCUNE. Yes.

Mr. ROUSH. And you are chartered under the laws of what State?

Mr. McCUNE. State of New York.

Mr. ROUSH. I observe that you make reference, in at least two places in your statement, of the purpose of the institute; that is, to act as the national coordinating institution.

Now, aren't there other institutions doing the same work?

Mr. McCUNE. This is a little difficult to answer. For example, the IEEE is international in scope. It takes in Canada and its membership and it has many standards.

The American Society for Testing and Materials is a truly national organization and issues many, many standards.

Nevertheless, these organizations many years ago recognized that by themselves if each chose to be the national association in its own field, chaos would result because the fields aren't like slices of pie. That need still exists and is here with the Institute and there are thousands of standards which have been processed through after being created by these national bodies and agreed, have been processed through again as American standards or now U.S. standards, and there are thousands that have never gone through this process.

I think I am answering your question. There is a real need for a single place so there won't be conflicting standards and that was the origin of the association, and having people whose interests were represented and not a very thin segment of society like an institute of engineers, or an association of manufacturers, or a group of consumers, or a very thin segment. Let's have a little broader look at it.

Mr. ROUSH. When we speak of the financial assistance which the Federal Government will give, and we run into this same question in other areas, do you feel that there might come about a reliance on this Federal assistance which would hinder your own fundraising activities to the point where eventually you would have a total reliance on Federal subsidy, or do you feel that this would stimulate private funding activity?

Mr. McCUNE. I tried to cover that in my testimony. I look to a time when this kind of Federal help would not be needed. That may be optimistic or it may not, but certainly the directors and the officers

presently would like to have it come out that way or most of us wouldn't be working on it. This is not a paid activity for us. Most of us would not be working on this thing unless we thought it would come out the way we thought it would. If we thought it would be something to be subsidized and wholly supported by the Government, there would be no reason for us to be working on it right now. I believe there are a lot of dedicated people around.

Mr. ROUSH. No doubt about it.

You have made reference to the term "commercial."

Mr. McCUNE. Yes.

Mr. ROUSH. Among the activities presently carried on by the ISO, are there activities which relate to areas which might be outside the definition of the term "commercial?" Is this a reason for your suggestion?

Mr. McCUNE. No. Frankly, the word "commercial" to me might be perfectly all right, but it turns out in talking to people who are engaged in standards activity that this word "commercial" has been used for a long time by many people interested in standards with the thought that that was a standard relating to a product and had nothing to do with a technical standard which might relate to a definition of measurement. The word "commercial" to these people is excluded. If you should use a broader term, make sure it is understood. It is the whole field of standards activities that is involved. You have a glossary of terms that could be used internationally. It is useful in commerce, but in these people's minds it isn't at all a commercial standard. My thought was, use a word that everybody would recognize, and particularly the people working in standards.

Mr. ROUSH. I think it is a suggestion which is well taken.

Concerning the clearinghouse, it is my understanding of the language of the bill that the clearinghouse contemplated by it would be a Government operation. Is this also your understanding?

Mr. McCUNE. It is my understanding of the bill that if an institute like ours didn't qualify in the minds of the Department of Commerce that they would be authorized under this bill to go ahead and do it, but it is my understanding of the wording of the bill that if a qualified organization should get support to do it under the terms of this bill—I hope I understand you correctly. There is nothing in the bill which says they are going to turn the money over to any specific group of people or anything else.

On the other hand, in my opinion the best group to do this is the group which has done a great deal of work on these standards.

Mr. ROUSH. What is your opinion of a clearinghouse totally operated by the Government?

Mr. McCUNE. I wouldn't like to see it come out that way except in the case possibly of Government standards which often are procurement standards.

Mr. ROUSH. Section 2 of the bill states:

The Secretary of Commerce is authorized in cooperation with private United States standards organizations or bodies and appropriate state and Federal agencies, and others—

Skipping subsection A and going to subsection B—

to establish and maintain a clearinghouse service for the benefit of producers, distributors, and so forth.

To me that clearly suggests a clearinghouse to be established and operated by the Government.

Mr. McCUNE. Well, as I have read the bill and maybe I haven't read it correctly, this would certainly authorize them to do it, but suppose they are to do it in cooperation, and so forth, then it would equally authorize them to contract for this.

I see great difficulty in your passing legislation to say that they have to put it with a given organization. That wouldn't be right either. You compete for it.

Mr. ROUSH. No; we couldn't be passing special legislation of this sort, and I am certain from the testimony of Assistant Secretary Hollomon yesterday that they would contemplate using the talent and the skills and abilities of the people already engaged in making standards and in setting up and operating such a clearinghouse, but it was also my impression that it would be a clearinghouse operated by the Department of Commerce.

Be that as it may, we are indebted to you for the contribution that you have made here today. There will be, I believe, certain questions which we may want to propound to you in writing at a later date, and if we could have your prompt reply to those inquiries, we would appreciate it.

I think it might also be helpful if at some time you give some attention to going over the testimony given by Congressman Dingell here this morning and make comment on some of these suggested changes he makes for this legislation. I think we might benefit from your views in that regard.

Mr. McCUNE. I would be glad to do so.

(The information requested is as follows:)

UNITED STATES OF AMERICA STANDARDS INSTITUTE,
New York, N.Y., October 3, 1966.

HON. J. EDWARD ROUSH,
House Committee on Science and Astronautics,
Rayburn House Office Building,
Washington, D.C.

DEAR MR. ROUSH: On behalf of the USA Standards Institute and personally, I want to thank you for the opportunity to appear and testify before your subcommittee on H.R. 17424 and H.R. 17598.

During the hearing you asked for the Institute's comments on the statement of Congressman John D. Dingell, particularly with respect to the small business and antitrust aspects of standardization.

I would like to comment on Mr. Dingell's statement that a public agency is "best qualified to pass on matters of standardization * * *." I doubt that it is the intent of the legislation to lodge sole jurisdiction over standards in either the public or private sectors. In fact, standardization is the province of both, and complete cooperation must exist between government and voluntary standards-making organizations.

Standards which affect commerce should be developed by voluntary organizations, coordinating their efforts through the USA Standards Institute. There will be other standards, however, for government purchasers which may well be developed by government agencies. It is rarely, if ever, an either/or proposition. In most instances the work is done by voluntary organizations in cooperation with government agencies.

We agree with Congressman Dingell that consumers, users, distributors, and the general public, should be represented in standards development. This is primarily what the procedures of the Institute assure, and have assured throughout the 48-year history of the American Standards Association. No standard is approved as a "USA Standard" unless all parties at interest were represented—or given an opportunity to participate—in the development. Small

business, as well as large, is represented in virtually every board and committee of the Institute. Our Constitution and Bylaws assure the continuation of this practice.

Turning to the antitrust aspects, as I mentioned in my testimony, it would be an impossible administrative burden to require Justice Department's approval of all new standards. In addition, the delays that would necessarily occur would make most standards meaningless and eventually mean the end of the standards movement. Timeliness is of utmost importance in standardization. It does no one any good to reach agreement on a particular item, such as interchangeability of components, if the standard cannot be developed in time for the product to be marketed.

What is essential is that the procedures by which standards are developed be such as to make restraint of trade or monopolization impossible. This is reflected in the Institute's Constitution and Bylaws. These have been developed with full understanding that the Department of Justice would have opportunity to comment officially before a Federal charter for the Institute would be legislated.

By assuring itself that action which brings about antitrust violations is not possible under the procedure of the USA Standards Institute, the Justice Department can fully protect the public interest without being held responsible for approval of the thousands of standards developed each year.

Again, we appreciate the opportunity to testify before your subcommittee. We will be pleased to answer any specific questions you may have.

Sincerely,

FRANCIS K. McCUNE,
Vice President, USASI.

Mr. ROUSH. We would also seriously consider the suggestions you have made. We will have our own counsel go over them.

We will also submit them to the appropriate governmental agencies for their comments, and hopefully we can come up with something here that will serve a useful purpose in a very complex situation in the commercial world, the technical world in which we live today.

Thank you again, gentlemen, for appearing here today.

The committee stands adjourned.

(Whereupon, at 11 :37 a.m., the committee adjourned until 9 :30 a.m., Thursday, September 22, 1966.)

INTERNATIONAL COMMERCIAL STANDARDS ACTIVITIES

THURSDAY, SEPTEMBER 22, 1965

HOUSE OF REPRESENTATIVES,
COMMITTEE ON SCIENCE AND ASTRONAUTICS,
AD HOC SUBCOMMITTEE ON H.R. 17424,
Washington, D.C.

The subcommittee met, pursuant to adjournment, in room 2325, Rayburn House Office Building, at 9:50 a.m., Hon. J. Edward Roush (chairman of the subcommittee) presiding.

Mr. ROUSH. The committee will be in order.

Our first witness this morning is Mr. John D. Ritchie, regional vice president, American Plywood Association.

Mr. Ritchie, we are happy to have you here this morning.

Mr. RITCHIE. Thank you, Mr. Chairman.

Mr. ROUSH. Do you have a prepared statement?

Mr. RITCHIE. Yes, and I think I read it in good time, and that will be the best way to handle it.

Mr. ROUSH. You may proceed.

Mr. RITCHIE. I have with me our Washington counsel, Mr. Earl Kintner, who is certainly very familiar with the background of our testimony.

STATEMENT OF JOHN D. RITCHIE, REGIONAL VICE PRESIDENT, AMERICAN PLYWOOD ASSOCIATION; ACCOMPANIED BY EARL KINTNER, COUNSEL

Mr. RITCHIE. Mr. Chairman and members of the subcommittee, my name is John D. Ritchie, and I am the regional vice president for Washington, D.C., of the American Plywood Association. Our association, which has its headquarters in Tacoma, Wash., is composed of some 95 firms engaged in the production of softwood plywood. These member firms operate about 160 plants in the Western and Southern States of the Nation, and they represent in their total production approximately 85 percent of all softwood plywood produced in the United States.

We very much appreciate this opportunity to present our views on H.R. 17424. Our industry has a vital interest in commercial standardization, an interest which we have actively demonstrated by working with the Department of Commerce on the development of plywood standards for more than 30 years. Since 1933, when the first standard for the plywood industry was promulgated, our com-

mercial standards have been formed and issued through the voluntary standards program administered by the Department itself. That standardization work continues to prosper today through the functions performed by the Office of Commodity Standards which is a part of the National Bureau of Standards. The fact that the plywood industry is today—according to the Federal Reserve Board—rated as the Nation's fastest growing basic industry can be attributed in considerable part to the successful work which has been accomplished by and for the industry in standardization.

We wish today to support in principle the basic objective of H.R. 17424: the promotion and support of U.S. interests in voluntary international commercial standards activities. All of us, citizens, industry, and the Federal Government, have a vital concern in strengthening the Nation's export position. Among the important obstacles to a larger U.S. export trade are the inadequate state of international standards and the ineffective participation by our country in the existing standards framework. We believe that a stronger U.S. participation in the international standards program will certainly promote an expansion of international trade and, in particular, will create new horizons for our Nation's products.

However, while the basic objectives of H.R. 17424 are desirable, we view certain provisions of the proposed legislation with some misgivings because they might easily be construed as giving the Secretary of Commerce wide authority to change or even abolish existing domestic standardization programs. Specifically, we fear that these proposed provisions would provide broad legislative authority for the abandonment of the Department of Commerce's own commodity standards program on which our industry and over a hundred others have relied for many years. If you will bear with me briefly as I retrace some of the relevant history, I think that you will agree that our fears in this regard are not groundless.

The Government-operated standards service began in 1921 and, as early as 1933, there came the first attempts to have the Government abandon the activity. A tentative arrangement was made between the Secretary of Commerce and the President of the American Standards Association for the ASA to take over the substance of the Government's commodity standards work. But strong objections to the proposed transfer voiced by the industries that utilized the Government service were successful in preventing the change. Subsequently, the Government's activity was not only retained, but was gradually built up.

In 1945, a second attempt was made to transfer the functions of the Government program to interested private organizations. Two Wilson reports prepared on the subject advocated the development of all standards through private organizations, and urged that the Government limit its activity strictly to basic research and development and to developing testing methods for standards. In 1945 and in 1933, the industries primarily concerned urged retention of the function by the Government. The Wilson proposal was rejected by the Secretary of Commerce, Henry Wallace, in a public letter to Mr. Wilson. The Department, Secretary Wallace said, "does not wish to compete with, or to duplicate the services which private organizations can provide equally well, nor does the Department wish to have voluntary industry

standards misrepresented as scientific and compulsory Government-standards * * * I do not believe, however, that the Department of Commerce can properly close the door to industry and other economic groups which request the direct assistance of the Department in developing and in publishing voluntary standards on their behalf."

Moreover, in this letter he stated:

The Department has a statutory responsibility to provide such services in the interest of business and industry and the general public and we have no authority to refuse such requests.

After a further confrontation had taken place in 1960, still another study group, with Dr. Frank L. LaQue as chairman, was formed to study standardization problems, and that group submitted its report in February of 1965.

Mr. Chairman, may I say here, Dr. LaQue will be testifying and I would like to be sure that everyone understands that our organization, while the testimony from here on may not be in complete agreement with his, we are conscious of the tremendous assignment of Dr. LaQue's panel, of the dedicated effort that went into it and the desire to do a complete and adequate job fully in accordance with their efforts in that direction.

This report, known generally as the "LaQue report," among other things, took pains to commend private standardization services in derogation of the public program and to attribute misconceptions to those industries which have preferred to use the voluntary standards service afforded by the Department of Commerce. For the promotion of international standardization, the LaQue Panel recommended the establishment of a national coordinating institution for voluntary standardization and also suggested:

In implementing this recommendation, preference should be given to reconstituting the existing national standards organization, American Standards Association, rather than the creation of an entirely new body.

The "ASA," as you may know, only a few weeks ago reconstituted itself into the "United States of America Standards Institute" with the avowed purpose of placing increased emphasis on international standards programs.

Following issuance of the LaQue report, the Department of Commerce requested the submission of comments by interested parties, and our association along with representatives of other industries submitted views accordingly. We expressed the view that the La Que Panel had not given fair consideration to the position and interests of those industries that use the services of the Department of Commerce and that accordingly a number of the body's basic findings were defective.

We also urged that the conduct of international standardization activity for the United States should not be wholly relegated—with a subsidy of Federal funds—to private organizations, but that rather the Department of Commerce itself, acting through the National Bureau of Standards, could be best equipped to promote in an unbiased and efficient way the Nation's vital interest in international standardization. Essentially similar views were also expressed by representatives of many other industries.

It is with this background then, and with this dialogue of many years, inevitably in mind that we have considered the provisions of

H.R. 17424. Section 2 of the bill gives the Secretary of Commerce quite general authority to promote and develop U.S. participation in international commercial standardization, as well as to establish and maintain a clearinghouse service for the collection and dissemination of standards to be made available to producers, distributors, users, consumers, and the general public.

Section 3 of the bill gives the Secretary what would seem to be sweeping powers to "do all things necessary to carry out the functions described in section 2" including, but not limited to, the authority to make grants and enter into contracts or cooperative arrangements with any public or private organizations, "firms or persons which he deems qualified to carry out any of the functions authorized without regard to any other provision of law."

This language, as we read it, would not only give the Secretary of Commerce very extensive powers in the field of international standards, but would also provide a statutory framework authorizing drastic changes in the areas of domestic standardization where deemed desirable by the Secretary in the interests of international standardization.

Our specific fear, as I have said, is that this bill would provide the impetus and the springboard for the abolition of the Government domestic commodity standards program and its transference to private interests as yet unidentified.

In terms of the needs of our industry, therefore, we urge you to consider including in this proposed legislation provisions to the effect that the legislation shall in no way be construed as impairing or affecting the authority of the Department of Commerce to promulgate voluntary standards, both domestic and international, under the Department's own procedures. Our industry and, we believe, scores of other industries, consider the work of the Office of Commodity Standards indispensable to them and have over the years developed the firm conviction that the Government is particularly well fitted to carry on the many-faceted role of coordinator, impartial arbiter, technician, and protector of both industry and consumer, which is essential to effective standardization.

Another suggestion which we would urge for your consideration is that the proposed clearinghouse service for the collection and dissemination of engineering, product, and government procurement standards be operated and maintained by a public agency. We feel that this important function can best be carried out so as to protect the interests of all concerned if it is entrusted to public, rather than private hands. The granting of control over the national clearinghouse service to a private standards organization could endow the organization in question with effective and perhaps restrictive control over standardization practices within as well as without the United States.

In sum, we are concerned that the implementation of this proposed legislation could place undue emphasis upon the role to be performed by private standards organizations in advancing international standards. We have no quarrel with the principle that private organizations do have a vital role to play in carrying out the important task before us. But we believe that the responsibilities and role of public agencies, programs and facilities should not be overlooked. Indeed, the applicability of commercial standards to international trade would seem to be a matter of foreign trade relations in which the executive

is quite properly entitled to an active role. In our view, it should be recognized that both the Federal Government and private organizations have major parts to play in furthering this important cause of international standardization.

In closing, I wish to express the sincere appreciation of my industry to this committee for having granted us the opportunity to be heard on this subject of concern to us.

Thank you.

Mr. ROUSH. Thank you, Mr. Ritchie.

Mr. Vivian?

Mr. VIVIAN. Mr. Ritchie, the essence of your discussion is that over a period of many years there have been attempts to cut back the role of government standards services.

Mr. RITCHIE. Yes.

Mr. VIVIAN. Can you tell me whether these efforts have come through a unique group? What is the genesis of these efforts?

Mr. RITCHIE. I am not a hundred percent sure. Perhaps Mr. Kintner can answer that.

Mr. KINTNER. Mr. Vivian, I would say that generally there have been two schools of thought in American business with respect to standards programs. One school of thought is the purist school which generally feels that the Government should have no role in standards and fixing standards, that this should be done purely by private industry and private organizations.

And there is the other view, of course. That is shared by perhaps 80 to 100 industries that do rely on the commodities standards program of the Department of Commerce for the standards program and they have found over the many years that these programs have been of great benefit to the industry and to the public generally, that they have been fairly operated by the U.S. Department of Commerce, and they naturally wish to continue such programs.

It is a basic difference in philosophy and it would be difficult to describe, to label the names of people in business who share these two philosophies. I suppose the group has shared from time to time depending upon how effective the businessmen dealing with the Department of Commerce believe the Department was being in administering the program, but our client, the American Plywood Association, has had very fine experience over these many years and feels that much of the progress in the industry and in standardization has been due in no small measure to the fine service that they have received from the Department of Commerce.

Mr. VIVIAN. Are there other industries which have been anxious to maintain a Department of Commerce interest in standards?

Mr. RITCHIE. I think the Wood Products Association in general.

Mr. VIVIAN. What other ones?

Mr. RITCHIE. I am talking about the Walnut Association and the Fine Hardwoods Association and certain of these that have commercial standards.

Mr. VIVIAN. Does the change in name from American Standards Association to United States of America Standards Institute have any significance in your mind?

Mr. RITCHIE. I would say the only significance we would attribute to it is an indication that they are very anxious to get into the inter-

national picture and we changed our name from the Douglas Fir Plywood Association to the American Plywood Association because that reflected our area of operation more correctly, and I think this is likely the same. It isn't a scary proposition to us.

Mr. VIVIAN. What other private interests do you think will have control of the standards situation if the USASI is provided a significant amount of funds from the Government Treasury?

Mr. RITCHIE. If I may answer it this way, we are not so concerned that certain private interests will have the control. The record would indicate those that are the big factors in the organization, but we are concerned that within the organization could be interests that are not necessarily in accord with ours and they would have a very strong effect perhaps on our domestic or international standards and action might be taken by people who couldn't be considered wholly unconcerned with our interests.

Mr. VIVIAN. On page 6 you make the remark:

This bill would provide the impetus and the springboard for the abolition of the Government domestic commodity standards program and its transference to private interests as yet unidentified.

Who do you anticipate will control this program? You say "as yet unidentified." Can you identify those for me in any way?

Mr. RITCHIE. We are talking about American Standards Association.

Mr. KINTNER. I think, to lay it on the table, it is rather obvious that the larger American corporations provide through their heads of research and other key personnel in research and development a great deal of the manpower that goes into the private standards program, and this is naturally so, but it does tend to give to the larger corporations within an industry a rather controlling voice, and not improperly so because the expert is there representing the large corporation.

We have felt in the American Plywood Association that the role of the Government in these programs gave the public adequate representation, and the consumer adequate representation, that perhaps the National Bureau of Standards experts were slightly less biased or tend to be slightly less biased than perhaps a representative of a particular corporation in a large industry.

Mr. VIVIAN. Are you familiar with the testimony given yesterday on behalf of Congressman John Dingell?

Mr. RITCHIE. Yes, I am; I have read that statement.

Mr. VIVIAN. Do you have any recommendations or comments to make relevant to that statement?

Mr. KINTNER. Well, as an antitrust lawyer, and I was General Counsel and Chairman of the Federal Trade Commission, I feel that while he has not been specific in his antitrust statement, that there is a certain degree of soundness about what Mr. Dingell has said concerning the possibilities, and I underscore the word "possibilities," of antitrust problems arising in the future where control would be vested over standards programs solely in the private sector of the economy. There are all kinds of problems that one might conjure up and perhaps we could better devote our efforts not to conjuring up the specific problems, the horrible examples that might be created, but merely insuring that there exist a few safeguards against the development of

these problems, and one of these safeguards is to have the Government have a seat at the conference table.

Mr. VIVIAN. Suppose we were to modify the bill to make it clear there must be small business and consumer participation in governing the use of any funds provided by the Federal Government, would this make your position on this somewhat more favorable?

Mr. RITCHIE. I think it would.

I might ask what you mean by small industry. I don't know how many voluntary standards there are. There must be a thousand or more. We have three, yet our industry is a billion-dollar industry working with three standards, and hopefully by November 1 we will have consolidated those three into one, so that we have simplified our procedures and so we consider our stake in this, of course, a very big one.

Mr. VIVIAN. Having practiced as an electronics engineer, and been an officer in an electronics company, I am fairly familiar with some of the problems of this field. The number of standards is astronomical. But the question I ask is: Should we attempt to phrase the bill before us in such a way so as to make it clear that the representatives of large industry will not be allowed to dominate any operations supported by Government funds? Is it fair to say that you would like to see to it that large industries do not dominate standards making operations?

Mr. RITCHIE. We feel that the present procedures that are administered by the Department of Commerce assure us of no dominance of that kind, so we are quite happy with the way the Department handles it.

If you mean that we would be willing to go along with the idea that the assignment be transferred to a private group if we were sure there was adequate representation in this private group, I don't think we would change our mind and say that that would be all right; we would still feel that the way to do it is the way it is being done, expand what needs to be done within the Department. Our record is excellent. We have an industry that from the time the first standard was developed until now has grown maybe fifteen or twentyfold. Only 15 years ago our annual production in sales were a billion and a half. By the end of this year it will be thirteen and a half, and the standards just had to be a part of that.

We are not objecting in any way to the idea that procedures should be reviewed, updated and improved, and in the course of updating the standard we have not done it less often than every 5 years.

Mr. VIVIAN. The bill before us is rather ambiguous in that it gives the Secretary of Commerce quite a bit of latitude. Would you feel that the continuation of the procedures that the Department of Commerce has been following to date, with representation on the standards committee, et cetera, that that would be entirely satisfactory if you were assured there would be a strong Government role and the assistance was contributory rather than dominating?

Mr. RITCHIE. I would say this would be satisfactory. We feel that the Government should be in control, and that any official status should be that of Government and not of a private organization, but we do not object to the private organizations per se.

Mr. KINTNER. The question you were getting at is: Would you vest it in the private sector and merely have representation of small business and Government and other public interests?

Mr. VIVIAN. Yes.

Mr. KINTNER. We feel that the control, the coordination and control, should be lodged in the Government with a maximum amount of cooperation from the private sector.

Mr. VIVIAN. I have the Evans Products Co. in my district. I don't regard that as small industry, but in the context of standards setting, would you say a company of that size is very active in standards setting or not?

Mr. RITCHIE. Substantially below the scale of control. We don't have in our industry any organization that produces more than 15 percent of the industry total and our organization is a one-ownership, one-vote type of thing, so I don't think any one of them by themselves would be considered controlling organizations.

Mr. VIVIAN. Are you concerned with the competition from foreign sources such as Japan?

Mr. RITCHIE. We are very anxious to have international markets and managed to win an "E" award for our efforts which were largely hard work, but we still have a long way to go to sell very much plywood.

We are first of all concerned that there be no change in the procedures for promulgating standards domestically. We would rather that the program that is implemented by the Bureau of Standards domestically can easily, efficiently, be expanded to international.

Mr. CONABLE. Do you participate in any of the voluntary standards setting projects that may be going on in your industry at this point?

Mr. RITCHIE. We have not yet at this point; no.

Mr. CONABLE. Do you know if there is substantial international standards setting going on?

Mr. RITCHIE. We would urge there be. No question about it.

Mr. CONABLE. You are not aware of any going on. It is not just that this country is failing to participate, is it?

Mr. RITCHIE. No, I don't think so, sir. The urgency hasn't occurred quite yet. The one exporter of some substance of a product like ours is Canada and they have done a good job. They have gone there before we have and we are playing a little catch-up game. In the long run we are anxious that standards be set so we are on some measurable basis with our competition.

Mr. CONABLE. You don't have the type of product where there would be substantial nontariff barriers, isn't that correct; it isn't like electronics, or is it?

Mr. RITCHIE. Yes, we have tariff barriers. We would not be exempt from tariff barriers.

I believe we have one problem with Canadians who have preferred status which I think is a 10-percent edge.

Mr. CONABLE. I am talking about nontariff barriers, the sort of thing which results from incompatible standards.

Mr. KINTNER. If I might add to the testimony at this point, I think that one of the great problems facing the plywood industry in export is the existence of building codes abroad which may not be wholly compatible with what they are able to produce in this coun-

try, and these building codes can as they have in this country in the absence of some standards program can be a great impediment to building up the plywood industry.

Mr. RITCHIE. That is true.

Mr. VIVIAN. On page 4 you referred to misconceptions attributed to industries which prefer to use the Department of Commerce services.

What are some of the misconceptions?

Mr. RITCHIE. I think there are two. One was that somehow the industry would trade on the implication that a commercial standard that indicated Government sanction of some kind, it sounded like it was an official Government stand. We think that there is no evidence that that has been the case. Rather, the strength of the commercial standard—and one of the big reasons for doing it this way—is to add weight to our efforts to make sure the product is made correctly, and it does give us a strong tool with our own members to see that they conform to the standard, much better, for example, than the APA grade rules say. This is going back. There is no evidence we feel that the industry can trade on the fact it is commercial standard. The consumer rarely knows what that means. We would somehow try to impress the distributor at best and I don't think the evidence bears out this misconception.

Mr. VIVIAN. There used to be a DFPA trademark on your plywood.

Mr. RITCHIE. That has not been replaced. The DFPA is the quality trademark. When we changed to the American Plywood Association, we put possible combinations through computers and many of them were hardly repeatable, so what we did was to assign the DFPA initials to our quality supervisory division. There is an APA or American Plywood Association trademark to which there is a little circle which we have had for so many years.

Mr. VIVIAN. We are, as you may be aware, considering the metric system to be applied to the United States instead of the heterogeneous mixture of measures. What would you do if you were to handle plywood on the metric system? I suppose you would consider these as standard size irrespective of their measure in metric units.

Mr. RITCHIE. Yes. I am sure that we would try to maintain the same standard sizes and then interpret them in whatever way we had to. This is simply because of the maximum size of equipment that it takes to make it. It goes clear back to the log in the woods and how many lengths you cut out of a 40-foot log.

Mr. VIVIAN. Do you manufacture plywood for use overseas which is gaged to metric standards?

Mr. RITCHIE. No. I think in our promotional program we could very well—we are a little early in interpreting our sizes according to the metric system same as we translate our promotional material in several languages.

Mr. VIVIAN. Do plywood firms overseas manufacture to metric sizes as opposed to English units?

Mr. RITCHIE. I am not sure, but the sizes are compatible, but I am not sure how they express them.

Mr. VIVIAN. Almost all plywood manufacturers across the world use English units?

Mr. RITCHIE. Yes.

Mr. VIVIAN. I would appreciate further information on this subject to be inserted in the record regarding standard usages around the world.

Mr. RITCHIE. I would be happy to do that.
(The information requested is as follows:)

AMERICAN PLYWOOD ASSOCIATION,
Washington, D.C., October 5, 1966.

HON. WESTON E. VIVIAN,
U.S. House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN VIVIAN: Attached is the best information I can supply at present in answer to your question on September 22nd regarding the effect of metric measure on the promotion of plywood overseas. I have attached sample literature in which we base our technical data on the metric system.

At the time you asked the question, I said standard sizes are not likely to change. First of all, expensive production equipment is designed to produce these sizes. Anything larger than standard would not be possible in most present equipment. Any size smaller than standard would result in substantial production waste.

Perhaps more important, standard domestic plywood sizes are designed for present light construction systems. This means, 16 and 24-inch stud, rafter and joist spacing. As long as these modules remain as they are in this country, this would be our number one guide to standard sizes.

I hope this is the information you were seeking. If it prompts further questions, I would welcome another opportunity to investigate further.

Very truly yours,

JOHN D. RITCHIE,
Regional Vice President.

AMERICAN PLYWOOD ASSOCIATION,
Washington, D.C., October 5, 1966.

MR. FRANK R. HAMMILL, Jr.,
Counsel, Committee on Science and Astronautics,
House of Representatives,
Washington, D.C.

DEAR MR. HAMMILL: You will remember that, on September 22, 1966, I testified before a Special Subcommittee of the House Committee on Science and Astronautics regarding H.R. 17424. As a part of that statement, Representative Weston E. Vivian requested that I supply further information regarding the effect of metric measure on the promotion of structural plywood overseas. I now have received such information as is available from Mr. Harold Schadt, Export Manager, American Plywood Association.

First of all, the American Plywood Association is promoting the industry's softwood plywood products on the basis of metric measure at present. Technical literature has been prepared in English, German, and Japanese languages; all based on metric terms.

In Europe, particularly in Germany, there is a standard metric module used generally in all types of construction. This module is 1.25 by 2.5 meters, which is equal to 49.2 by 98.4 inches. This particular metric size has proven to be somewhat of a problem since we began our activities in Europe. Typical construction framing in Europe, however, involves a spacing of 60 centimeters (approximately 24 inches), so this has worked out very well with our standard width.

Japan recently officially adopted the metric system. Because of this, at least one large Japanese contractor is ordering plywood panels one by two meters in size for concrete form applications. This size, of course, would be completely different from standard production sizes in the United States. On the other hand, plywood manufactured in Japan and the Far East is available in sizes which are about the same as standard sizes produced in the United States.

In addition to being manufactured in "standard" metric sizes, plywood is commonly available in 4½, 5, 5½ and 6 feet in width and lengths ranging upward from 2.50 meters to 12 feet, or longer, in metric increments. So, while the metric equivalents are not too different from standard sizes in this country, plywood manufactured in European countries does not correspond to standard sizes in our industry.

In closing, it is apparent that size differences will be a complication to the promotion of plywood from the United States in the overseas market. At the same time, important progress has already been made in this area and the plywood industry, particularly the American Plywood Association, is confident that these differences will not seriously obstruct further export accomplishments.

Very truly yours,

JOHN D. RITCHIE,
Regional Vice President.

Mr. CONABLE. I don't have a great deal to add to the questions Mr. Vivian has already asked.

I take it your experience with the Office of Commodities Standards has been uniformly good from your standpoint.

Mr. RITCHIE. Yes, sir.

Mr. CONABLE. Can you just summarize the procedures they use to insure that hardship is minimized on those who are going to be affected—those producers affected by the standards?

Mr. RITCHIE. Yes; and I believe those procedures are alike. The plywood association in the beginning becomes the legman, the catalyst, the organizer. We have a standards committee made up of representatives or manufacturers. We have open meetings so if there are manufacturers not members of the association, they are invited to participate.

More recently, we have added nonmembers to this particular committee. This probably takes a year and a half because there are so many little things involved. You have plants manufacturing different species. They make it in the Deep South, Northwest; sizes of logs, quality of logs. It may be what we call a co-op operation. It may be a big operation.

Once in awhile the economics creep in, so the first chore is that of the association and after meetings with the standards group we will come up with a first draft of proposed change. This is a revision and it would be the same for an original standard. That is circulated to our own industry after it has passed the standards group.

Meanwhile, we start contacting the appropriate people in the Bureau of Standards and they get copies of what is going on. We kind of go along together side by side.

While we are doing this, their technicians are checking it out from the Commerce standpoint.

When we finally arrive at the point where the Bureau of Standards feel it is acceptable to them, and it is acceptable to us, then there is a review committee and that could be made up of manufacturers. There are 19, I believe, manufacturers, consumers, distributors, and lumber dealers, and I think perhaps builders, or some other interested group. They take the standard and each one of these review committee members and these people are selected by the Department of Commerce and they must then come back with a response to the standard that has been submitted. Each one actually has to OK it. If one has a serious objection, the Department of Commerce then will say they will decide whether that is serious enough to start over again, so to speak, or make sure it is reconciled, and in most cases in the interest of long-range cooperation, these questions when there is a doubt are finally solved, once the review committee comes back and they are uniformly in favor, it goes through the Department of Commerce to an acceptor group and

there is no limit to this number of people. You and I can be members of the acceptor group if we indicate an interest in what is going on. Presently, I think, there are 900 and these are circulated to this acceptor group and they can be anyone. They usually are given perhaps 15 days to respond, and there again that is the last time that you see if anybody feels he has been hard done by or has a good bona fide objection. Once that is complete, then there is a promulgation date set for the changeover or the installation of a new standard, but in our case since 1933 it has been a revision. The present one is the biggest revision we have ever done. This will happen November 1.

That wasn't a very good job of doing it briefly. I am sorry about that, Mr. Conable.

Mr. CONABLE. The ultimate responsibility is the Government's for promulgating the standard, but there is voluntary participation in the process up to the point of promulgation.

Mr. RITCHIE. Yes, sir.

Mr. CONABLE. Do you have any idea of the expense to the Government in this process? Is this a large operation?

Mr. RITCHIE. Mr. Conable, I don't know how much, but I would not consider this a large operation. The effort is in time and talent which is substantial. There often is testing done in support of a proposed change and that is usually handled by the U.S. Forest Products Laboratory in Madison and yet I would not consider from what I know about it that this would be substantial.

Mr. KINTNER. Mr. Congressman, from my knowledge of Government budgets and experience as a former Government official, I think this commodities standards work is literally performed on peanuts by way of appropriation by a group of very able and very dedicated people in the Department of Commerce. It is one of the least expensive and one of the most efficient in terms of manpower that I have encountered in the Federal Government.

Mr. CONABLE. There is no implication that you hope to see maintained a different set of standards for the country than there is internationally?

Mr. RITCHIE. Quite the opposite. We would like them to be the same.

Mr. CONABLE. You feel that the approach followed by the Office of Commodity Standards would perhaps tend to force our policy toward one uniform standard in every case?

Mr. RITCHIE. I would think so, sir, just because they have had all the background we have had over these years and I think we would move forward on that basis very efficiently and very simply.

Mr. ROUSH. Mr. Ritchie, as I understand from your last statement to Congressman Conable, you do support the objectives of this legislation, but you are somewhat concerned with the methods that were devised?

Mr. RITCHIE. That is right.

Mr. ROUSH. Couldn't those fears which you express just as well exist under the authority which the Secretary now has?

Mr. RITCHIE. Well, I think we go back to Secretary Wallace's statement and our experience. I can't feel that we would have those same fears under the present procedure.

Mr. ROUSH. I gather that under this legislation there are specifically two things we are doing which the Secretary feels he cannot do now. One is in the establishment of the clearinghouse.

Now, I would imagine that you have no objection to this if it is a Government operation; is this correct?

Mr. RITCHIE. Yes, we have no objection, and I think we would heartily endorse that concept and we do feel as a Government operation that we can be more certain that it will not be affected by the differences in international procedures. We would be entirely in favor of that.

Mr. ROUSH. And secondly, we are giving the Secretary the authority to make grants. This you do not agree with, is this correct?

Mr. RITCHIE. I wouldn't say that we don't agree with that. We are more concerned that the clear-cut control and responsibility be in the hands of the Government, and if they have assignments that can be accomplished by private groups, I don't believe we would object to that.

Mr. KINTNER. Not in the least. It isn't a matter of providing funds for private industry to accomplish tasks which they wouldn't normally accomplish without Government grant and aid, where the control lies in the program.

Mr. ROUSH. As I understand the proposed legislation, these are the only two new grants of authority which we are giving the Secretary and having no fears in either of these areas, I don't know that your fears are well founded in that they are fears that you could just as well have under the existing legislation.

Mr. KINTNER. We have pointed out the existence of a clause in the bill which seems to give the Secretary of Commerce rather broad authority to, if he wished, disband the present domestic program. Therefore our concern has been that this committee and the Congress make clear that it was not intended in granting this authority on international matters to grant the Secretary authority to disband the domestic program. This is their concern that this domestic program and all that it has accomplished be preserved.

Mr. ROUSH. I think the Secretary of Commerce could do it under present authority. I think he is not of that mind and probably will never be.

Mr. KINTNER. I have the annotated code and I think you could carry a very good brief for the fact that the Secretary probably could disband this program, but fortunately each time there is a pass made at this program by either private industry or someone within Government, it is usually private industry, those who have valued the program rise up in wrath and suggest that the Secretary continue the program under his authority.

Mr. ROUSH. We are glad to have this expression.

Mr. KINTNER. Further, Mr. Chairman, I think the Congress from time to time in granting appropriations has been able to exercise an oversight here and to make it clear to successive Secretaries of Commerce that they wish the program continued and strengthened, and progressive Secretaries have assured the Congress that they would not only continue the program, but they would strengthen it just as Mr. Connor has done in this current period, and even though the Secretary

might have the legal authority to abolish the program, it is quite clear that he would be flouting the will of the Congress if he did so.

Mr. ROUSH. Is the participation in the commodity standards program now satisfactory to you as Government participation?

Mr. KINTNER. Yes, indeed.

Mr. ROUSH. Would you like to see that enhanced?

Mr. KINTNER. We think that recent improvements in the program instituted by the Secretary of Commerce have resulted in strengthening the program. These improvements have resulted in better review at the Department of Commerce in bringing to bear a higher degree of Government expertise in this area of commodity standards, and particularly in bringing to bear in the formulation of standards the interests of the public including consumer interest, user interest, and so forth, the sort of thing which Mr. Ritchie has so well described here this morning. These procedures, I think, are fair. They are designed to protect the public interest and they are protecting the public interest, the interest of all the public, not just the industry involved.

Mr. ROUSH. I might just add this: it was not my impression from listening to and sensing the philosophy of Dr. Hollomon's testimony that we would abandon the present Government commodity standards program. I gathered it is the intention of the Commerce Department to intensify Government participation in commodity standards setting, and to enhance that program so that we would have a more lively and meaningful program in all areas, not only in the setting of international standards and our participation in international standards activities. This in turn would stimulate and help our own domestic commodity standards setting program. I would hope that would be the case.

In any event, we are going to ask for comments from Commerce concerning your testimony.

Mr. VIVIAN. I think Dr. Hollomon indicated that the principal new authorities conveyed by the bill were first, the ability to issue grants to private organizations rather than contracts; and second, the ability to publish findings in their publications of the Department of Commerce; and I think publications of the Department of Commerce because in the past we always contracted some of the firms publications.

Now, let me go back to the first question, issuance of grants implies that the organization receiving the grant shall have very wide latitude and shall control the grounds of its own making. Do you construe that grant of authority as inimical to the program?

Mr. RITCHIE. I think one of our concerns is that there would be that much authority passed out to the organization without the Government control that we think would be necessary. We would like to see it pinned down a little bit more.

Mr. VIVIAN. A specific new request in this bill is for authority to make grants rather than to enter into contracts since this authority already exists.

Mr. RITCHIE. Yes. I believe that indicates some lack of control, that the Government should be more deeply involved in setting of programs.

Mr. VIVIAN. Thank you, sir.

Mr. ROUSH. Thank you, Mr. Ritchie. We appreciate your coming.

Our next witness is Dr. Frank L. LaQue, vice president, International Nickel Co.

Dr. LaQue, we are very pleased to have you here. We have been looking forward to your testimony in view of this study which you have made. You may proceed as you see fit.

Dr. LAQUE. Thank you, Mr. Chairman, for the opportunity. I have a prepared statement which I believe you have or will receive.

Mr. ROUSH. We have it.

Dr. LAQUE. As I reviewed the bill—and this is an introduction to my statement—and in view of the preceding comments I'd like to say that I didn't detect any threat to the commodities standards activities of the Department of Commerce in the bill as I read it. Since some questions were raised by Mr. Vivian and others with respect to this aspect of the matter, and if you would care to have me do so, I would supplement my prepared statement with answers to any questions you would like to ask on this point. In the meantime, I will go on with the statement as I have prepared it and please feel free to interrupt me as I go along if you wish.

Mr. ROUSH. You may proceed.

STATEMENT OF DR. FRANK L. LAQUE, VICE PRESIDENT, INTERNATIONAL NICKEL CO.

Dr. LAQUE. My name is Frank LaQue. I am a vice president of the International Nickel Co. From May 1964, until February, 1965, I served as chairman of a panel organized by the U.S. Department of Commerce to survey standardization activities in this country and to make recommendations to deal with any deficiencies disclosed by this survey. This panel was instructed to give special attention to international standards. This was accomplished by assignment of this field to a task force headed by Mr. Alfred C. Webber of E. I. du Pont de Nemours & Co. and Mr. Charles M. Mapes of the American Telephone & Telegraph Co. These gentlemen had the benefit of extended experience through participation in the activities of the principal international standardization organizations: The International Organization for Standardization (ISO) and the International Electrotechnical Commission (IEC). The former deals with a broad range of standards. The latter concerns itself primarily with electrical machinery and devices. In addition, special attention was given to standards work in Latin America through the Pan American Standards Commission, referred to by the initials of its name in Spanish as COPANT.

A review of H.R. 17424 and the supporting document has convinced me that passage of this bill will enable the Department of Commerce to serve the national interest, as disclosed by our panel study, by supporting those activities in the field of international standards that were identified as being most essential and in need of help of the type that this bill will permit.

I condensed in this one paragraph, I think, a very important statement that the bill does implement the recommendations that our panel thought were appropriate.

The national interest requires participation by technical personnel from the United States in the preparation of international standards so that these documents will be properly representative of the

state of the art and compatible with the industrial practices of the United States and its products going into international trade by export.

It must be understood that any promulgation of international standards or recommendations incompatible with U.S. products could be more restrictive than tariffs as barriers to the export of U.S. goods.

I might illustrate this by an example. In this case, the one that seems most appropriate to me didn't involve the United States, but it could have. It involved Canada where the Aluminium Co. of Canada discovered to their horror that within 2 weeks there were likely to be adopted some standards for pig aluminum which, according to their standards, according to trace elements, could form effective barriers to the export of pig aluminum. If the Canadian aluminum was not properly compatible with this standard or if the standard didn't enable the producers of Canadian aluminum to take some advantage of superiorities that they had developed it would be detrimental to their export business.

This is an illustration of how an incompatible standard can serve as an effective barrier to the export of U.S. goods.

Emerging countries without any standards development activities of their own can be expected to be reluctant to tie themselves to any single more highly developed country by selection of the standards of that country. They are likely to deal with this problem by the adoption of the international standards recommendations issued by ISO, IEC, and COPANT standards.

Our panel found that the United States of America had not participated in international standardization activities at a level commensurate with our interests and capabilities.

It was found that the United States participates in only 66 of the 107 ISO technical committees, holds observer status in 38 and does not participate at all in 3. The United States holds only 10 of the very important secretariats. This can be compared with 25 secretariats held by the United Kingdom, 18 held by France, and 9 by the Netherlands. There is a similar opportunity and need for expansion of U.S.A. participation in the work of IEC and COPANT.

This relatively low level of participation by the United States appeared to be due, in part, to a lack of awareness of the economic importance of international standards. It was due, also, to the difficulty in organizing adequate and continuing technical and financial participation from individual companies and associations. It has sometimes been difficult to persuade an individual company to provide personnel at company expense to represent the whole of a particular industry and the overall interests of the Nation in an international standardization effort.

This difficulty is increased by the desirability of maintaining continuity of representation by particular individuals. This interferes with distribution of the burden from one company to another over a period of time. Provision of funds pooled through a trade association, or from sources made available by this bill, would not solve that aspect of the problem represented by the drain on the technical resources of firms that are asked to provide continuing representation.

The situation becomes even more difficult when representation by users, as well as producers, is required. All of these problems are mul-

tiplied when the need for participation in international standardization of a particular item is well in advance of any current interest in international trade in the product. Possible developments may require immediate U.S. participation in the formulation of international standards so that they will not inhibit future trade.

It is desirable, also, that the United States maintain a cooperative posture in the international organizations by engaging in activities not immediately identifiable with U.S. interests. This will avoid any suspicion that U.S. recommendations are regularly designed to be self-serving and are provided principally with this objective rather than for the general good. Elimination of such suspicions by constructive participation on a broad scale will improve the atmosphere in which all U.S. recommendations will be received and acted upon.

The provisions of H.R. 17424 will not, of themselves, solve all these problems but they will put the U.S. Department of Commerce in a position to protect the national interest in foreign trade by appropriate technical and financial support of necessary activities in this field.

It is quite proper that the bill emphasizes the importance of the work of the private voluntary organizations devoted to the development and promulgation of standards in the United States. Voluntary standards are an integral part of our free enterprise system. Their value will be increased greatly by their more ready identification through the clearinghouse and coordination functions that this bill deals with.

The voluntary standards development organizations in the United States have been, and will continue to be, primarily responsible for the technical quality of U.S.A. standards. This technical quality of U.S.A. standards will continue to be their most attractive and most important feature as candidates for recognition as bases for international standards. Their further designation as having national status and acceptance as U.S. standards through the United States for America Standards Institute—formerly the American Standards Association—will accelerate the recognition of the inherent quality of these U.S. standards and the utilization of this quality on the broadest international scale.

It is important, therefore, that this bill provides for support of any organization contributing to the content of international standards as well as for the establishment of a clearinghouse and for support of coordination efforts.

An important byproduct of the development of standards is the educational value of their contents. Standards represent the distilled product of a tremendous amount of research and related technical effort. For example, the ready availability of such vital and immediately usable information on the compositions of materials for specific purposes and how to analyze them and measure the properties that are called for, can be of great value to technical people in emerging countries in advancing their economies and most importantly in recognizing the value of U.S.A. products that meet such standards.

In summary, I am convinced that passage of H.R. 17424 will be in the best interest of the country and will go a long way to insure that U.S.A. interests in foreign trade will be protected and advanced through proper and timely attention to voluntary national and international commercial standardization activities.

Thank you.

Mr. ROUSH. Thank you, Dr. LaQue.

Mr. VIVIAN?

Mr. VIVIAN. On page 5, you indicate that you feel that the bill should provide for the support of any organization contributing to the content of international standards.

I don't dispute that. I would be happy to have a bill provide for the support of certain organizations who contribute certain information, but I am not sure that the word "any" is a pertinent phrase. Do you mean by this, "all"?

Dr. LAQUE. Let me see exactly how I worded this. I think there is perhaps a nice distinction between "any" and "all." If you said "all," if they supported one they would have to do it for all. It wasn't intended that grants or contracts or whatever it might be would be restricted to any single organization. I think some people may have read into the bill that it was designed to support certain ones probably at the exclusion of others; but I thought the bill as I read it gave the Department a fair amount of latitude in its choice of those organizations that it deemed to be worthy of and in need of support that would advance the national interest.

Mr. VIVIAN. Let me take an example. I have been a member of IEEE, a new label for an old organization. It has a standards activity. What fraction of its standards would you anticipate should be paid for by the Government?

Dr. LAQUE. A very small amount.

Mr. VIVIAN. Ten percent?

Dr. LAQUE. I would hate to put a figure on it.

Mr. VIVIAN. I recognize that such questions are difficult to handle, but someone will have to handle them someday. Since you are rather experienced in the field, I wonder if you have any feelings on what this should be.

Dr. LAQUE. I think my intuitive judgment, if you would like, is that circumstances under which such an organization would request support would be fairly rare, and that they would presumably be justified at the time in such a fashion that the Secretary of Commerce would be able to make this decision. I think it would be a small fraction of their total effort.

Mr. VIVIAN. I happen to find you an excellent witness and I enjoy listening to you, but I feel sure those organizations will ask for more money as time goes by, the chemical industry, the plywood industry, and an endless number. Will we eventually find ourselves contributing 30 or 40 percent of all the support?

Dr. LAQUE. No; I don't think so. I will tell you why. The present expense of the development of standards is in the research activities of the organizations who contribute or develop the technical content for standards and this is not going to be done by Government support or company research program, so that whatever fraction of the total cost is represented by the administration and staff work would be the area in which you might feel they would be asking for help. I will give you an example: In a meeting in Atlantic City last June I think there were 1,007 persons meeting with committees dealing with standards populated on the average by 10 people. That represents a tremendous amount of expense not only to the people going there, but of the research that gave them the reason for going. I would say 90 per-

cent of the total cost of the development of standards in this country must be in the hands of the people who do the work and the other remaining, so I think your fears are perhaps not—I wouldn't say well-founded—but I think they may be a little exaggerated.

Mr. VIVIAN. It seems to me it is very likely to be supported. I have seen contracts, not as a member of the Government, but as a member of private firms which have gone to both universities and private firms for the purpose of developing standards. This is an already existing practice.

Dr. LAQUE. I don't think this bill is going to add substantially to that.

Mr. VIVIAN. I would dispute that. I would hope that the bill would add to that. I think more needs to be done.

Dr. LAQUE. Maybe you are right, but if you think it should be done, you wouldn't worry about it.

Mr. VIVIAN. I notice you are a member of the International Nickel Co., which is a very small company, but I notice the E. I. du Pont de Nemours & Co. and American Telephone & Telegraph Co. which are fairly well founded were also on the LaQue panel.

Mr. CONABLE. Where do you get the idea International Nickel is a fairly small company?

Dr. LAQUE. We are.

Mr. VIVIAN. I was giving him the benefit of not being a big company.

They are concerned about the role of very large firms in setting standards and was there any aversion to this role on the part of E. I. du Pont de Nemours & Co. and American Telephone & Telegraph by other members of industry?

Dr. LAQUE. Not in the least. I think the selection was based not because they are representatives of large firms, but because they had the knowledge which was necessary to do the job.

Mr. VIVIAN. Those firms have extremely competent persons. Was there any objection to this?

Dr. LAQUE. I didn't detect any.

Mr. VIVIAN. Thank you.

Dr. LAQUE. There is one little point I would like to try to clarify. The principal concern of this panel wasn't to act as an umpire as to who should win this skirmish between industry and Government, but to determine the best way to marshal competence wherever it might exist. This was the dominant principle around which the panel did its work, how best to utilize competence, and this is it. You frequently get into these debates about the other aspects.

Mr. VIVIAN. I have no other questions at this moment.

Mr. CONABLE. I would like to address my remarks to Dr. LaQue, not as a representative of one of the modest nickel producers of the world, but as chairman of this panel.

You had other recommendations which are not embodied in this legislation, isn't that correct?

Dr. LAQUE. We had quite a number of them. I read this bill as merely being related to that section of our recommendations dealing with what the United States should do about the observed inadequacies in our international standardization activities. I didn't think

the bill was intended to deal with other things that concerned the panel.

Mr. CONABLE. I wondered if you had any comments about what might appear to be omissions.

Dr. LAQUE. I don't have any concern about the omissions. I think many problems that we faced are better dealt with specifically rather than in an omnibus bill trying to cover everything in one activity.

If I may, I would like to clarify some questions that were raised about the commodity standards activities of the Bureau which were dealt with and if you think this is appropriate, I will do so.

Mr. CONABLE. Yes.

Dr. LAQUE. Strangely enough, the panel found that as compared with the procedures used by the voluntary standards organizations such as the American Society for Testing Materials and the ASA, the formerly described and implemented procedures of the commodity standards section of the Bureau gave less protection to the consumer and the general interest people than the private organizations were doing and one of the recommendations of our panel which has since been implemented was that the procedures of the commodity standards activities that the Bureau have been made as rigorous as those of the other organizations. Maybe Dr. Hollomon developed this in his testimony.

There is another thing that I think is vital to this discussion. We found that although as in the case of the plywood industry, the commodity standards activities of the Bureau were vital to them and no doubt essential because of their background. But nevertheless only 3 percent of the industrial and commodity standards of the United States are dealt with by the commodity standards section of the Bureau and it would be inconceivable to me that the Bureau could equip itself technically to be proficient in all the rest of the 97 percent of all these other fields which engage the attention of thousands of technical people organized through the private voluntary organizations. If we were to have recommended that everything be done this way, assuming it has all the advantages which have been attributed to those, then presumably those advantages should be made to the whole of American industry and since this was manifestly impractical and we had to suggest that the activity be continued for the people who felt they must use them, but the whole of the work shouldn't be placed in those hands.

Mr. CONABLE. Can you think of any industries which, because of the narrow participation in the voluntary associations, may be seriously limited to the standardmaking procedure if you left it on a voluntary basis?

Dr. LAQUE. The voluntary procedures are being and have been used in this country and have resulted in the United States having by far the best standards program of any country in the world.

Mr. CONABLE. Are there other countries that use the voluntary standards approach? Most of them are heavily subsidized, I understand.

Dr. LAQUE. They vary in relation to the strength of the central government, which is an extreme in the Soviet Union, and at the other end of the spectrum is the United States, and off toward the Soviet end is the United Kingdom where the British Standards Institute plays the role that we visualize for the USASI. That British Stand-

ards Institute is supported to the extent of one-third by grant of the British Government on a matching basis with industry.

Mr. CONABLE. Where do the other two-thirds come from?

Dr. LAQUE. The other two-thirds come from industry grants and sales of publications and services, but the Government does not dominate the committees which are still voluntarily organized under this institute.

Mr. ROUSH. Dr. LaQue, if international standards could be more restrictive than tariffs as barriers to American exports, as you suggest in your testimony, and if U.S. participation has been deficient in the past, and if this can be traced to the inadequacies of our present voluntary system, then why wouldn't it be better for the United States to follow the example of some of these other nations and let the Government do the job?

Dr. LAQUE. Perhaps I haven't caught exactly what you mean by "inadequacies," but certainly it isn't the inadequacy of American standards developed through the voluntary association, it is the inadequacy of their presentation to the international bodies, inadequacy of representation to the committees that are drafting these international standards. There is nothing wrong with U.S. standards.

Mr. ROUSH. Well, other governments apparently have participated more vigorously in these various international committees which have been established, and have done so through government subsidy or through direct government participation rather than as the United States has done. We have relied entirely upon private voluntary participation. If others have been so successful, and if it is so important to industry, why don't we just follow their way of doing it rather than continue doing it as we have to date?

Dr. LAQUE. I would say that the reason is that the important detail is the technical quality of the standard that you offer for international acceptance and this technical quality is based and will have to be for years to come, I hope forever, on the product of the voluntary standards organizations which marshal the technical competence to achieve this required quality.

I visualize the Government as perhaps being of some assistance, both technical and financial. I think technical assistance is implied here, the authority to devote Government personnel to participation in some of the standards development activities and adding to the technical content of the standard, but I think we must make the distinction between the development of the substance of the standard and the means of conveying the substance to the international bodies. I think it is in the latter area where Government help is needed.

Mr. ROUSH. Then wouldn't it be better if the Government presented our case on an international level?

Dr. LAQUE. I think all that has been done is that the American Standards Association has been recognized by the international organization as representing the United States, but it hasn't had explicit authority from the United States to play this role and by giving it the superior status of a new name and designation, the United States of America Standards Institute, it then will be as effective and perhaps more effective than a government agency would be doing exactly the same thing.

Mr. ROUSH. Why would it be more effective?

Dr. LAQUE. Well, I think because it would be considered as representing very directly the best product of American industry through its technical organizations rather than simply the best product of Government agencies concerned with standards which play an important but not a very large role in the total technical standpoint.

Mr. ROUSH. Concerning the establishment of the clearinghouse, do you contemplate a clearinghouse which is operated by the Government or a clearinghouse which is operated by, say, a private institution?

Dr. LAQUE. I would hope that the Government might feel it was desirable to handle this through the coordinating institutions established for the purpose, having this mission which must get its content again from the voluntary organizations from which it is made up.

Mr. ROUSH. I have no further questions. Thank you, Dr. LaQue, for your fine statement and for the work you have done in the past on this particular subject.

Dr. LAQUE. I must assure you that the members of our panel represented the interests of our country, not the interests of small or big business.

Mr. ROUSH. Thank you.

(Biographical statement on Dr. LaQue follows:)

BIOGRAPHICAL STATEMENT ON DR. FRANCIS L. LAQUE

F. L. LaQue is Special Assistant to the President of The International Nickel Company of Canada, Limited, and a Vice President of The International Nickel Company, Inc., assigned to executive support of various activities. He had served as Manager of the Development and Research Division from 1954 to 1962. A native of Gananoque, Ontario, Canada, Mr. LaQue received the degree of Bachelor of Science in Chemical and Metallurgical Engineering from Queen's University, Kingston, Ontario, in 1927, and an honorary L.L.D. degree from that university in 1964.

Mr. LaQue joined International Nickel in 1927, and has since specialized in the field of corrosion and corrosion-resisting materials. Under his leadership, Inco's well-known corrosion testing stations were established at Kure Beach and Harbor Island, North Carolina.

He is a member of many technical societies and has served as President of the American Society for Testing and Materials, The National Association of Corrosion Engineers and The Electrochemical Society. He is Vice Chairman of the Executive Committee of the Welding Research Council and a past Chairman of the Corrosion Research Council.

Mr. LaQue was presented with the Frank Newman Speller Award in 1949 by The National Association of Corrosion Engineers and delivered the ASTM Edgar Marburg Lecture in 1951. In 1962 he was awarded the Howard Coonley Medal by the American Standards Association.

A well-known speaker, he is the author of over one hundred articles and publications on corrosion and other topics. His book, "Corrosion in Action," published in 1955, was the basis for a film of the same title which has been shown to hundreds of student and technical society audiences throughout the world. He is co-author of the American Chemical Society's Monograph, Second Edition, "Corrosion Resistance of Metals and Alloys" published by Reinhold and Co.

Mr. ROUSH. Our next witness is Mr. Thomas A. Marshall, Jr., executive secretary, American Society for Testing & Materials.

We are happy to welcome you here this morning, Mr. Marshall.

Mr. MARSHALL. I am happy to have the opportunity to appear in support of H.R. 17424.

STATEMENT OF THOMAS A. MARSHALL, JR., EXECUTIVE SECRETARY, AMERICAN SOCIETY FOR TESTING & MATERIALS

Mr. MARSHALL. My name is Thomas A. Marshall, Jr. I am the executive secretary of the American Society for Testing & Materials (ASTM) with headquarters in Philadelphia, Pa.

ASTM is a scientific and educational nonprofit organization founded in 1898 and incorporated in the Commonwealth of Pennsylvania in 1902. Its chartered purpose is "the promotion of knowledge of the materials of engineering, and the standardization of specifications and the methods of testing."

I appear before you today in support of H.R. 17424. The board of directors of the American Society for Testing & Materials at its meeting on Tuesday, September 20, 1966, authorized me to inform you of their support of this bill for the Secretary of Commerce to provide (a) technical and financial support through private U.S. standards organizations or bodies to assure adequate participation of the United States in international standardization, and (b) cooperation with private U.S. standards organizations or bodies in the establishment and maintenance of a clearinghouse service or national index of standards and standardization activities and including information on foreign standards.

ASTM, through its more than 100 technical committees, functions under regulations to assure a balanced representation of producers, consumers, and general interest groups in the development of more than 3,700 widely used standards—specifications and methods of testing.

I might digress to say it has been an inviolate rule since its beginning that any technical committee where the standards have commercial overtones that the producers on the committee may not outnumber the nonproducers and they endeavor to get a balance between the producers on the one hand and the non-producers, which include consumers and those representing the general interests, representatives of the consulting engineering firms, educational institutions, and those Government agencies that are not consumer agencies.

The society's research and standards cover the full range of materials from acetate to zirconium including textiles, materials for surgical implants, modern housing and construction, highways, heavy industry and durable consumer goods. They include general analytical and testing methods for such things as industrial chemicals, petroleum, water quality, air sampling and analysis, and measuring the skid resistance of highways.

The society is the largest single producer of nationally recognized standards in the United States. A 1964 survey by a task force of the Panel on Engineering and Commodity Standards of the Commerce Technical Advisory Board showed nearly 25 percent of the more than 13,000 nationally recognized standards identified by the survey were ASTM standards. Its standards are used throughout the world by engineers, scientists, architects and builders, industries, and governments in specifying and evaluating materials of all kinds. They are

applied in design, manufacturing, research, construction, and maintenance.

The society has a membership drawn from a broad spectrum of individuals, agencies, and industries concerned with materials and with standardization. The nearly 14,000 members include 10,000 individual engineers, scientists, researchers, educators and testing experts; 1,000 institutional members, education institutions, libraries, and governmental agencies and departments—Federal, State, and municipal—and nearly 3,000 companies, trade associations, and research institutes.

ASTM has been assigned responsibility by the U.S.A. Standards Institute for sponsoring the technical participation of the United States in more than 24 of the technical committees of the International Organization for Standardization (ISO). The society participates technically in 12 additional committees of ISO and the International Electrotechnical Commission (IEC). Three of the ISO technical committees for which ASTM has responsibility are committees where the United States holds the secretariat. These are Petroleum Products, Plastics, and Determination of Viscosity. The society also has been assigned the responsibility for sponsoring the technical participation of the United States in 12 of the 16 technical committees of the Pan American Standards Commission (COPANT).

This bill conforms to certain specific recommendations of the Panel on Engineering and Commodity Standards of the Commerce Technical Advisory Board, on which I had the privilege of serving. Its task group appointed to study the U.S. participation in international standardization recommended a plan for cooperation between government and industry in fulfilling the need of the United States to participate in international standardization even when international trade in a given commodity is currently relatively insignificant.

The Panel became aware in its study that the United States of America has not participated in work on international standardization at a level commensurate with our real economic interests and capabilities. The Panel concluded that the basic reason for this appears to be a lack of awareness of the economic importance of international standardization.

International trade is a great dialog for which nations must find a common language. That common language is standards—industrial and commodity standards. It is axiomatic that “differences in national standards can be a more effective trade barrier than import quotas, currency restrictions, or high tariffs.” International standards tend to reduce differences in national standards. Furthermore, the newly emerging nations of the world tend to turn to ISO recommendations and standards as the basis for their own national standards.

ASTM, along with several other societies, has long recognized the need for a clearinghouse for information on standards and standardization work in the United States of America and foreign countries. We believe that once established such a clearinghouse could provide a sufficiently valuable and marketable information service as to become nearly, if not completely, self sustaining.

If I might digress here again to point out in one industry an important industry in this country, there was no participation in international standardization until all of a sudden they realized that ISO

was developing standards in its field under the secretariatship of the Italians that would virtually rule out any participation by that industry in international trade in other countries. That industry very quickly almost too late found this out and does participate very, very actively in international standardization. It is one of the most active in that area in the country today.

Mr. ROUSH. Could you identify the industry?

Mr. MARSHALL. It was the data processing industry, such companies as IBM, and that group.

Another major industry was late in participating and is having a real struggle at the technical table now in getting American standards introduced into the international recommendations. It has taken some years for them to really accomplish what could have been accomplished very effectively by participation at the early stage and it was a shortsighted view on their part at that stage that resulted in this.

The reluctance of the American Standards Association to undertake the establishment of such a clearinghouse in the past has been based primarily on the insufficiency of funds for this purpose. The proposal contained in this bill would permit this to be undertaken and fulfill an extremely valuable need for both industry and Government.

While we recognize and concur in the intent of the bill, we believe that it could be strengthened in several specific places.

First, the title of the bill refers to international commercial standards activities and a clearinghouse for commercial and procurement standards. These terms tend to narrow the areas covered by the bill unduly, for the standards with which we are concerned here are not limited to commercial or commercial and procurement standards, but include broadly those standards covered by the terms "industrial and commodity."

We would recommend that the title of the bill be amended to read:

To promote and support representation of United States interests in voluntary international industrial and commodity standards activities, to establish a clearinghouse for standards, and for other purposes.

Second, the bill refers to "products." The broad term of industrial and commodity standards includes such varied characteristics and relationships as performance, chemical composition, physical and mechanical properties, dimensions, color, nomenclature, and test methods. We would suggest that the bill could be strengthened by changing the beginning of section 1 to read:

That Congress finds that voluntary industrial and commodity standards with appropriate participation in the international standards process. * * *

Third, section 2 (a) of the bill in line 21 refers to the "issuing" of international standards. We believe the more accurate term would be "development" of international standards, rather than "issuing," for the purpose of U.S. participation in international standardization is to develop international recommendations that will have the minimum adverse effect on U.S. trade.

Fourth, section 2(b) of the bill authorizes the Secretary of Commerce "in cooperation with private United States standards organizations or bodies * * * to establish and maintain a clearinghouse service. * * *" We believe that, in keeping with the free enterprise system in the United States of America, it is most important that the

clearinghouse of information on standards and standards activities be established cooperatively by industry and government within a private voluntary standards body. Such a body could well be the U.S.A. Standards Institute. This proposal would find more ready acceptance if operated within the Institute and could assist materially in supporting the Institute by encouraging more segments of the economy to turn to the Institute for information on standards and standardization activities.

I might say here that there is a safety valve in the legislation as I read it because if this does not prove satisfactory, then the Secretary of Commerce does have the authority to withdraw support and do the job within the Department of Commerce.

Fifth, one of the important functions of the translation activity referred to in section 2(b), line 6, page 3, is actually in connection with participation in international standardization, for while all three international organizations have English as an official language, in the interest of expediency the recommendations that are referred to the various countries are frequently in the language of the country holding the secretariat and the necessity for translation causes delays in the transmittal of the recommendations for the development of a U.S. position by the technical committees responsible here in the United States.

In summary, we support H.R. 17424 as an important step in the cooperative venture between industry and government which is so necessary for U.S. success in voluntary industrial and commodity standardization, both domestically and internationally. We do, however, believe that clarification as suggested above need be made before it is adopted.

Mr. ROUSH. Thank you, Mr. Marshall.

Mr. CONABLE. I have no questions.

Mr. VIVIAN. I have none for the moment.

Mr. ROUSH. We are grateful for the statement you have made, and the suggestions you make will certainly be given attention by the committee and by our staff. We will also request the Department of Commerce to comment on these suggestions.

I have no further questions of the witness, and if there are no questions by other members, we will excuse the witness.

Mr. Vivian, you indicated that you might have questions?

Mr. VIVIAN. I haven't finished reading this.

Mr. MARSHALL. Might I add something, in connection with participation in international standardization, I don't know whether it has been brought out or not, but there are in ISO approximately 107 technical committees on many varied aspects including such things as food.

Mr. ROUSH. We have had different figures; one is 115 and one 118.

Mr. MARSHALL. I think it is in excess of 107 today, but of the secretariats of these various technical committees the vast majority are held by England, 25; France holds at least 18; we hold 10 in the United States; the Netherlands holds 9; and then there is a scattering among the other countries.

This is an indication of the lack of adequate participation by the United States for there are many of these areas that we have a very definitive interest in and could have offered to accept the secretariat if the funds for the support had been forthcoming.

Mr. ROUSH. Is the fact that we have held so few of these secretariats due to the lack of the Government participation in this country?

Mr. MARSHALL. No. Government has participated. Government is represented and participates in ASTM. On every one of our technical committees there is Government representation. I know that the National Bureau of Standards has participated particularly in other international activities through the American Standards Association, but the extent of that participation has been extremely limited. Most of it has been the participation in the review and development of American standards and in the review of the international recommendations as they come here. There is a need, in our opinion, for a strengthening on a cooperative basis, not just Government or just industry, but it has got to be done by both for after all the Government is the biggest consumer in the country.

Mr. ROUSH. The reason for the question was that I wondered what has made the difference. Why has England so many participants and why have we so few; what really is the reason for this?

Mr. MARSHALL. Well, I think there are two reasons. I will give the lesser reason first. Much of the work in international standardization is done in Europe and the cost of travel and support to this activity within Western Europe is relatively small. We have an ocean to cross to get there.

But the more important reason is that the British Standards Institution which represents Great Britain in ISO does have cooperative financial support by a Crown grant that amounts to about one-third of their total budget. This permits them to support participation in international standards activities commensurate with the economic interests of Great Britain.

We have had to go out and in effect pass the hat to industry to try to stimulate and encourage them to support participation in an international standards activity. The cost of a secretariat runs about—it varies, but my guess is that it would average perhaps \$20,000 to \$25,000 a year for the administrative work of holding the secretariat of an international technical committee.

In addition to that, there is the cost of supplying the people to visit the committee and subcommittee and working group meetings, most of which takes place in Europe.

Mr. ROUSH. Mr. Vivian?

Mr. VIVIAN. I would like to come back to the subject of participation in various activities. You indicated every committee has government participation.

Mr. MARSHALL. Yes.

Mr. VIVIAN. Who decides who shall participate from the government?

Mr. MARSHALL. The interested government agencies make that decision.

Mr. VIVIAN. Would you invite the agencies to send participants?

Mr. MARSHALL. We open our technical committees to membership by any interested qualified individual with the one restriction that the producers in membership on a committee may not outnumber the nonproducers.

Mr. VIVIAN. Now, the subject of consumers has been raised a number of times and some matters have been mentioned which go to the interests of consumers. There is a pertinent problem. Baby toys I pre-

sume are in the consumer group, but for many industrial products the only consumer is another industry. I presume there are many products for which the general consumer is not even interested in being present.

How do you handle a consumer in these different roles?

Mr. MARSHALL. It is rather difficult to get qualified representation to contribute technically to a technical committee of an organization such as ASTM from that type of consumer. We have to depend on consumers. They don't manufacture the materials that are used, they are the ones that use the materials, and they are the ones that you and I discontinue using if we don't like the job they do on us. They are most interested.

Mr. VIVIAN. Voluntary.

Mr. MARSHALL. That is right. The actual man-on-the-street type of consumer in the activities of ASTM other than that which we all as individual consumers have an interest in, seldom appears in the membership of our technical committees and I think this is understandable, too. We have to depend upon membership from such groups as GSA, for example, that does tend to look out for the consumer in a sense, independent educators, unattached consultants, consultants that are not under contract or retained by either a producer or an industrial consumer, but they do look at it as professional people.

Mr. VIVIAN. Do you have representatives from various large unions?

Mr. MARSHALL. No, we have made no effort to invite them.

Mr. VIVIAN. Do you invite members of consumers unions?

Mr. MARSHALL. Consumers Union or Consumers Research are both members. They make the choice as to the committee they wish to participate in.

Mr. VIVIAN. Let's go to page 6. You indicate that you would like to see the clearinghouse operation performed not by the Government, but rather performed by an organization such as USASI as an agent of the Government, I gather, and you indicate this would find more ready acceptance, could get industry assistance in supporting this, is that right?

Mr. MARSHALL. In the clearinghouse function, yes, but as I visualize it and I think I indicated the formation would not be supported by the Government, it would be formed by cooperative agreement in the actual planning of the organization and operation as a cooperative venture between industry and Government.

Mr. VIVIAN. There is a clearinghouse within the Department of Commerce.

Mr. MARSHALL. Yes.

Mr. VIVIAN. Would you transfer these operations to USASI?

Mr. MARSHALL. If the operation in USASI were adequately established and organized to fill the real bill, then I would say yes, I would close that clearinghouse.

Mr. VIVIAN. Is that the recommendation of the Department of Commerce?

Mr. MARSHALL. I don't know what the recommendation of the Department of Commerce is.

Mr. VIVIAN. Mr. Chairman, I would appreciate information in the record on that question from the Department of Commerce.

Mr. ROUSH. We will see that it is requested and inserted in the record.

(Information requested is as follows:)

GENERAL COUNSEL OF THE DEPARTMENT OF COMMERCE,
Washington, D.C., October 3, 1966.

HON. J. EDWARD ROUSH,
*Chairman, Select Subcommittee of the Committee on Science and Astronautics,
House of Representatives, Washington, D.C.*

DEAR MR. CHAIRMAN: This is in response to your request for the views of the Department of Commerce on questions raised during recent hearings on H.R. 17424, proposed legislation to promote international standards activities and to provide standards information services.

The bill presently recognizes the responsibility of the Secretary of Commerce for supporting both international standards activities and for providing standards information services. He would be authorized to support these activities either directly through government programs or by grants and contracts to qualified nonprofit institutions. The major questions raised in the hearings were concerned with how much of the activities would be done by government and how much would be done by the private sector.

INTERNATIONAL STANDARDS ACTIVITIES

The statements presented at the hearings and the record make abundantly clear the need for the Federal Government to increase its support within the voluntary international standards process. The proposed legislation would permit this kind of support to be done either by government or by Federal support of private international standards activities through grants and contracts. There was testimony that the bill should be administered through a cooperative government-private program concentrating heavily on the support of existing private standards organizations which meet the criteria in the legislation. It was also pointed out by Congressman John D. Dingell that the government should have staff adequate to protect the public interest. One witness testified that government should be more involved in representing the interests of the United States in the international standards process.

In our view, sound policy calls both for the participation of government and for the support of the qualified private standards bodies. The Department presently participates in these activities in cooperation with standards organizations. This legislation essentially is authority for a limited grant program to support the international work of the qualified standards groups, as well as the information activities.

The Secretary of Commerce would be responsible for surveying the areas of international standards activities which might be supported most fruitfully and for allocating funds to those areas through grants and contracts. He should have adequate tools and staff for this function which would include long-range planning, considering our international trade position, and maintaining appropriate economic and technical ability to assure maximum long-term benefit to the country as a whole. He would consult with industry and private standards bodies in this process.

From the broad areas surveyed, the Department would assign priorities for funding based upon such important national goals as opportunities for reducing barriers which would have significant impact on our balance of trade or our balance of payments. In those areas of paramount public interest in which the international trade position of the United States is vitally concerned, the government would be expected to take the leading role in representing the United States interests, either through government-to-government contact or by taking initiative to encourage private bodies to increase their international activities. In those areas which are important but involve mainly the expansion of private markets through voluntary harmonization of standards, the private standards groups and industry could be expected to exercise leadership.

Grants would be made in general areas of demonstrated need. The terms of a grant could include participation by government technical people on the working committees. It would be expected in any event that government would increase its technical support on these committees. The Department of Commerce would expect to evaluate and review the effectiveness of government support in achieving the goal of harmonizing national and international stand-

ards. We could expect the private bodies to contribute at least the amount of Federal funds for the international standards activities.

STANDARDS INFORMATION ACTIVITIES

A similar question was raised as to the division of activity in furnishing standards information. All witnesses appeared to agree on the need for such a service with Federal support. Adequate standards information activities would serve three functions. The first is collecting, indexing, cataloging, translating and organizing existing standards. The second is obtaining information on what standards are under development and which groups or organization is responsible. The third function is disseminating standards and standards information.

Each of these functions must be looked at differently. It would not be appropriate, for example, for the Federal Government to perform all of these functions with respect to all standards and standards activities, although some parts of these functions would have to be provided by the Federal Government. It is our intention to support standards information activities along the following lines:

1. The Department of Commerce would carry out each of the three functions directly with respect to all Federal, State or local procurement standards and specifications and with respect to standards issued by governments or international organizations operating by treaty or international agreement. The Federal Government is in the best position to acquire this information which is directly related to public activities.

2. With respect to voluntary standards developed and published by private groups the first two functions would be carried out through a national standards body such as the United States of America Standards Institute with appropriate government support. The third function could be undertaken by the standards organizations which publish the standards themselves, since some of those groups have rights in their own publications and use the receipts to support their work in voluntary standardization. It would not be our intention to underwrite or subsidize the development, publication or sale of standards developed by private United States groups. We would expect to support by grant or contract the translation and dissemination of foreign standards. We would also help support the development of an adequate system of information storage and retrieval.

3. The Department of Commerce and the private national standards body would exchange information obtained by each. This exchange would permit better cooperation between public agencies and all private standards groups in planning and conducting standards activities. For example, it could serve to identify needless duplication in the development of private and government standards. The information, which would be publicly available, would serve the public interest by allowing interested parties to know about existing standards or standards under development.

PROTECTION OF SMALL BUSINESS

Congressman Dingell asked how the public interest—including consumers and small business—would be represented in the process, since domestic standards might be altered as a result of international participation. It is emphasized that this legislation would not directly support any development of domestic voluntary standards. However, government participation on the committees participating in international standards activities, as well as the procedural safeguards required before we would support a private standards group, will be sufficient in our judgment to protect the interest of the general public and small business.

Concerning Congressman Dingell's suggestion for a limitation of the duration of contracts, we agree that a contract or grant should not extend beyond three years. We believe that the appropriations process in Congress and our own periodic review of the grants and contracts would be adequate to satisfy the Congressman's concern. Therefore, we see no need for a statutory limitation.

ANTITRUST

Congressman Dingell also suggested a requirement that the Antitrust Division of the Department of Justice should be asked to pass upon the antitrust aspects of new standards. He stated that further exploration should be made of the private antitrust problems raised when a businessman thinks he is injured by collective actions of groups of producers who have obtained a standard which prevents him from competing on equal terms.

These questions do not directly bear upon the subject matter of the legislation proposed. The bill would not give direct support to the domestic standards development process and therefore a requirement to clear new standards with the Justice Department would broaden the intent of the legislation. The best assurance against antitrust objections is for an adequate standards development process which will ensure balanced participation by interested groups. Of course, we would not support an international program by a standards body that had an inadequate process, as provided by Sec. 3(a) of the bill. On this point, the Assistant Attorney General for Antitrust in connection with the recent legislation on motor vehicle safety standards stated that the antitrust laws do not prohibit standardization activities properly carried out.

THE VOLUNTARY PRODUCT STANDARDS PROGRAM OF THE NBS

Mr. John Ritchie of the American Plywood Association expressed concern that the legislation could give authority to eliminate the voluntary product standards program of the National Bureau of Standards in favor of programs carried out by private standards organizations. We do not believe that the legislation would either add to or take away from the Secretary any authority with respect to the voluntary product standards program. It is not our intention in this legislation to impair the existing voluntary product standards program. We have strengthened that program considerably as a result of the recommendations of the Panel on Engineering and Commodity Standards.

As the former chairman of that Panel testified before your Committee, the Panel recommended that the program be continued and strengthened. As the bill is not intended to support domestic private standards development activities, we do not see the need for a statutory savings clause. However, if the Committee thinks it is necessary or desirable to insert a savings clause, we would not object to language indicating that nothing in the legislation shall be deemed to impair the voluntary products standards program.

MISCELLANEOUS TECHNICAL AMENDMENTS

Suggestions were made for technical amendments to clarify the meaning of certain words in the bill, such as the use of the terms "commercial" and "product" as limitations to the types of standards to be supported. It was also suggested that the information coordination function and the price setting function for government sales of its standards should be clarified. We have no objection to clarifying the language to avoid ambiguities and would be happy to work with staff counsel in arriving at satisfactory technical language.

Another proposed revision pertains to line 18 of Sec. 2(a) of the bill. The suggestion was made that the bill should indicate a preference for participation in the recognized international standards bodies such as the Organization for International Standardization (ISO), the International Electrotechnical Commission (IEC), and the Pan American Standards Commission (COPANT). We do not think it is desirable to name specific organizations in the bill since there may be other international groups in which the United States should participate. We would have no objection to a statement in the Committee's report that participation in international standards work under the legislation most likely would be through these organizations.

It was also suggested that subsections 3(a) and 3(b) may be duplicative. The basic distinction between the two is that subsection (a) authorizes the issuance of grants or contracts to qualified private, nonprofit standards organizations or bodies while subsection (b) permits contracts to firms or organizations which may or may not meet the criteria for grants. We think that this difference justifies retaining the two subsections substantially in their present form. The intent might be clarified, however, by deleting the term "enter into contracts or other arrangements" from Sec. 3(a). That authority would be retained in Sec. 3(b).

The foregoing views cover the main points and questions brought out in the recent hearings. We hope you will call on us for any other assistance or information you may need.

We have been advised by the Bureau of the Budget that there is no objection to the submission of these views from the standpoint of the Administration's program.

Sincerely yours,

ROBERT E. GILES.

Mr. VIVIAN. I would like to ask the same question of our previous witness.

Dr. LAQUE. I would be inclined to modify Mr. Marshall's answer to that question with respect to the clearinghouse. It is my impression that the scope of the commerce clearinghouse goes well beyond the particular activity dealt with here; that is, the acting as a clearinghouse of standards and such like things. I think there are many other functions of the clearinghouse originating within Government agencies that still need to be undertaken. I think he confined his answer to this aspect.

Mr. MARSHALL. That is exactly right.

Mr. VIVIAN. I think the question was: What split would there be between the two functions, the USASI clearinghouse and the Government clearinghouse, what would be the guidelines as to who does what.

Dr. LAQUE. I would give as guidelines only the international standards.

Mr. VIVIAN. That sounds like a pretty comprehensive title.

Dr. LAQUE. It is.

Mr. VIVIAN. I have no objection to the Department of Commerce having a clearinghouse. What are those particular items you feel that the Department of Commerce should handle? I wonder if the Plywood Association people would care to make a further comment.

Mr. RITCHE. Mr. Chairman, I think we said that our concern was that such a clearinghouse could have an influence on standards both nationally and internationally beyond what we would like to see happen in an independent agency. We would prefer a Government operation and feel it would be more efficiently handled, more consistently removed from any influences which industry can bring to bear on a private organization. Whether or not you are concerned that there are big companies in control or not, you are always concerned that your interest perhaps may not be best served by a private organization made up of any number of competitors of one sort.

Mr. VIVIAN. I would appreciate having the question raised with the Department of Commerce as to what relative fraction of the work could be conducted by a nongovernmental clearinghouse and by a governmental clearinghouse. I would also like to hear from Congressman Dingell of the Small Business Committee.

(Information requested is as follows:)

SELECT COMMITTEE ON SMALL BUSINESS,
HOUSE OF REPRESENTATIVES OF THE UNITED STATES,
Washington D.C., September 30, 1966.

HOB. J. EDWARD ROUSH,
*Chairman, Special Subcommittee on Standards, Committee on Science and Astro-
navitics, Washington, D.C.*

DEAR MR. CHAIRMAN: The very able counsel for your Subcommittee was good enough to inform me of the request made by our colleague, Congressman Vivian, for my views concerning the standards clearinghouse function proposed in H.R. 17424. As I understand the precise question with which Congressman Vivian is concerned is the extent to which clearinghouse functions should be performed in the alternative by either the Department of Commerce or by some one or more organizations within the private sector.

It is my impression that there is a consensus between those on both sides of this question that at least some of the clearinghouse function must of necessity be performed by the Department of Commerce. This being the case, it seems

to me unnecessary to attempt the virtually impossible task of attempting to anticipate what the various functions of the clearinghouse would be and to attempt to assign them to public agencies or the private sector. Rather, orderly administration would dictate that if at least some of the functions must be performed by the Department of Commerce, then it would be far simpler to have the entire function performed by that agency. This would also serve the purpose of allaying any fears that might exist as to possible misuse for competitive advantage that could conceivably exist were the clearinghouse to be maintained by an organization financed primarily by the large producers of various commodities.

There are, additionally, a number of reasons which would make the operation far more economic if performed by the Department of Commerce. It is my understanding that the clearinghouse would be operated under a federal grant program if assigned to the private sector. Quite obviously the many offices presently maintained by the Department of Commerce throughout the country could be used for distribution of the many records necessary, thereby making the material more readily available to those located at some distance from the Capital.

Sincerely,

JOHN D. DINGELL,

Chairman, Subcommittee on Regulatory and Enforcement Agencies.

Mr. MARSHALL. I think it would be undesirable to have two clearinghouses doing the same thing. There is too much to be done in this country. I think there is a safeguard in this bill, if it is not satisfactorily done privately, the Secretary of Commerce has the authority to change the manner in which he decides that it should be done.

Mr. VIVIAN. I have no preconceived notions of what this should be.

Mr. ROUSH. Thank you, Mr. Marshall.

The committee stands adjourned subject to call of the Chair.

(Whereupon, at 11:57 a.m., the subcommittee stood adjourned.)

The first part of the report deals with the general situation of the country and the progress of the work done during the year. It is followed by a detailed account of the various projects and the results achieved. The report concludes with a summary of the work done and a list of the names of the staff members who have been engaged in the work.

The second part of the report deals with the financial statement of the organization for the year. It shows the income and expenditure for the year and the balance carried over to the next year. It also shows the assets and liabilities of the organization at the end of the year.

The third part of the report deals with the administrative matters of the organization. It includes a list of the members of the staff and their duties, a list of the committees and their work, and a list of the various reports and documents prepared during the year.

The fourth part of the report deals with the future plans of the organization. It includes a list of the projects to be undertaken in the next year and a list of the resources required for their completion.

APPENDIX 1

STATEMENTS FOR THE RECORD

DEPARTMENT OF STATE,
Washington, D.C., September 23, 1966.

HON. GEORGE P. MILLER,
*Chairman, Committee on Science and Astronautics,
House of Representatives.*

DEAR MR. CHAIRMAN: This statement in behalf of the Department of State is submitted at the request of the House Committee on Science and Astronautics for inclusion in the record in connection with Committee hearings on H.R. 17424. The Department favors the bill, the purpose of which is "to promote and support representation of United States interests in voluntary international commercial standards activities, to establish a clearinghouse for commercial and procurement standards, and for other purposes".

The bill would authorize the Secretary of Commerce to issue grants to qualified private non-profit organizations to enable them to participate more actively and effectively than they can now in the promotion and development of voluntary international standards in association with foreign standards-making bodies. It would also authorize the Secretary of Commerce to enter into contracts or cooperative arrangements deemed necessary to establish and maintain a clearinghouse service for the collection and dissemination of engineering or product standards and Federal, State, and local procurement standards. Even though the Secretary now has general statutory authority to promote and develop the foreign commerce of the United States, specific legislation would establish clearly his responsibilities in an area which traditionally has not been supported by government in this way.

The bill is designed to meet a need recognized by responsible business and industrial leaders in advisory reports to the Government. The Report of the Committee on Business and Industry of the White House Conference on International Cooperation (November 20-December 1, 1965) and the Report of the Panel of Engineering and Commodity Standards of the Commerce Technical Advisory Board (February 2, 1965) both commented that United States participation in international standardization work, while active in some technical areas, is inadequate or altogether lacking in others of present and potential importance to our international trade. The Report of the Committee on Business and Industry noted that differences among national standards and between national and international standards may be, and have sometimes proved to be, barriers to international trade.

The United States should make a more vigorous effort than it has heretofore made with respect to influencing the development of common voluntary standards in directions favorable to the growth of American exports and to the general facilitation of international trade. One development pointing to this need is the rapid growth of common markets and free trade areas in Europe and elsewhere. Another is the increasing weight given to the recommendations of standards organizations, particularly the International Organization for Standardization to which the most representative national standardization bodies of 50 countries are parties, and the International Electrotechnical Commission in which 38 countries participate, each through a national committee. The United States interests are represented in both organizations and in the Pan American Standards Commission by the United States of America Standards Institute (USASI). Expression of the American point of view in these groups is limited by the resources of the USASI. An additional factor is the unique opportunity in Latin America, where the standards movement is at an initial stage of development, for the United States to lend its support to the formulation of standards. Last,

but not least, is the continuing deficit in the international payments account of the United States, which a higher level of American exports can help to reduce.

The need for using United States Government funds to encourage the participation of private non-profit organizations in international standards activities arises from insufficient participation of United States interests in the development of international standards. One explanation of the lack of support is a failure of the business community to recognize the potential effects—both good and bad—of standards on trade opportunities, a neglect which may be due to the fact that exports frequently constitute a relatively small portion of the business of many domestic producers. By contributing to American organizations participating in international standards work, the Government can demonstrate to the business community the economic benefits of standardization and encourage it to increase its financial support of and participation in international standards work.

The Department suggests that the legislative history of the bill recognize the primary responsibility of the Secretary of State for initiating and implementing foreign policies, and express the intent that the standards activities of United States interests promoted and supported by the Act be consistent with the trade and foreign policy objectives of this country.

The Department also considers that United States organizations receiving public funds under the Act (1) should work for the adoption of standards which will reflect a balanced consensus of all groups affected—producers, distributors, users and consumers; and (2) should urge upon international standards conferences the desirability that participating organizations representing other countries also reflect the general consensus of all their domestic interests. This point is important both to protect affected domestic interests and to assure that the standardizing process does not operate to restrain international trade. It understands that the Secretary of Commerce, in establishing the policies, criteria, and procedures and in prescribing the rules and regulations referred to in Section 3(c) will define the means by which he shall determine, as required by Section 3(a), if a private, nonprofit standards organization or body represents the general interest and has established adequate procedures to this end. It also understands that private United States organizations receiving grants will be available to consult with appropriate United States Government agencies prior to participating in international standards-making activities. Observance of the consensus principle as described above would discourage formulation of standards which would control or limit production, set prices, or otherwise create restraints on trade.

The Department believes that development of international standards will bring economic benefits to the United States and to all trading countries. Competent standards will reduce production, inventory, and distribution costs and simplify installation and use of complex machinery and other products. They will also facilitate establishment of industries in developing countries and direct production toward the most efficient producers. American participation in such efforts is in accord with this country's non-restrictive trade policies and with the liberalized trading environment that is the goal of the Kennedy Round of trade negotiations.

The Bureau of the Budget advises that from the standpoint of the Administration's program there is no objection to the submission of this statement.

Sincerely yours,

DOUGLAS MACARTHUR II,
Assistant Secretary for Congressional Relations.

EXECUTIVE OFFICE OF THE PRESIDENT,
OFFICE OF SCIENCE AND TECHNOLOGY,
Washington, D.C., September 23, 1966.

HON. GEORGE P. MILLER,
Chairman, House Committee on Science and Astronautics,
House of Representatives, Washington, D.C.

DEAR MR. MILLER: In response to an invitation from your staff, I am pleased to provide the attached statement of my views in support of HR 17424 and HR 17598.

Sincerely,

DONALD F. HORNIG,
Director.

STATEMENT OF DR. DONALD F. HORNIG, DIRECTOR, OFFICE OF SCIENCE AND TECHNOLOGY

Mr. Chairman and members of the committee, the legislation under discussion is important to the long term economic growth and well-being of the United States. Improved communication and transportation facilities have brought the inhabitants of the globe ever closer together. Business transactions are becoming less and less constrained by national boundaries. Countries participating in the international market receive benefits because resources can be allocated to those productive activities at which the country excels, with consequent increases in economic efficiency.

It is appropriate for all countries engaged in international commerce to search out and overcome obstacles to the ready movement of goods. Most developed countries became actively involved in the establishment and improvement of international standards long ago, because it was clearly understood that products sold must be designed and constructed in a fashion so as to be compatible with the environment at the point of use. This has been less true in the United States than in many other developed countries, because we were fortunate in having a large national market to which most productive energies were directed.

But now the United States has a great stake in international trade. Unless we maintain or expand our trade surplus, we will incur a gold outflow which could weaken our currency. In order to avoid such a development it will be necessary to stimulate the export of the goods which will bring the most substantial profits—high technology products. And it is in this realm that the inadequacies of existing international standards are most evident. It is therefore in the interest of the U.S. to encourage the preparation, adoption and wide use of improved international standards. The proper development and use of voluntary standards are an essential step in assuring that the private and public investment in science and technology is efficiently utilized.

I believe it fitting and proper that the Federal Government contribute both financial and technical support to organizations which participate effectively in international standardization activities. Contribution by Government is necessary because of the long lead time required to study and negotiate prior to the adoption of any standard, and because the benefits of standardization are widely diffused throughout the country.

Standards must be used to be effective. Standards are regularly changed and extended. As products become more technologically sophisticated and complex, standards must be refined. The typical industrialist, designer, or market analyst must have ready access to current standards and related technical information. Few firms are able to maintain a fully adequate library of standards for their regular business. And most, if not all, are handicapped by incomplete or obsolete standards information when attempting to explore a new market overseas or design a new product line. There exists an unmet need for a clearing-house which would maintain a library of standards and government specifications and provide associated services to standards users.

The bills before the Committee, HR 17424 and HR 17598, offer an opportunity to repair these inadequacies. I strongly support their passage.

EXECUTIVE OFFICE OF THE PRESIDENT,
PRESIDENT'S COMMITTEE ON CONSUMER INTERESTS,
Washington, D.C., September 21, 1966.

Mr. FRANK R. HAMMILL,
Committee on Science and Astronautics,
House of Representatives, Washington, D.C.

DEAR MR. HAMMILL: Thank you for asking our views on HR 17424. In the interest of American consumers, I recommend that this Committee act favorably on HR 17424, and I urge its prompt enactment.

This bill would promote and support representation of United States interests in voluntary international commercial standards activities and would authorize the establishment of a clearing house for information on commercial and procurement standards. It would clarify the authority of the Department of Commerce so that its National Bureau of Standards could provide much needed stimulus and leadership in the field of standards in which it is now technically and scientifically preeminent. I believe that such legislation is long overdue, and that a vigorous effort to improve and expand standards is badly needed. This bill would be one step in this direction.

My special interest is in the consumer aspects of this proposed legislation, in my capacity as Special Assistant to the President for Consumer Affairs.

In my opinion, American consumers should benefit materially from expanded international and domestic standards activities for consumer goods. First, greater use of standards would improve the quality of imports as well as domestic merchandise. American industry and labor should also benefit from larger exports which would be made possible by widening foreign markets through more standardization of parts and equipment and the establishment of standards of quality and performance.

Second, a comprehensive, effective clearing house system for information on existing product standards, domestic and foreign, does not now exist in the United States. It is badly needed. With such a system, producers, retailers and consumers could make much wider use of the invaluable standards programs already developed, and the performance and quality of American products would be improved.

Before discussing the specific merits of this proposal, we should be clear about the terms "standards activities" and "standardization."

"Standardization" does not mean dead-level uniformity. Rather, standards provide an orderly framework of sizes or weights or measures, or speeds, or power, or other performance characteristics which all producers can use in design and production and which buyers can use as a guide to their purchases. Standardization reduces proliferation, and standards provide common definitions. Some well known examples of standards include wood screws and nails which are sold in standard sizes; electric outlets and electric plugs in uniform sizes; cans for fruits and vegetables which are made in a few recognized sizes worked out by industry. This kind of "standardization" is the very essence of the American productive genius. It is fundamental to our mass production and mass marketing system by which products are made available to millions of people at moderate costs. It is also fundamental to the enormous business of repairs and replacement of parts.

"Standards" may take the form of a definition or formula for the contents, like aspirin; or they may relate to a type of construction—e.g., sewed or cemented shoe soles; or they may describe performance, such as the weight which a ladder will hold or the mileage a tire of given thickness will run under certain conditions. Usually the standard contains a procedure for testing for conformity. These standards describe qualities which enable buyers to judge whether a product will meet their needs and enable them to buy with more confidence.

Each standard or group of standards is unique because the products it covers are different from those of other industries. Standards for each industry and group of products must therefore be dealt with separately. The task of

developing standards is technical, difficult, and continuous because products are constantly changing.

Most of the standards in use today are highly technical engineering standards relating to materials and parts. Consumers are not usually aware of them, but nevertheless they benefit from them. When standards are widely recognized and used, they improve the quality of performance of goods all along the line, and the consumer is at the end of the line.

But today there are all too few consumer goods standards. It is my hope that this bill will promote their development and use.

Turning now to the specific provisions of the bill, I wish first to discuss the proposed clearing house service. I strongly support this proposal.

Section 1(b) of HR 17424 provides that the Secretary of Commerce, in cooperation with private organizations, would "establish and maintain a clearing house service for the benefit of producers, distributors, users, consumers and the general public for the collection and dissemination of engineering or product standards and Federal, State or local procurement standards and information pertaining to such standards from whatever sources, foreign and domestic, that may be available"

This program would utilize existing libraries and collections of standards information, since Section 3 gives the Secretary authority to make grants and enter into contracts with private non-profit organizations to carry out this and other provisions of the bill. In my opinion, leadership by the Department of Commerce and Federal financial support are essential in information and standards is to be accurately catalogued and widely disseminated so that it can be more generally used.

The fact is that there is no such organized system of information on standards in the United States today.

Not even the Federal Government has a single complete list of its own standards, or any one place to which an inquirer can go to find them.

Last year, I asked for a comprehensive list of consumer goods standards or consumer procurement specifications and found it simply did not exist. In response to the request of the President's Committee on Consumer Interests, the Department of Commerce convened an interagency committee—including such standards-making agencies as the Department of Agriculture and the Food and Drug Administration, GSA and Defense Procurement, to look into the availability of this information. It proved to be a huge undertaking. That Committee strongly recommended the establishment of a clearing house which the Department of Commerce would maintain through its National Bureau of Standards including a clearing house for Federal standards information.

The United States Government has established many standards, especially where public health and safety are concerned—for foods, drugs, insecticides and pesticides, and, just this year, for automobiles and tires. These standards are all published, but one must search to find them.

The Federal Government also has a vast body of procurement specifications developed for the tens of thousands of products it buys, both civilian and military. They provide a useful guide which industry could use as a starting point for development of voluntary standards. In fact, many manufacturers now produce goods to these specifications since the Federal Government is such a major customer. It pays industry to adapt their designs and machinery at least to meet these minimum specifications, which are so carefully developed.

The Department of Defense, the General Services Administration and other procurement agencies publish excellent directories of these specifications, but again, one must search hard, for example, to find consumer type product standards.

However, most "standards" in the United States are voluntary standards which originate in private industry. They would constitute the bulk of the standards in any clearing house. They are developed by experts, usually under industry auspices. After producers and users have come to a consensus and agree upon a standard by suitable procedures, it can be issued as a universal standard by an appropriate national standardizing body. But again, each standards organization issues its own publications and maintains its own library.

It is most important that this excellent, but scattered, information, be pulled together in a well coordinated clearing house system. Modern data retrieval systems should be installed so that inquiries can be answered promptly and efficiently. Private and public agencies should combine resources in this effort.

From the consumer's point of view, such a clearing house would provide our first really comprehensive, definitive survey of standards for consumer goods

and point up the gaps where standards activities need to be initiated. We now know some of these gaps, but I am sure that there must be others of which we are unaware.

Most important of all, of course, is the fact that if information on standards is readily available, it will be more generally used. The more it is used by producers and distributors and consumers, the better our products will be, and the better consumers will be served.

The second major provision of this bill (Sec. 2(a)) relates to international standards activities. Here again, I believe that it is most important that the Secretary of Commerce provide leadership to assure adequate U.S. representation in this field, in which other countries are moving so rapidly.

The United States early became the world leader in the development of voluntary commercial standards, through the efforts of American business and industry and the Bureau of Standards, stimulated and organized by the late President Hoover. In recent years, however, our position in the international picture has gradually eroded because of lack of leadership in the organization and financing of a comprehensive effort in international standards-making activities. It is most desirable that the Secretary of Commerce, in cooperation with private standards making bodies, should now actively undertake this function, as this bill authorizes him to do.

In my travels in other countries, I have observed that every major industrial nation in the world has a standards making activity which is either government financed or Government-assisted and which makes certain that its country's industries are properly represented in the field of international commercial standards. In the United States, on the other hand, we have not spoken with one voice. Moreover, we have actually been absent from the council tables on more than one occasion when other countries met to agree on product standards. It is essential to protect the interest of American consumers at home and American exporters that the United States be fully represented in these councils, particularly when new materials and products, new proposals for packaging and transportation standards are being developed. The American Standards Association, now known as the United States of America Standards Institute, has represented the United States with respect to some products, but in others there has been little or no representation.

One of the principal reasons for urging the passage of this legislation is to assure better quality and greater standardization of imports into the United States. The post-war surge of production in Europe and Japan, turned out by new plants with the most modern equipment has brought a flood of new merchandise into world trade—and a flood of imports into the United States. Many of these imports are inexpensive consumer goods which undersell American products. In some cases domestic production is being displaced. Some of this imported merchandise is of good quality, and if it is, buyers should know, for we need good inexpensive goods for sale here. But some of it is shoddy, or poor quality. The buyer can only rely on the retailer, or buy and try.

In the long run, the only assurance of quality lies in agreed upon international standards, which exporters in other countries would observe. If, for example, American retailers knew that a given line of portable radios, or other electronics equipment, met an international standard, they could buy with more certainty and so could consumers.

Standards for consumers' goods are now receiving more attention, both here and abroad—but as yet there are too few of them. We hope there will be more. It would be a great gain for consumers if there were international standards for major consumer goods, that move in international trade—such as textiles, electronics, appliances, watches, etc. Our U.S. export business would also benefit greatly.

But the important forward step for which this bill provides is adequate U.S. representation whenever international commercial standards are under discussion. This is needed whether the standards are for materials or parts or producers or consumers' goods or packaging. The United States must not be left out. If we are at present represented by our experts from industry, government, and professional organizations, we can contribute to these standards, and all countries should benefit.

For these reasons, I urge that this Committee take favorable action on HR 17424.

Sincerely,

ESTHER PETERSON,
Special Assistant to the President for Consumer Affairs.

GENERAL SERVICES ADMINISTRATION,
Washington, D.C., October 11, 1966.

Hon. GEORGE P. MILLER,
Chairman, Committee on Science and Astronautics,
Washington, D.C.

DEAR MR. CHAIRMAN: By letter dated September 12, 1966, Mr. Frank R. Hamill, Jr. of your Committee's staff requested the comments of the General Services Administration on H.R. 17424, 89th Congress, a bill "To promote and support representation of United States interests in voluntary international commercial standards activities, to establish a clearinghouse for commercial and procurement standards, and for other purposes."

The purpose of the bill is to enable the Secretary of Commerce to arrange for participation in international standardization of products, and for him to maintain a clearinghouse service for collection and dissemination of information on international standards. Such clearinghouse would also provide a central retrieval system to permit interested persons to determine quickly and inexpensively what information has been collected in any catalogue on existing standards.

Section 3 of the bill provides authority for the Secretary of Commerce to make grants, enter into contracts, and prescribe necessary regulations in the area of international standards. The Secretary would be permitted to establish prices for such material at levels permitting recovery of costs incurred.

GSA representatives have in the past worked with the Department of Commerce in the initial studies performed to determine the feasibility of such a bill. We believe the proposed bill is consistent with the objectives of the Federal standardization program and is not in any way in conflict with GSA's policies and procedures.

Accordingly, GSA recommends the enactment of H.R. 17424.

The Bureau of the Budget has advised that from the standpoint of the Administration's programs, there is no objection to the submission of this report to your Committee.

Sincerely yours,

LAWSON B. KNOTT, Jr., *Administrator.*

THE UNIVERSITY OF CHICAGO
CHICAGO, ILLINOIS

THE UNIVERSITY OF CHICAGO
CHICAGO, ILLINOIS

THE UNIVERSITY OF CHICAGO
CHICAGO, ILLINOIS

APPENDIX 2

CORRESPONDENCE FROM INTERESTED PARTIES

AMERICAN INSTITUTE OF STEEL CONSTRUCTION, INC.,
Washington, D.C., September 14, 1966.

Mr. FRANK R. HAMMILL, Jr.,
*Committee on Science and Astronautics,
House of Representatives,
Rayburn House Office Building,
Washington, D.C.*

DEAR MR. HAMMILL: Thank you for your letter of September 12, 1966 requesting the views of The American Institute of Steel Construction, Inc. concerning H.R. 17424. We are honored that you see fit to consult us in such matters.

While the Institute is normally concerned solely with fabrication of structural steel for domestic use, my principals in New York may have some construction suggestions to offer. Consequently, your communication has been referred to them.

Yours very truly,

JOHN SOULE, P.E.,
Senior Regional Engineer.

THE AMERICAN SOCIETY OF MECHANICAL ENGINEERS,
New York, N.Y., September 15, 1966.

Mr. FRANK HAMMILL,
*Counsel, Science and Astronautics Committee,
Rayburn Building, Washington, D.C.*

DEAR MR. HAMMILL: This Society has been involved in the development of engineering standards almost from the day of its formation in 1880, and we have participated in the growing demand for these industrial tools right up to this very moment. The breadth of our participation in the national standards field in the area of mechanical engineering has been considerable, and for over twenty years we have been active in the field of international standardization. We must go on to say that we were one of the founders of the American Engineering Standards Committee, the predecessor of ASA, newly identified as USASI and a constant supporter of that organization.

Referring again to our activities in the international standards area we have supported international secretariats and visiting representatives to foreign meetings and have had over these last twenty years firsthand evidence of some of the problems involved in support of these activities both under ISO and the IEC. In 1963, representatives of this Society visited the National Bureau of Standards and the Department of Commerce to suggest that some provision be made for help in support of the international standardization work in which we have been engaged. When the so-called LaQue Committee began its meetings in early 1963 we also made representations to that group on the subject of the need for additional support for international standards work. Further, we called attention in a report to that group in mid-1963 that there was a need for complete and centrally collected data on activities in the field of standardization.

It seems to us that Bill H.R. 17424 will provide authority to cover the requests that we mention above and we therefore support its adoption.

Yours very truly,

J. H. HARLOW, *President.*

CHEMICAL SPECIALTIES MANUFACTURERS ASSOCIATION, INC.,
New York, N.Y., September 15, 1966.

Mr. FRANK R. HAMMILL, Jr.,
Counsel, Committee on Science and Astronautics,
House of Representatives,
Rayburn House Office Building,
Washington, D.C.

DEAR MR. HAMMILL: This will acknowledge receipt today of your letter of Sept. 12th regarding Chairman Miller's bill H.R. 17424 introduced on Aug. 30th, 1966, to promote and support U.S. interests in voluntary international commercial standards activities.

While the Dept. of Commerce did raise some questions with this Association on this same general subject last winter, this is the first notice we have had with regard to the introduction of a bill or the fact that hearings are scheduled for Sept. 20-22, 1966.

The proximity of the dates will not permit us time to fully review the bill and statement of purpose and need from the Dept. of Commerce which you have sent to me. However, I will be pleased to refer this one copy of the bill and statement which you have kindly sent me, to our legal counsel and further I would request and it would be much appreciated if you would mail me, in the next day or so, 10 or 12 more copies of the bill and statement which certain committee members could then review during the Board of Governors meeting which is to be held on Cape Cod from Sept. 24-28th. Therefore perhaps in the first week of October, we might be in a position to comment more intelligently based on opinions expressed during the Board of Governors meeting. Your cooperation in this matter is much appreciated and thank you for bringing it to our attention.

Sincerely yours,

A. A. MULLIKEN, *Secretary.*

NATIONAL CANNERS ASSOCIATION,
Washington, D.C., September 15, 1966.

Hon. J. EDWARD ROUSH,
Committee on Science and Astronautics,
U.S. House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN: In acknowledgement of the invitation of Committee Counsel, Frank R. Hammill, Jr., for comment on H.R. 17598, a bill concerning international commercial standards activities, I am pleased to advise you that after careful study of the proposal I will recommend to the food canning industry that the measure have its support.

The National Canners Association has a long record of fostering voluntary programs to encourage the free interchange of commodities in commerce and for over 35 years has had the cooperation of the Department of Commerce in the issuance of Simplified Practice Recommendations for canned fruits and vegetables. Presently, in the international field, we are cooperating with the Department of Agriculture and other federal agencies in the development of the Codex Alimentarius, a code of international food standards for voluntary use, in a project jointly supported by the FAO and WHO.

Chairman Miller, you and the Department of Commerce are to be commended for taking leadership in recommending H.R. 17598, which I believe will provide for greater assistance by the Department in the development of effective and necessary voluntary international commercial standards programs.

Sincerely,

MILAN D. SMITH.

THOMAS ASSOCIATES, INC.,
Cleveland, Ohio, September 15, 1966.

MR. FRANK R. HAMMILL, JR.,
Counsel, Committee on Science and Astronautics, House of Representatives, Rayburn House Office Building, Washington, D.C.

DEAR MR. HAMMILL: Thank you for your September 12 letter and the copy of Chairman Miller's Bill H.R. 17424, which is a bill to promote and support representation of United States interests in voluntary international commercial standards activities, to establish a clearinghouse for commercial and procurement standards, and for other purposes.

I have reviewed the contents of this bill and am sympathetic with its intent but, frankly, seriously question the methods outlined to achieve the stated objectives. I have for many years been a very strong supporter of the American Standards Association, which is now the United States of America Standards Institute, as the sole agency responsible for standardization in the United States.

As I read the contents of the proposed bill, it would seem that its intent is to establish a separate organization to act as a clearinghouse in the area of domestic and international standardization, which I believe should be the primary function of the U.S.A. Standards Institute. I do agree that the performance of United States industry in the area of international standardization has, in the past, been woefully lacking for a number of reasons which we need not go into for the moment, other than to mention that one of the primary ones is cost.

It is my opinion that the objectives of the bill could be more effectively achieved by firm governmental support of the activities of the USA Standards Institute through grants, contracts, etc., rather than the establishment of a separate government agency to accomplish same.

In conclusion, it is my considered opinion that the USA Standards Institute, as it is now constituted, should be the agency which deserves the full support of government, industry, trade associations and technical societies.

Any movement to establish additional organizations in the area should be discouraged as being undesirable from the standpoint of diluting the effectiveness of this new organization.

Thank you for giving me the opportunity of commenting on this bill.

Yours very truly,

ALLEN P. WHERRY.

P.S.—Unfortunately, I will be out of the country during the time of the public hearings and, therefore, will not be able to appear.

AMERICAN LUMBER STANDARDS COMMITTEE,
Washington, D.C., September 16, 1966.

MR. FRANK R. HAMMILL, JR.,
Counsel, Committee on Science and Astronautics, House of Representatives, Rayburn House Office Building, Washington, D.C.

DEAR MR. HAMMILL: I have your letter of September 12, regarding H.R. 17424 introduced by Congressman Miller.

For the record, perhaps I should point out that the American Lumber Standards Committee, although its members are appointed by the Secretary of Commerce, is an autonomous organization operating under the auspices of the voluntary product standards program of the Department of Commerce. It is responsible for the maintenance and enforcement of the standard for American softwood lumber, currently SPR 16-53.

After reviewing the information submitted with your letter, it is my view that H.R. 17424 does not directly involve the functions of the ALS Committee.

The opportunity of commenting on this bill is appreciated. This is done with the understanding that such comments would not necessarily be interpreted as being the official position of the ALS Committee since this matter has not been considered by them.

The stated purpose of the bill appears to be admirable, and I have no objection to most sections of the bill as written. It should be understood that the activities of the ALS Committee has not involved any international trade except possibly in connection with cooperation existing between this office and the office of the Canadian Lumber Standards Administrative Board. Any bill which might inject this Committee into any international activity would have to be viewed in a different light. As I interpret its provisions, H.R. 17424 would not force this organization into such activity.

Section 3 (a) and (b) of the bill appear unnecessarily to delegate the responsibility of the Federal Government to certain non-government organizations deemed to be representative of the industry concerned. An undesirable precedent might well be established in the adoption of these particular paragraphs as written. It is my view that the Federal Government should not be authorized to assign or delegate its responsibility in carrying out the purpose of the act.

In summary, it is my opinion that the establishment of a central library by the Federal Government in making available information concerning existing standards as well as authorizing the Secretary of Commerce to promote and support United States participation in international standardization efforts would be considered worthwhile. This position is taken on the assumption that the adoption of the bill, as written, would not "open the door" to further government regulation in the field of standardization activities.

Sincerely yours,

G. A. THOMPSON, *Secretary.*

AEROSPACE INDUSTRIES ASSOCIATION OF AMERICA, INC.,
Washington, D.C., September 19, 1966.

Mr. FRANK R. HAMMILL, Jr.,
House Committee on Science and Astronautics,
Rayburn House Office Building, Washington, D.C.

DEAR Mr. HAMMILL: On behalf of the Aerospace Industries Association, I would like to express our appreciation of the Committee's interest in our comments and opinions on the policies set forth in H.R. 17424.

I have referred this bill and its explanation to the Association's Aerospace Technical Council for consideration. After the Council reviews this matter, I will forward to you their comments and the results of their study.

Thank you again for your interest.

Yours very truly,

KARL G. HARR, Jr.

RADIO CORP. OF AMERICA,
Princeton, N.J., September 21, 1966.

FRANK R. HAMMILL, Jr., Esq.,
Counsel, Committee on Science and Astronautics,
Rayburn House Office Building, Washington, D.C.

DEAR Mr. HAMMILL: Thank you for your letter inviting comments on H.R. 17424, a bill relating to voluntary international standardization activities as they affect United States industry.

In my opinion passage of this bill would aid materially in establishing a strong and healthy working relationship between industry and government in the area of national and international standardization. I fully support the objectives which the bill is designed to achieve.

Sincerely yours,

GEORGE H. BROWN.

ELECTRONIC INDUSTRIES ASSOCIATION,
Washington, D.C., September 22, 1966.

Mr. FRANK R. HAMMILL, Jr.,
Counsel, Committee on Science and Astronautics,
U.S. House of Representatives, Rayburn House Office Building, Washington, D.C.

DEAR MR. HAMMILL: In response to your letter of September 12, I am submitting the enclosed statement by the Electronic Industries Association on H.R. 17424 for incorporation in the published record of hearings on this legislation. Cordially,

JAMES D. SECREST,
Executive Vice President.

STATEMENT OF DAVID R. HULL, DIRECTOR OF ENGINEERING OF THE ELECTRONIC INDUSTRIES ASSOCIATION

The Electronic Industries Association is a national trade association representing manufacturers of electronic parts, equipment, and systems for the entertainment, industrial and Government markets. It was organized in 1924 and, since that time, has provided the electronics industry with a wide variety of services including marketing data, industrial relations, Government procurement relations, legislative information, service technician training . . . and standardization—both national and international. It is by virtue of the Association's heavy involvement in this latter area that we feel qualified to take a position on H.R. 17424.

Since the issuance of its first standard, over thirty-five years ago, EIA has recognized the importance of standards to both the manufacturers and consumers of the products concerned. The Association, through its Engineering Department, conducts its standardization in over 200 committees staffed with approximately 2500 industry engineers. These committees are comprised of representatives of both member and non-member companies and actively contribute to standardization in the following three areas:

(a) Industry Standards—over 200 EIA standards and engineering publications are available covering a wide variety of products and techniques in the entertainment, industrial and military fields.

(b) National Standards—many EIA standards are submitted to the USA Standards Institute (formerly ASA) and have become National Standards.

(c) International Standards—EIA committees have prime responsibility for formulating the USA position in a large number of International Electrotechnical Commission (IEC) committees, and many members of these committees represent the U.S. as delegates in IEC meetings.

The degree of interest of EIA in international standards is exemplified by the fact that the Association has an International Standards Committee reporting directly to the Board of Directors and employs a staff engineer for international activities.

The Association's activities in international standardization of electronic products, parts and test methods is handled by participation in the International Electrotechnical Commission. EIA is represented by officers and council members on the U. S. National Committee of IEC.

The IEC has thirty-nine member nations. All but three are wholly Government financed, and the USA is the only participating country without some Government subsidy. The other nations provide highly competent technical representation at IEC meetings. Their interests, of course, are best served by having standards of their origin become international standards.

If we are to enhance our export trade, it is essential that we do everything possible to insure that our standards are adopted abroad. To do this, we must provide adequate representation and technical competence as well as continuity of delegates service in meetings of international standards bodies.

EIA provides secretarial service for USA electronic participation in IEC. During the past fiscal year more than 1500 documents, of which 1250 were of foreign origin, were disseminated and correlated in preparation for international meetings, a very substantial and expensive operation.

USA delegates expenses are largely financed by our companies providing the services and covering the travel and subsistence of USA representatives. EIA finances the travel of certain technical experts from educational institutions. In combination, this represents a major contribution by industry.

Although we are sure that the report of the White House Conference on International Cooperation has been brought to the attention of the Committee, one paragraph in the section on International Engineering Standards is so pertinent to EIA's position that we feel it worth quoting, as follows:

"We believe that in those cases where participation is less than adequate the principal factors appear to be (1) lack of understanding of the nature of international recommendations and of their present and potential impact on the economic welfare of the country, (2) present importance of international trade in a given item (for example, the ISO Committees on Photography and Cinematography, Computing Machines, and the IEC Committees on Electronics and some Electrical Apparatus get good support from American industry and are effective in the preparation of international recommendations, probably because of the recognized importance of international trade in these items. On the other hand, Committees dealing with rubber goods, pipe, cast iron, and electrical instruments have received relatively little support.), (3) the number of redundant standardization activities which in certain areas have caused confusion and unnecessary expense, (4) the cost of financing delegations, secretariats, and chairmanships, and the lack of arrangements for sharing of such costs by those who would benefit from the activity. Competent delegations of two to twelve men are needed for each major technical committee meeting. Not only should these men be competent, but a high degree of continuity of service by particular individuals is essential in order that the American viewpoint may be presented from familiar sources, and so that the American delegation may maintain the respect and confidence of the delegates from other countries."

Although the electronics industry is supporting international standardization to a major extent, it is far short of the amount of effort necessary to represent effectively the U.S.A. in view of the extremely competent foreign delegates who benefit from continuity of personal involvement both at international meetings and in the preparation for such meetings. More often than not, U.S. delegates have to sandwich such tasks into a work day already overloaded with regular duties for their employers or spend their own time. To most U.S. companies in the electronics field it is a major sacrifice to allow their engineers time for these efforts. Because of the commercial significance of international standards, however, it is imperative U.S. delegates and participants be actively engaged in the day-to-day operations of industry. This is necessary, not only to prepare representative comments reflecting the U.S. position but to be able to immediately assess the commercial significance of any foreign proposals that might be spontaneously introduced at an international meeting.

As a means of making available experienced teams of such industry trained delegates, we feel that the passage of H.R. 17424 would make it possible for the Government to support in part engineers working in industry who would have a major responsibility for international standards. To provide an adequate body of trained experts might require the support of three engineers in each of the areas in which the U.S. is interested and wishes to participate. The importance of having the U.S. represented by industry trained engineers cannot be over-emphasized.

This concept of Government supported engineers in industry for this purpose can be thought of as a reciprocal of the Research Associate Program of the National Bureau of Standards. It is our opinion that with such an industry-trained/Government-supported team representing the U.S. on a consistent basis, the effectiveness of U.S. position will increase to the level envisioned as necessary by both the Government and industry. We feel that the proposed legislation could be utilized to accomplish this goal in the manner herein described, and for these reasons the Electronic Industries Association supports the adoption of H.R. 17424.

AMERICAN IRON & STEEL INSTITUTE,
Washington, D.C., September 23, 1966.

MR. FRANK R. HAMMILL, Jr.,
Counsel, Committee on Science and Astronautics,
House of Representatives,
Rayburn Building, Washington, D.C.

DEAR MR. HAMMILL: Thank you for your letter of September 12, 1966, in which you invited steel industry testimony on H.R. 17424.

I would like to inform you that we have urged all members of the AISI Committee on Building Research and Technology and Building Codes and Regulatory Standards Subcommittee to take an active interest in this matter.

Because of the time factor, an AISI response to this matter is not feasible. Therefore, any interested companies will respond individually. I hope this letter can be included in your files on the subject.

Sincerely,

JOHN P. ROCHE, *President.*

INTERNATIONAL BUSINESS MACHINES CORP.,
Armonk, N.Y., September 23, 1966.

HON. J. EDWARD ROUSH,
House of Representatives,
Washington, D.C.

MY DEAR MR. ROUSH: I am writing this letter in connection with the Bill (HR 17424), introduced by Mr. Miller, August 30, 1966, and which has been the subject of public hearings by a special subcommittee under your chairmanship. We believe that this proposed legislation represents a significant step forward in furthering an effective international standardization program. The additional activities to be undertaken by the Department of Commerce will, in our view, contribute materially to the voluntary development of international standards.

In line with this overall purpose and in the interest of clarification, we would like to suggest for your consideration the following changes in the language of the Bill:

1. In the preamble, the use of the word "commercial" could be interpreted to exclude such standards as safety, terminology and definition, and methods of measurement. The intent, we assume, is to include these standards as well, and therefore, suggest that the word "commercial" be eliminated.

2. In Section 1, line 5, the phrase "standardization of products" appears. We do not believe that the intent is to encourage standardization of products as such, since this action could slow technological advance and impede innovation which is fundamental to a competitive, free enterprise system. We believe that the intent is the standardization of the characteristics of products, such as definitions, methods of test, performance, and interchangeability of components. We therefore recommend that the phrase be changed to read: "standardization of the characteristics of products."

In addition, we would like to offer the following comments which bear more on the implementation rather than the specific wording of the Bill:

Section 2A deals with United States participation in international standardization in cooperation with national and international standards bodies. We think it important that this participation be conducted primarily through the recognized standards bodies such as the newly reorganized United States of America Standards Institute (USASI) and the international bodies, International Organization for Standardization (ISO) and the International Electrotechnical Commission (IEC). We recognize, of course, that with respect to those international standards activities covered by treaties the lead must be taken by appropriate Government agencies, but even in this area we strongly recommend active industry participation.

Section 3C, line 10 relates to "... fixing of reasonable prices, fees, or charges . . ." Many of the standards bodies rely on the sale of standards publications to finance a significant portion of their activities. It is our hope that the intent of these words is not to establish prices and fees for the standards documents, but, rather, to establish prices and fees for the services, which are not otherwise available, rendered by the proposed clearing house.

We believe that this legislation is timely and is wholly consistent with the changing environment and growth of the standardization activity in the United States today. Those of us who are active in the voluntary industry standards programs, both in the United States and abroad, welcome the support and participation of the United States Government in these programs.

We appreciate this opportunity to express our views.

Sincerely,

E. R. PIORE,
Vice President and Chief Scientist.

INDUSTRIAL SAFETY EQUIPMENT ASSOCIATION, INC.,
New York, N.Y., September 26, 1966.

Hon. J. EDWARD ROUSH,
Chairman of the Special Subcommittee of the House Committee on Science and Astronautics, House of Representatives, Washington, D.C.

MY DEAR MR. ROUSH: This Association for many years has espoused the activities of the American Standards Association, recently reconstituted as the United States of America Standards Institute.

Our writing you is occasioned by the knowledge of the testimony recently presented before your Committee with regard to H.R. 17424 and H.R. 17598.

Our members have long been engaged in the pursuit of voluntary standards in this country and we wish to make known our unqualified support of the remarks made by Mr. F. K. McCune, Vice President of the Standards Institute, on September 21, 1966.

We feel that favorable action on the pending legislation is in the public interest.

Sincerely yours,

C. N. SUMWALT, Jr.,
Secretary-Treasurer.

NATIONAL ELECTRICAL MANUFACTURERS ASSOCIATION,
New York, N.Y., September 23, 1966.

Mr. FRANK R. HAMMILL, Jr.,
*Committee on Science and Astronautics,
House of Representatives,
Rayburn House Office Building, Washington, D.C.*

DEAR MR. HAMMILL: As an organization long and actively engaged in standardization work and in the support of international standards, the National Electrical Manufacturers Association welcomes the invitation extended in your letter of September 13 to comment on H.R. 17424.

We believe that the "private United States standards organization" which would be most broadly involved in the cooperation proposed in Sec. 2 of the bill is the United States of America Standards Institute. We have, therefore, examined the statement presented to your committee yesterday by Mr. Francis K. McCune on behalf of that Institute.

We would like you to be informed that we endorse the statement of Mr. McCune, including support for the bill and recommendation for minor clarification.

Very truly yours,

JOSEPH F. MILLER,
Executive Vice President.

SOCIETY OF AUTOMOTIVE ENGINEERS, INC.,
New York, N.Y., September 23, 1966.

Mr. FRANK R. HAMMILL, Jr.,
*Committee on Science and Astronautics,
House of Representatives,
Rayburn House Office Building, Washington, D.C.*

DEAR MR. HAMMILL: Sincere thanks for your September 13 letter and the invitation to comment on the subject bill. We in SAE are, of course, extremely interested in the whole subject of standardization.

As you may know, SAE sponsors a wide variety of technical standards including safety documents related to vehicles and transportation systems. The Society, however, has always felt that its best service to industry, government and

the public resides in its ability to serve as a means for interchange of technical information. Hence, we have not felt that it is within our province to give opinions upon prospective legislation.

Should this proposed bill be enacted into law, please be assured that the Society of Automotive Engineers would be most happy to contribute toward the objectives of the bill within the limits of its capabilities and competence.

Thanks for having thought of us in connection with this proposal.

Sincerely,

JOSEPH GILBERT, *Secretary.*

THE SOCIETY OF THE PLASTIC INDUSTRY, INC.,
New York, N.Y., September 23, 1966.

HON. J. EDWARD ROUSH,
*Chairman, Ad Hoc Subcommittee of the House Science and Astronautics
Committee, House of Representatives, Washington, D.C.*

DEAR CONGRESSMAN ROUSH: We appreciated receiving a letter from Frank R. Hammill, Jr., Counsel to your Committee, inviting The Society of the Plastics Industry to comment on H.R. 17424.

Let me say at the outset that we are in favor of the thrust of the legislation, but we also endorse wholeheartedly the suggestions made during your hearings by Mr. John D. Ritchie of the American Plywood Association. Specifically, we endorse Mr. Ritchie's recommendations that (1) the legislation leave no question but that the Office of Commodity Standards will be preserved to perform its present functions, and (2) that any clearing house activities will be conducted by a public agency with full control of its day-to-day activities.

By way of informing you more fully about our interest in this matter, please be advised that The Society of the Plastics Industry, Inc., through its more than fifty functional Divisions and Committees, represents a broad spectrum of manufacturers of plastics raw materials, end products, and machinery for the manufacture of plastics goods. The company members of the Society are believed to be responsible for more than 85% of the dollar sales volume of plastics in the United States. These same companies obviously have a very vital interest in overseas sales and the development of overseas markets.

For a great many years, the Society has utilized the facilities of the Office of Commodity Standards of the Department of Commerce for the development and promulgation of domestic Commercial Standards. More than thirty such standards have already been promulgated by the Department of Commerce and work on many more is pending. Indeed, it is our understanding that the Office of Commodity Standards has promulgated more useful Commercial Standards for the plastics industry, than for any other basic segment of our economy. This, of course, bespeaks the great satisfaction we have always had for the fine work of the Office under the procedures it employs to assure fair and objective Standards development.

It is well known that the Society has, at every opportunity, urged the retention and improvement of the Office of Commodity Standards because we believe it has served industry well. As Mr. Ritchie has pointed out in his statement, the Office has been preserved and its activities up-graded substantially very recently despite unfortunate moves which have been made or threatened on occasion to abolish it. We have opposed, and will continue to oppose any such moves because we believe the Office of Commodity Standards has a unique capability, as a government body, for objective evaluation and promulgation of Commercial Standards designed to serve the best interests of industry and the public.

In considering the proposed legislation, we have carefully reviewed the statements made by all of the parties, including the representatives of the Department of Commerce. Our consideration of these statements and the legislation in its present form convinces us that a great deal of good can be accomplished by its enactment, provided that the broad enabling clauses in the Bill are not used in any way to undermine or detract from the standards working facilities available through the Department of Commerce at the present time.

We agree wholeheartedly with the basic aim of the legislation, i.e., to bring about improvements in our international trade position by making available funds which will allow for expanded and more effective United States participation in international standards work. Indeed, we should point out here that the Society has continually sought to advance the interests of its membership in international standards, as it is best demonstrated by the fact that we have fully

supported the International Standards Organization Technical Committee 61 of the American Standards Association (now the United States of America Standards Association) efforts in this area through substantial contributions of the Society's funds. Additional contributions have been made in the way of the time of plastics industry expert personnel who have attended a great many meetings of such bodies as the International Standards Organization. A representative of this organization has for years served as Secretary of ISO/TC 61 having attended meetings of the Committee wherever held at the Society's expense.

While thus supporting the primary legislative purpose here, we also agree wholeheartedly with Mr. Ritchie and the American Plywood Association as to their suggestion that your Sub-Committee should include in the legislation a "provision to the effect that the legislation shall in no way be construed as impairing or affecting the authority of the Department of Commerce to promulgate voluntary standards, both domestic and international, under the Department's own procedure." Mr. Ritchie's explanation of the rationale for such a limiting clause comports entirely with our own views.

Likewise, we agree completely with Mr. Ritchie's suggestion that the proposed clearing house service for the collection and dissemination of engineering, product, and governmental procurement standards be operated and maintained by a public agency instead of a private organization. In this connection, it would appear pertinent to mention that the Department of Commerce has already established a "Clearing House for Federal Scientific and Technical Information" so it would seem that this entity could be readily expanded, or in some way adapted, to provide the clearing house service that would be called for by the legislation before you.

We do hope that this letter will be of value to you in connection with the subject legislation and we thank you in advance for your consideration of our position.

Sincerely yours,

WM. T. CRUSE,
Executive Vice President.

INTERNATIONAL ASSOCIATION OF ICE CREAM MANUFACTURERS,
Washington, D.C., September 27, 1966.

Mr. FRANK R. HAMMILL, Jr.,
*Counsel, Committee on Science and Astronautics,
House of Representatives,
Rayburn House Office Building,
Washington, D.C.*

DEAR MR. HAMMILL: We appreciate your invitation of September 12 inviting our comments on H.R. 17424. The International Association of Ice Cream Manufacturers is comprised of members producing 85% of the frozen desserts in the United States, 75% of the volume in Canada and additionally has members in eighteen other countries. Our membership in the United States is located in every state of the union.

For many years we have had vital interest in the engineering and commodity standard activities of the Department of Commerce. Our first experience with this activity dates back to 1932 when a Simplified Practice Recommendation for "Ice Cream Cups, Cup Caps" was promulgated. Since that time many other frozen dessert containers have also been standardized, benefiting both the public interest and the ice cream industry.

We wish to endorse the statement made by Mr. J. D. Ritchie, Regional Vice President of the American Plywood Association, who appeared before a special subcommittee of the Committee on Science and Astronautics. While in principle we support the fundamental objectives of H.R. 17424, we like Mr. Ritchie and other directly affected industries, have great concern with certain portions of the bill.

Our paramount worry is that such proposed legislation could be interpreted to mean the curtailment or the eventual abolishment of the Office of Commodity Standards of the National Bureau of Standards. The domestic standardization program of this office over the years has provided an essential and important role in fostering packaging criteria for the manufacturing, distributing and buying practices for frozen desserts. To decrease in any way the availability of this vital function of the Department of Commerce would be a backward step.

To the industries of the United States, the Government activity of coordinating, reviewing technically, and issuing industry proposed standards provides a superb example of the beneficial role which Government can play in the supervision and promotion of a free enterprise economy. In this connection, it is significant that Government participation here has not been thrust on the industries concerned, but that on the contrary each industry has sought it on its own initiative as a vital service to its operations. While private standard writing organizations also do valuable work in the cause of standardization, we believe that the Government is particularly well fitted for the many-faceted role of clearing house, impartial arbiter, technician, and protector of both industry and consumer, which is essential to the effective performance of this activity.

The National Bureau of Standards is developing a knowledge of industrial technology which makes it highly competent in the intelligent development of commercial and other engineering standards. In giving full and fair consideration to the needs of both the trade and the consuming public, the Bureau has ready access to various other Government agencies which lend their expertise to the solution of the many problems raised in standardization. Technical details and tests are considered by appropriate divisions of the National Bureau of Standards and other technical assistance is enlisted as needed. Other agencies, which we understand, receive appropriate Government commodity standards for review, include the Federal Trade Commission, the Department of Justice, the General Services Administration, the Department of Agriculture, the Department of Defense, and various offices concerned with domestic and foreign trade, small business, transportation, labor, etc. As specific questions arise relating to their fields of responsibility, these agencies respond promptly with information and recommendations.

It may be noted, in this connection, that this Government program with its built-in safeguards has been able to alleviate what one trade association has termed "the specter of antitrust prosecution for work as constructive as standardization." Industry trade organizations and their members are well aware that efforts to establish engineering and commodity standards can raise—and have raised—serious problems under the Federal antitrust laws. These associations and firms, in seeking to comply in good faith with the spirit and letter of the antitrust laws, also know that the Federal Government's participation in the issuance of voluntary engineering and commodity standards is an important practical safeguard for both the public and the industries themselves. It is very doubtful that trade associations would engage in standardized and simplified practice activities of the Office of Commodity Standards was to be abolished. They simply would not risk the legal exposure, no matter how desirable standardization is to industry, to consumers and to the Government.

Despite an unqualified success, the program has, from time to time, been subjected to efforts of private organizations to take over the commodity standards functions of the Department of Commerce. These efforts have in each case been made against the wishes of the industries who actually use the Government service, and they have in each instance been successfully resisted by the industries who rely on the service. The Secretaries of Commerce and the Congress have repeatedly protected the program against these attacks. For example, Secretary Henry Wallace in 1945 declared pointedly, "I do not believe . . . that the Department of Commerce can properly close the door to industry and other economic groups which request the direct assistance of the Department in developing and in publishing voluntary standards on their behalf." Then, in 1951, following an administrative transfer of the activity and a sharp cut in its funds, the Senate Appropriations Committee came to the relief of industry by inserting a sentence in the appropriations bill directing that, "this important (commodity standards) work be kept at its current level. The Commodity Standards Division performs work which is very valuable to private business."

Very recently, a body of the Congress has once again emphasized the importance to industry of this Government function. In its report following hearings on "The Impact Upon Small Business of U.S. Softwood Lumber Standards," the Subcommittee of the House Select Committee on Small Business headed by Rep. Roosevelt noted that, ". . . it is clear that the commodity standards program as presently administered by the Department of Commerce continue to play an active role in the field of commodity standards."

We therefore urge that if the Congress passes this bill or another version of this kind of legislation that it signify its intent to preserve and strengthen the Office of Commodity Standards. Having witnessed and helped resist at least

three efforts to abolish this important Government activity, we are aware of the disruptive effects, the impact on staff morale and the slowing down of standardization efforts during these periods when outside groups particularly were attempting to take over this important Governmental function. A firm statement of Congressional intent will ward off such approaches in the future.

We respectfully urge that this statement be made a part of the record.

Sincerely,

ROBERT H. NORTH,
Executive Vice President.

MILK INDUSTRY FOUNDATION,
Washington, D.C., September 27, 1966.

Mr. FRANK R. HAMMILL, Jr.,
Counsel, Committee on Science and Astronautics, House of Representatives, Washington, D.C.

DEAR MR. HAMMILL: On behalf of the Milk Industry Foundation, whose members process and distribute over 60% of the fluid milk and fluid milk products in the United States, we wish to make our views known on H.H. 17424. We have studied the proposed legislation in detail and support what we believe to be the basic objectives of the bill.

While essentially the proposed legislation is "To promote and support representation of United States interest in voluntary international commercial standards activities . . ." certain provisions of the bill seem to go beyond this and could possibly be misinterpreted. For example, under the broad authority given to the Secretary of Commerce it would be possible to abandon or reduce the effectiveness of the Office of Commodity Standards and thereby deny industry an agency which through the years has provided an effective and worthwhile program of engineering and commercial standards. There are in operation today many simplified practice recommendations for packages and containers used in the dairy industry which have made possible substantial savings to the consumer and afforded her the ease of purchasing many dairy products in standardized packages. Without the Office of Commodity Standards it would be doubtful if this association would continue its efforts in this area because of antitrust implications.

Our other fear of the proposed legislation deals with the establishment of a clearinghouse for commercial and procurement standards. While the language of the bill authorizing such a clearinghouse is not clear as to where this necessary service should be located, we would urge it being maintained by a public agency. There is already established within the Department of Commerce such a clearinghouse and we feel that this activity is one which most logically should be carried out by the government.

In connection with these two points just made, we are happy to endorse the statement of Mr. J. D. Ritchie who presented testimony before a Special Subcommittee last week on H.R. 17424. The presentation of Mr. Ritchie describes very well our concern with many of the provisions contained in the bill.

Our experience with the workings of the Office of Commodity Standards has been long and fruitful to the industry we represent. Our only purpose in forwarding these comments is to urge the Committee to provide that these services be continued and not diminished by any language contained in H.R. 17424.

We would respectfully request that our views be made a part of the record.

Sincerely,

JOHN F. SPEER, Jr.,
Executive Assistant.

NATIONAL FOREST PRODUCTS ASSOCIATION,
Washington, D.C., September 27, 1966.

Mr. FRANK R. HAMMILL, Jr.,
Counsel, Committee on Science and Astronautics, House of Representatives, Rayburn House Office Building, Washington, D.C.

DEAR MR. HAMMILL: Recently, we have reviewed the bill (H.R. 17424) presently before the House of Representatives and having as its stated purpose: "To promote and support representation of United States interests in voluntary international commercial standards activities, to establish a clearing house for commercial and procurement standards, and for other purposes."

The forest products industry joins with other industries in recognizing the desirability of furthering development of international standardization activities as an aid to the export and foreign utilization of our products. Although we have not, thus far, encountered significant problems in the area of cataloging standards or securing standards information relating to the products of our industry, the proposal to establish a clearing house for commercial and procurement standards may also be of value to some industries. We assume, however, that the responsibility of the clearing house would be largely that of dissemination of standards information.

It is rather the broad general scope of H.R. 17424 that gives rise to some concern in the forest products industry. The similarity of provisions in this bill to proposals made within recent years for establishment of a national standards coordinating body is also of interest to us. These proposals generally tend to discredit the commercial standards program of the Department of Commerce which has served a number of divisions of our industry very adequately for many years.

Therefore, while we support the principle of furthering voluntary international standards activities, we question the broad discretionary powers in the bill which could be used to effect major changes detrimental to commercial standards procedures presently utilized by our industry. Indeed, it has been reported to us that the existing Commodity Standards program under the Department of Commerce presently merits reinforcement in order to service industry requirements adequately.

The forest products industry also supports the private standards promulgating bodies mentioned in H.R. 17424 and believes that government representation in these agencies should be carefully reviewed to prevent domination of general interest and private industry representation. Also, it seems possible that the sweeping authority authorized in H.R. 17424, including monetary grants "as may be necessary and without fiscal year limitation," to appropriate private standards bodies, could result in excessive governmental influence in private standards development activities.

Sincerely,

MORTIMER B. DOYLE.

HOUSE OF REPRESENTATIVES,
Washington, D.C., September 26, 1966.

HON. GEORGE P. MILLER,
Chairman, Science and Astronautics Committee,
House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: You will find enclosed a copy of a letter from my warm personal friend, Dean Wallace D. Trevillian, at Clemson University.

I shall be most grateful if you can have Dean Trevillian's comments about your bill, H.R. 13786, made a part of the record; and in the event this bill is taken up, I shall appreciate it if you will let me know in order that I can advise Dean Trevillian at that time.

With warmest personal regards, I am,

Sincerely,

WM. JENNINGS BRYAN DORN,
Member of Congress.

CLEMSON UNIVERSITY,
SCHOOL OF INDUSTRIAL MANAGEMENT AND TEXTILE SCIENCE,
Clemson, S.C., September 20, 1966.

HON. WM. JENNINGS BRYAN DORN,
Member of Congress,
Washington, D.C.

DEAR BRYAN: This is in reference to the Miller Bill, H.R. 13786.

First, it is my understanding that this bill will not come up for action this year but is likely to be acted on in the next session of Congress. My concern is this—I have reason to believe there will be organized effort to have the words "business administration" included in the bill as one of the "named disciplines." This might appear in paragraph 7, page 3, or under definitions on page 8, paragraph A.

If and when such action materializes, I would like for you to consider inserting "industrial management" as a named discipline.

As I said, any action on this bill will be sometime off, and in the meantime, Dr. Whitehurst, Chairman of the Industrial Management Department at Clemson University, and I, will make sure that you understand the reason for our request.

I hope to see you at some of the football games this fall.

Sincerely yours,

WALLACE D. TREVILLIAN, *Dean.*

NATIONAL MACHINE TOOL BUILDERS' ASSOCIATION,
Washington, D.C., October 5, 1966.

Re H.R. 17424.

FRANK R. HAMMILL, Jr., Esq.,
*Counsel, Committee on Science and Astronautics,
House of Representatives, Washington, D.C.*

DEAR MR. HAMMILL: In response to your letter of September 12, the National Machine Tool Builders' Association (NMTBA), a nation-wide trade association representing 164 companies engaged in the manufacture of machine tools, is glad to submit its views on H.R. 17424 to the Committee.

In accordance with your request, our comments are addressed both to the desirability of the policies set forth in H.R. 17424 and to the adequacy of the methods and techniques proposed in the Bill.

The NMTBA endorses the policies set forth in H.R. 17424 to promote and support representation of United States interests in voluntary international commercial standards activities, and to establish a clearinghouse for commercial and procurement standards. Our Association also supports and endorses the Statement of Purpose and Need of the U.S. Department of Commerce, which clearly outlines the importance and necessity of government support in the area of voluntary standardization.

Machine tools are high precision, power driven machines which are used to shape and form metal. These highly sophisticated devices are designed and manufactured to extremely fine tolerances. The importance of and need for appropriate voluntary standards are necessarily matters of great concern in our industry. Standards are means of technical communication which are essential for the promotion of economic development and the exchange of goods and services.

From its earliest days, our Association has supported the development of voluntary domestic and international standards appropriate to our industry. The NMTBA supports representatives of our industry to several committees of the United States of America Standards Institute, and at present we sponsor four representatives to international standardization committees meeting abroad.

The fact that standards adopted in other countries are not really voluntary in the sense that American standards are voluntary emphasizes the great importance to U.S. interests of representation in foreign and international standards making activities. Standards adopted by the government of a foreign country can have the effect of making illegal the sale or importation of non-conforming goods in that country without special permission. Thus, the promulgation of standards which are based on unrealistic or inappropriate criteria can create an effective non-tariff trade barrier which can be used to discriminate against the goods of other countries. The Commerce Department Statement makes it clear that representation of U.S. interests in countries promulgating international standards is vital to our national welfare.

Unfortunately, U.S. representation in these activities is far from adequate. It is true that our Association provides financial and informational assistance, and the USA Standards Institute assists in translation and correspondence for our representatives. However, the contribution of the time and services of the technical experts and engineers of our member companies for these activities is a major sacrifice for these relatively small companies. At best, our representatives work on international standards on a part-time and temporary basis. On the other hand, virtually every other major industrial country provides government support for full-time, paid representatives. Competition on these terms is, unfortunately, beyond the resources of the private sector alone.

In the light of the rapidly increasing amount of international activity in the area of standardization, there is a real need for U.S. teams to represent our

industry with adequate continuity and professional expertise. Ideally, these teams should be composed of technical experts and engineers who can properly articulate the interests of American industry and evaluate the commercial and technical significance of foreign proposals. It is clear that government support is essential for adequate representation in this manner.

Like other sectors of our economy, the American metalworking industry is also handicapped by inadequate information concerning established and developing international standards. We have a real need for a clearinghouse to provide full and up-to-date standards information as rapidly as possible. This is because manufacturing is cutting across more disciplines and becoming more complex every day. At the same time, technical and commercial standards are rapidly growing in number and complexity.

No single facility exists today for the collection and dissemination of all standards applicable to the products of our industry. The establishment and operation of such a clearinghouse operation would appear to be beyond the resources of any privately financed organization. Government support in this area would do much to assure the development of the principle of voluntary standardization which has been so successful for us in the past. It would also assist greatly in our international participation by providing rapid translation and dissemination of the various standards which are proposed and adopted.

The NMTBA feels that the approach taken in the enabling provision of the proposed Bill is adequate for present needs, both in the support of international representation and in the establishment of a clearinghouse facility. While our industry would prefer all such standardization activities to be undertaken on a purely private basis, it has become clear that the resources of private enterprise alone are inadequate to perform this task. It is time, we believe, for government support of the activities of the private sector. We feel, however, that it should be made clear in the Bill or the Committee Report that to the extent possible the Federal government should support, but not preclude or control, private activities in the field.

We also suggest that the declaration of purpose and enabling provisions of the Bill should be slightly revised to eliminate certain ambiguities in the language. In particular, we submit that the phrase "the development of voluntary performance and safety standards" should be substituted for the phrase in Section 1 "voluntary standardization of products." Our Association would never support or be a party to the standardization of products. This, we feel, would inhibit industrial progress and development and be inimical to the interests and welfare of our society. Standards must be written on the basis of performance and safety criteria which will allow manufacturers maximum freedom in the development of new and superior products.

In the same light, we would not support the standardization of "processes" or "test methods" concerning our products. The standardization of a test method, rather than a test result, would limit the application of new developments in the testing and measurement field. For instance, in our industry a standard requiring the use of a micrometer in certain tests might rule out the use of far more advanced measuring devices such as laser interferometers.

We suggest that the first sentence of Section 1 of H.R. 17424 be amended to read as follows to eliminate these ambiguities:

"The Congress finds that the development and use of voluntary performance and safety standards by producers, distributors, users and consumers, and appropriate participation in international commercial standardization activities, promote the beneficial international and domestic exchange of goods and services of high quality, to the benefit of the general public."

In addition, Section 2(a) should authorize the support of "United States participation in the development of international performance and safety standards of products and processes," and Section 2(b) should authorize clearinghouse activities "for the collection and dissemination of performance and safety standards and government procurement specifications * * *."

The NMTBA feels that the proposed legislation should make clear that activities undertaken in the area of performance and safety standards do not violate the antitrust laws, and cannot be used as a basis for antitrust prosecution. We would suggest the addition of a new Section 6 of the Bill to this effect.

Finally, we feel that it should be made clear that the clearinghouse services authorized in Section 2(b) may to the extent possible be provided by private

organizations, such as the United States of America Standards Institute, and supported by the Department of Commerce, and need not be established and operated within the Department.

We would like to express our appreciation to the Committee for its excellent work in this area and hope that these comments will be of assistance.

Yours sincerely,

JAMES A. GRAY,
Executive Vice President.

ARMCO STEEL CORP.,
Middletown, Ohio, October 6, 1966.

Mr. FRANK R. HAMMILL Jr.,
*Chief Counsel, House Committee on Science and Astronautics,
Washington, D.C.*

DEAR MR. HAMMILL: We understand the House Committee on Science and Astronautics will soon complete the hearings on H.R. 17424. We have the following comments we would like to make for the record.

1. The Bill is much too broad in its concept.

2. It provides too much authority and leeway in the field of international standards to the Department of Commerce and the National Bureau of Standards.

3. This approach is completely different than at present. Today, such work is done on a voluntary basis by both Government and private industry through the American Standards Association.

4. The powers outlined in Section 3 are far too broad.

Your consideration of our observations and comments will be greatly appreciated.

Sincerely,

CHARLES E. STUTENROTH,
Assistant to Vice President, Director of Public Affairs.



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