Sgt. Melvin Jones, a Kentuckian whose first experience with CH–53As dates back to 1966, said briefly: "The CH–53Ds really made it in Peru They flew above the gross weight. They did everything."

PRAISE FOR CH–53DS

On June 20, HMM–365 delivered more than 30 tons of food and supplies to the interior. Drums of gas and oil were flown to Macate where a bulldozer, needed to clear the roads, had been idle because of lack of fuel. A port call was made at Lima (where Lt. Col. Nelson was awarded the Peruvian Cross of Naval Merit) before departure. HM2 Joe W. Cowling, a Navy corpsman, said: "Working with gangrene patients . . . and saving the life of a small baby or adult and the smiles of a mother because you saved her baby or husband added depth and scope to your job."

Adm. Ephraim P. Holmes, speaking for the Navy's Atlantic Fleet, said: "Despite the unfamiliar nature of the areas, despite adverse weather conditions that sometimes hampered operations, the Guam, her men, and helicopters got there and made the difference between life and death for hundreds of Peruvian survivors."

Baker and Pelkey, the former a native of California, the latter brought up in Milwaukee, both veterans of Vietnam, both Marines since 1966, were lavish—like Jones—in their praise of the CH–53Ds. "They performed beautifully," Baker said. A report on Col. Hunter's desk detailed the mission: "Most operations received radar-controlled climbout to VFR (visual) on top," it read in part. "Thorough instrument training was necessary."

HMM-365 returned to routine in August with riverine training in South Carolina. The squadron returned Sept. 3 to New River. Soon after, it left again for maneuvers in the Mediterranean. The men, however, won't forget Peru; the Peruvians won't forget the "pajaros" (birds) of HMM-365.

CHANGES AT BASE

Future pilots and co-pilots of HMH-362, HMH-461, and HMM-365 now can get the training needed for DaNang or Chimbote in a new 13,000-square-foot building at New River. The building houses Marine Aircraft Training Group 40, which includes HMHT-401, a squadron equipped with CH-53Ds. Lt. Col. Joseph G. Walker, who heads HMHT-401, said the first group of four students had graduated in August after classroom instruction and 65 hours of air time—approximately 10 weeks in all. The eight CH-53Ds used by the squadron had flown nearly 300 hours in August. Walker said. He said eight CH-53D students could be handled at one time.

"Aircraft availability is important," he said. "Our maintenance men are veterans of Vietnam, most of them, and they see that the birds fly." Enlisted Marines, who have finished basic training, also can be channeled into further schooling through MATG-40.

New River has changed since it was first commissioned as Peterfield Point in 1944. At that time, there were several hundred yards of concrete and a few Quonset huts. When World War II ended, the field was closed; it was reopened in 1951. MAG-26 moved to New River from Cherry Point, N.C. (now headquarters for the 2nd Marine Aircraft Wing, which includes MAG-26), in 1954. The group received its first CH-53As in 1967.

A multi-million dollar construction program, now underway, promises to make New River one of the largest helicopter bases in the world. A brochure printed for a June 24 change of command ceremonies that saw Col. Hunter named head of MAG-26 and Col. Joseph A. Nelson (former commander of MAG-26) named head of the air station ended on this note:

"Marine Corps Air Station, New River, has been characterized by growth since the deployment of helicopters to this area in 1954, and with the introduction of new helicopter weapons systems at present and in the future, it will continue to expand . . ."

HOUSE OF REPRESENTATIVES—*Wednesday, November 18, 1970*

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

Thou art my rock and my fortress: therefore for Thy name's sake lead me and guide me.—Psalm 31: 3.

O God, our Father, in this quiet moment of prayer we lift our hearts unto Thee, who art from everlasting to everlasting. In this capital of freedom do Thou guide with the spirit of understanding and good will these Members of Congress. By their words and deeds may they seek to bring healing to our Nation and peace to our world.

In these days when men are divided, nations differ, and the world is in danger, grant unto us the wisdom, the power, and the love to burn the barriers to brotherhood as we endeavor to do justly, to love mercy, and to walk humbly with Thee.

In the spirit of the Lord of Life we pray. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate had passed with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 14252. An act to authorize the Secretary of Health, Education, and Welfare to make grants to conduct special educational programs and activities concerning the use of drugs and for other related educational purposes.

The message also announced that the Senate had passed the following resolution:

S. RES. 483

Resolved, That the Senate has heard with profound sorrow the announcement of the death of Honorable William L. Dawson, late a Representative from the State of Illinois.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit an enrolled copy thereof to the family of the deceased.

Resolved, That, as a further mark of respect to the memory of the deceased, the Senate do now adjourn.

PROPOSAL TO CHANGE RULE ON TRADE BILL

(Mr. GIBBONS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GIBBONS. Mr. Speaker, as you well know, and all Members of the House I believe well know, today is a very important day in the history of the House of Representatives. We are going to consider the most far-reaching trade measure or antitrade measure that has been considered in this Congress in the last 30 or 40 years.

Mr. Speaker, I have made my views known on this bill, and when the rule is considered today I intend to oppose the rule and to oppose the previous question, and if the previous question is voted down I shall then ask to be recognized to submit an amendment.

The amendment will be a partially open rule which will allow motions to strike.

I envision that the bill will be read title by title and that as we come to the end of a title, Members may then strike any provision within that title—either the whole title or any part thereof.

I hope all Members will recognize this as an opening of the closed-rule process that has been rather traditional in the consideration of bills from the Committee on Ways and Means on trade. But, I would point out that as recently as 1953 a rule such as this was adopted by the House when the trade bill that year was being considered.

TRIBUTE TO THE HONORABLE JOHN W. McCORMACK

(Mr. ROSTENKOWSKI asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. ROSTENKOWSKI. Mr. Speaker, this morning in the Democratic caucus an extremely meritorious resolution was unanimously adopted commending the Honorable JOHN W. MCCORMACK, of the State of Massachusetts, for his participation in last November's campaign.

This resolution was offered by our distinguished majority leader, the gentleman from Oklahoma (Mr. ALBERT), and I wholeheartedly subscribe to the resolution which is as follows:

RESOLUTION BY REPRESENTATIVE CARL ALBERT, DEMOCRATIC CAUCUS, NOVEMBER 18, 1970

Whereas the Honorable John W. McCormack, the distinguished and beloved Speaker of the House of Representatives, has served in the Democratic leadership of the House longer than any person in history; and

Whereas the Speaker of the House has exercised exemplary leadership to the Congress, to his party, and to the citizens of this nation throughout his tenure in office; and

Whereas that leadership was an indispensable ingredient in achieving solid Democratic victories for the 92nd Congress and state governorships and legislatures; and

Whereas the Speaker, while fulfilling admirably all the duties of his official position, served equally as an eloquent spokesman for the party and on the issues during the 1970 election campaign; and

Whereas the Speaker elevated that campaign to a higher plane by focusing on valid issues, promoting rational debate, maintaining a demeanor fitting of high public office, and disdaining divisive and inflammatory rhetoric; and

Whereas by his unfailing example, his display of political acumen and timing, his knowledgeable focus on the real issues in the closing days of the campaign in the face of the directed and contrived campaign of fear and divisiveness by the leading spokesmen of the minority party; and

Whereas his efforts in the late days of the campaign, and the catalyzing effect of his statements on the issues were resoundingly more successful than all the months of the country-crossing campaigns of leading elected and appointed officials of the minority party in the Executive Branch, including some who neglected constitutional duties to press the campaign and raise funds; Be it therefore

Resolved, That this Democratic Caucus express its unanimous gratitude to Speaker John W. McCormack for his leadership and guidance during the election period just completed; for his understanding of the American electorate; for his human compassion and wisdom; for his quiet strength and courage; and be it further

Resolved, That we pay tribute to the Speaker by rededicating ourselves as American citizens to the tradition of service and devotion to high principles that he has embodied throughout his public career.

CALL OF THE HOUSE

Mr. GROSS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 356]

Abernethy	Berry	Bow
Adams	Blatnik	Brown, Mich.
Aspinall	Boggs	Brown, Ohio
Button	Gallagher	Pollock
Camp	Gilbert	Powell
Celler	Goldwater	Price, Tex.
Chisholm	Goodling	Rhodes
Clark	Hansen, Wash.	Ruppe
Clawson, Del	Holifield	Sandman
Clay	Hosmer	Scheuer
Collier	Langen	Skubitz
Corman	McClure	Springer
Cramer	Macdonald, Mass.	Taft
Daddario	Mayne	Teague, Tex.
de la Garza	Miller, Calif.	Wold
Dingell	Murphy, N.Y.	Wydler
Dowdy	Nichols	Yates
Edmondson	Ottinger	
Fallon	Passman	
Ford, William D.	Poage	

The SPEAKER. On this rollcall 376 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

CUBA IS A WARM-WATER BASE FOR SOVIET RUSSIA

(Mr. GONZALEZ asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. GONZALEZ. Mr. Speaker, I take the floor at this time to comment further on the development that has been underlined by this morning's front-page story of the Washington Post concerning a secret type of talk or agreement that had been reached between the United States and Russia concerning the construction of submarine bases in Cuba. After reading the article, I believe it is quite clear the truth has not been fully discussed.

As I pointed out before the recess period, the developments in Cuba are a direct threat to the well-being and the security of this Nation. It is true that Cuba alone does not pose any threat. Everybody tends to completely underestimate the extent and the size of the threat because of the size of the nation, but Cuba, as the warm-water base of Soviet Russia, is something that has been completely and is still continuing to be completely underestimated.

The state of turmoil that exists generally in the Western Hemisphere is propitious for developments that pose a real and a constant and a growing threat to America's security. For reasons best understood by experts, our country has allowed a vacuum to exist in Latin America, and into this vacuum is rushing a strong force that does not bode well to this country.

I was hopeful this administration would confront Soviet Russia and determine exactly what is going on. It is true that the base which caused the furor at Cienfuegos did have some activity that apparently ceased, but the activity has been merely transferred to other ports, such as Mariel, which is an excellent port facility and not one that has been pictured as meaningless by those who continue to discount and minimize the threat.

FREE WORLD FLAG VESSELS DOCKING IN NORTH VIETNAM

(Mr. CHAMBERLAIN asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. CHAMBERLAIN. Mr. Speaker, according to Department of Defense information made available to me, during October only one free world flag vessel docked in North Vietnam. This one British flag arrival brings the total this year to 53 free world arrivals as compared with 85 during the first 10 months of 1969. Coupled with the sharp decline in casualties, these figures show the progress that the administration is making in shutting down the war.

I commend the Nixon administration for its efforts to cut off the enemy's supplies. Nonetheless, I still maintain that one ship is one too many and urge that these pressures be continued as long as American men are fighting in Vietnam.

FREE WORLD-FLAG SHIP ARRIVALS IN NORTH VIETNAM

	United Kingdom	Somali Republic	Cyprus	Singapore	Japan	Malta	Total
1969:							
January	8	2	1				11
February	6		1	2	1		10
March	6	1					7
April	7			1	1		9
May	9	1	1			1	12
June	6	2	2	1			11
July	6	1					6
August	4		2				6
September	4		1	1			6
October	4		1		1	1	7
November	7						7
December	7						7
Total	74	7	9	5	3	1	99

	United Kingdom	Somali Republic	Cyprus	Singapore	Japan	Malta	Total
1970:							
January	2	1				1	4
February	5	1					6
March	3	1					4
April	7	2					9
May	6	3					9
June	3	2					5
July	4	3	1				8
August	2			1			3
September	4						4
October	1						1
Total	37	13	1	1		1	53

ECONOMIC STRANGULATION OF DOMESTIC INDUSTRY

Mr. WYMAN. Mr. Speaker, as the House prepares to debate the Trade Act of 1970 it is important to remember a basic truth about this proposed law because of the alarmist propaganda from some sources contending its passage would set off a trade war.

Even if enacted into law, the Trade Act of 1970 need never apply by its own terms if our foreign friends will negotiate voluntary agreements in the nature of orderly marketing arrangements. Even the ceilings that the proposed act establishes may be exceeded by such voluntary agreements.

This legislation does not initiate a trade war. It is merely the expression and declaration of concern by the Representatives of the American people that American industry and jobs are not going to be surrendered willy-nilly to foreign workers. We are perfectly willing to have foreign production share in the American market place. We are desirous that bargains shall continue to remain available to the consuming public at home.

But we are also determined that sharing shall not mean surrender of whole industries, and that wholesale unrestricted invasion of selected markets in textiles and shoes will not be permitted. Congress is going to require this by law

with or without the recommendation of the Department of State and with or without the blessing of any particular administration.

To do less would be to betray the American workingman who is up against dollar a day wages abroad.

ELECTION AS CHAIRMAN OF STANDING COMMITTEE ON GOVERNMENT OPERATIONS

Mr. MILLS. Mr. Speaker, I offer a privileged resolution (H. Res. 1263) and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 1263

Resolved, That Chet Holifield, of California, be, and he is hereby, elected Chairman of the standing committee of the House of Representatives on Government Operations.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FOR CONSIDERATION OF H.R. 18970, TRADE ACT OF 1970

Mr. YOUNG. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 1225 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 1225

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 18970) to amend the tariff and trade laws of the United States, and for other purposes, and all points of order against said bill are hereby waived. After general debate, which shall be confined to the bill and shall continue not to exceed eight hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, the bill shall be considered as having been read for amendment. No amendments shall be in order to said bill except amendments offered by direction of the Committee on Ways and Means, and said amendments shall be in order, any rule of the House to the contrary notwithstanding. Amendments offered by direction of the Committee on Ways and Means may be offered to any section of the bill at the conclusion of the general debate, but said amendments shall not be subject to amendment. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bi.. to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final pasage without intervening motion except one motion to recommit.

The SPEAKER. The gentleman from Texas is recognized for 1 hour.

Mr. YOUNG. Mr. Speaker, I yield 30 minutes to the distinguished gentleman from California (Mr. SMITH) pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 1225 provides a closed rule, waiving points of order, with 8 hours of general debate for consideration of H.R. 18970, the Trade Act of 1970. Some of the old acts which the bill amends might have carried some appropriation in the original act, thereby making it subject to a point of order. That is the reason the waiver of points of order was granted.

The general purposes of H.R. 18970 are:

First, to extend the authority of the President to enter into foreign trade agreements through June 30, 1973, and to authorize the President to proclaim, subject to certain conditions and limitations, such modification or continuance of any existing duty or other import restriction or such additional import restrictions as he determines to be required or appropriate to carry out such trade agreements. The President would be granted the authority to reduce rates of duty by 20 percent or 2 percentage points below the level to which the United States was committed on July 1, 1967;

Second, to amend the tariff adjustment assistance provisions of the Trade Expansion Act of 1962 (TEA) in order to assure that U.S. industries, firms, and workers who may be seriously injured or threatened with serious injury from increased imports may be provided with tariff adjustment or other adjustment assistance needed to remedy such injury;

Third, to provide for the imposition of temporary quantitative limitations on imports of certain textile and footwear articles and for authority to negotiate international agreements or arrangements with respect to such articles, in order to assure the nondisruptive marketing of the imports of such articles into the United States;

Fourth, to provide a deferral of U.S. tax for domestic corporations engaged in export sales in order to remove an income-tax disadvantage to U.S. export sales of U.S.-owned foreign subsidiaries; and

Fifth, to amend certain other provisions of the tariff and trade law in order to meet immediate trade problems.

The bill incorporates in modified form the trade proposals made by the President to the Congress on November 18, 1969, some elements of many other trade proposals regarding orderly marketing of imports, the domestic international changes in our trade and tariff laws.

H.R. 18970 deals with the basic issues both in terms of the long-run interests of this country in economic cooperation and trade liberalization and the more immediate needs of producing and consuming interests in the United States.

Mr. Speaker, I urge the adoption of House Resolution 1225 in order that this all important bill may be considered.

Mr. SMITH of California. Mr. Speaker, I yield myself 3 minutes.

Mr. Speaker, I believe we may be starting on not only a rather controversial matter but also probably one of the most important matters that will be brought up before this 91st Congress, H.R. 18970, the Trade Act of 1970.

We held extensive hearings in the Rules Committee. They were extremely interesting and very intelligent. All the Members who desired to be heard were heard.

There were a number of Members who had different suggestions, from the standpoint of not desiring a closed rule. Some wanted to open it to have the bill read by sections. Some wanted to have the oil quota situation changed. Many other suggestions were offered to the Rules Committee. Some Members brought in, actually, their suggested substitute rules, for the one that was offered to us by the Ways and Means Committee.

But in the end result after several motions were made and voted upon, this particular rule, which was so adequately explained by the gentleman from Texas, was voted by the Rules Committee by a vote of 8 to 7.

Subsequent to that time a number of Members have indicated positions that they intend to take. A number of discussions have taken place.

I think on each of the desks on each side of the aisle there is an amendment to the rule which I believe the gentleman from Florida intends to offer if the previous question is voted down.

The bill probably does not go as far as some would like to have it go. On the other hand, I think it may go further than some would like to have it go. I believe the citrus industry is concerned. They feel, as they explain it to me, that if we start placing quotas, maybe they will be harmed by other countries placing quotas on citrus and thus less citrus could be sent abroad. The aircraft industry also feels the same way, and lots of organizations say that we should have worldwide free trade. The League of Woman voters so indicates. I think it would be fine, too, but it just does not seem to work out that way. Rather, it seems to be a one-way street. We take everything in the United States, but what we send to Japan are only things that they cannot produce for themselves or what they want to come in there. So we really have no world trade, and apparently we will not get it.

The administration has been working with Japan. Secretary Stans has devoted a tremendous amount of time and effort to try to work out an amiable, fair agreement. What the results of it are I do not know, but there are some indications that maybe progress is being made.

The purposes of the bill are:

First. To extend the authority of the President to make foreign trade agreements through June 30, 1973, including his authority to modify, within limits, any existing import duty or other restriction as he deems necessary to carry out such trade agreements.

Second. To amend existing law with respect to Federal assistance for domestic firms, industries, and workers who are seriously injured or threatened with serious injury from increased imports.

Third. To provide temporary quantitative limits on imports of textiles and footwear.

Fourth. To provide a deferral of U.S. corporate tax payments to businesses engaged in export sales where foreign prof-

its earned are used abroad to increase American export sales.

The President now has no authority to enter into foreign trade agreements; this authority expired on June 30, 1967, and has not yet been renewed. President Nixon asked for a continuation of this *authority in his* trade message of November 18, 1969. The bill extends this authority to July 1, 1973. It also provides that the President may reduce existing import duties by up to 2 percent as a part of any trade agreement he concludes.

Title I, section 104, freezes the current oil import quota system into law. It provides that the quota system with respect to oil shall not be modified by the imposition of any import duty or fee as a replacement for the present quota system.

With respect to assistance to those domestic firms and employees damaged by increased imports, the bill amends existing law to require the Tariff Commission or the President to determine if increased imports "contribute substantially" to causing serious injury. If so, and if injury is found to have in fact occurred, the President is required to take such action as he deems necessary to prevent or remedy the injury. Import restrictions may be imposed unless he determines such action would not be in the national interest.

The bill provides to employees of damaged firms who are laid off that they shall be paid an allowance equal to 75 percent of their average weekly wage or 75 percent of the weekly national manufacturing wage, whichever is lower. This is an increase from the present percentage figure of 65 percent.

Title II of the bill imposes import quotas on textiles and nonrubber footwear. Beginning in 1971, these imports are to be limited to the annual average of such goods imported during the 3 calendar years 1967–69. This limitation will apply to each individual country importing to the American market. The President may exempt from these restrictions articles which do not disrupt the market, are in short supply, or where the national interest requires such an exemption. All quota limitations imposed by the bill will end on July 1, 1976, unless the President determines that an extension is in the national interest, in which case such limitations may be extended for a period of up to 5 years.

The Antidumping Act is amended to bring its provisions into play more quickly when foreign countries "dump" imports on the American market. The bill also provides authority for the President to proclaim changes in the tariff schedules of the United States under any international trade agreements when he determines that the concessions granted will be fully reciprocated in similar concessions for American exports. Any such Presidential proclamation would be subject to a congressional veto by concurrent resolution within 60 days.

Finally, the bill provides for a deferral of U.S. corporate taxes on profits earned abroad by American companies engaged in the exporting business under certain conditions. Current Federal tax law discriminates against American companies which produce goods in the United States for export as opposed to companies who sell abroad their products which are produced abroad by their foreign subsidiaries. In the first instance, all profits are taxable in the year earned, while in the latter instance profits are not taxed until actually returned to the United States, usually as dividends to shareholders to the parent company.

Under the bill an American company selling domestically produced goods abroad will not be taxed on its foreign profits until it returns them to the United States if it uses such foreign-earned profits to further expand its foreign sales or invest them in expanding their production facilities to produce goods in the United States for further export sales.

Under the bill 50 percent of such profits in 1971 and 75 percent in 1972 and 1973 would quality under this new tax program. In 1974, 100 percent of such profits would qualify for deferred tax treatment until returned to the United States. The estimated loss in revenues in 1974 and thereafter ranges from $630,000,000 up to $955,000,000.

There are no departmental views contained in the report.

Dissenting views are filed by a bipartisan group of seven members who believe that the bill should be defeated. Their separate views, containing their reasons, follow:

Mr. VANIK opposes the deferred tax program as a new tax loophole favoring those in the export business. He also opposes the continuation of the oil quota system as proposed in the bill.

Mr. CORMAN and Mr. GIBBONS have filed dissenting views opposing the bill because it continues the oil quota system, it provides a quota system for textiles and footwear, and because of the deferred tax proposal for American exporters.

Mr. CONABLE and Mr. PETTIS oppose the bill because of the philosophical reasons underlying it. They believe its provisions, in attempting to protect American industries and jobs, may provoke a trade war. Other methods should be utilized in their opinion.

Mr. Speaker, I reserve the balance of my time.

Mr. VANIK. Mr. Speaker, will the gentleman yield?

Mr. SMITH of California. I yield to the gentleman if I have any time.

Mr. VANIK. Is the gentleman in support of or opposed to the closed rule?

Mr. SMITH of California. I voted in favor of the rule to report it to the floor of the House.

Mr. VANIK. That still does not indicate the gentleman's position on the rule.

Mr. SMITH of California. I will be voting, I will say to the distinguished gentleman, and I will be voting on the previous question and will be recorded at that time.

Mr. VANIK. Will the gentleman advise me what value there is to an 8-hour debate under a closed rule? This rule provides for 8 hours of very valuable time on the floor, and I wonder what value it has if it cannot effect any change in the product.

Mr. SMITH of California. We will be here for quite a while, until Christmas, in order for the other body to get caught up, so we might as well spend some time here today and tomorrow on the bill.

Mr. Speaker, I reserve the balance of my time.

Mr. YOUNG. Mr. Speaker, I have several requests for time. I would like to ask unanimous consent that the RECORD reflect that where I yield I yield for the purpose of debate only.

The SPEAKER pro tempore (Mr. HOLIFIELD). Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. YOUNG. Mr. Speaker, I yield 5 minutes to the gentleman from Florida (Mr. GIBBONS) for debate only.

Mr. GIBBONS. Mr. Speaker, I want to express my personal appreciation to the gentleman from Texas (Mr. YOUNG) for granting me this opportunity to debate this rule because I have signified to the gentleman from Texas and to other Members of the House, Mr. Speaker, that I intend to oppose this rule and to ask the House to vote "no" on the previous question.

Mr. Speaker, if the House votes "no" by a majority vote and if the Speaker recognizes me, I shall then present a modified closed rule or modified open rule to continue the debate and the discussion of this bill.

I do this because I think this is one of the most serious pieces of legislation that has ever reached this House floor in the short eight years I have been here. We will make policy affecting our economic system, policy affecting the world economic system that will affect internal policies not only of this Nation but also of the world.

Mr. Speaker, there is much at stake contained in this bill. There is at stake American jobs. There is at stake American prosperity. There is at stake here world peace. There is at stake here so many things that it would be impossible to enumerate all of them.

I do not intend to go into the merits or demerits of this bill at this time but I do want to talk seriously about a responsible type of open rule under which we can consider this piece of legislation.

All of us know that bills from the Committee on Ways and Means, certainly those bills dealing with trade, have for a long time been brought to the floor of the House of Representatives under a closed rule, although such is not the practice in the other body.

In 1953 the Rules Committee reported a rule very similar to the rule that I propose here for consideration of the trade bill at that time. So we are not breaking new ground and it is not without precedent.

Mr. Speaker, the proposal I make is a very simple one; that is, after the bill is read, amendments to strike provisions of the bill would be in order. I have suggested in my proposed rule that the bill

be read by title because the bill is rather logically and neatly arranged by title. When the completion of the title has been reached by the reading clerk, then amendments to strike any matter within that title will be in order.

Mr. Speaker, that is all this rule proposes to do. It does not open up this bill so that other new material, new items can be added to it, but only motions to strike will be in order. If you will examine the bill closely it will require some perfecting amendments if certain things are stricken.

But these amendments are restricted like renumbering sections and the placing of periods and other punctuation, as well as printing in upper and lower case letters.

Mr. WYMAN. Mr. Speaker, will the gentleman yield?

Mr. GIBBONS. I yield to the gentleman from New Hampshire.

Mr. WYMAN. Under the gentleman's proposal it would be possible, would it not, to strike a part of a title, such as to strike out from the bill those provisions that apply to footwear articles?

Mr. GIBBONS. Yes; or the provisions applying to oil or the provisions applying to textiles or ties or the provisions applying to mink skins or anything of that sort. But you could not add new material to the bill.

Mr. WYMAN. Mr. Speaker, if the gentleman will yield further, then the effect of the gentleman's proposal will be inescapably to substantially alter the proposal before the House, depending upon the amendments that are offered?

Mr. GIBBONS. Depending upon what the will of the majority of the House is. I do not know what the will of the majority of the House is and I do not think anyone can stand here at this stage of the game and tell us what the will of this House is. It may well be that nothing will be stricken from the bill, although I believe certain items are objectionable. They are objectionable to me, and it seems they are objectionable to other people. Therefore, I think we ought to have an opportunity to at least discuss it and vote on them and let the majority rule.

Mr. WYMAN. I thank the gentleman.

Mr. CONABLE. Mr. Speaker, will the gentleman yield?

Mr. GIBBONS. I yield to the gentleman from New York.

Mr. CONABLE. As I understand the rule you are proposing, assuming you are recognized by the Speaker after the previous question is defeated, you would be avoiding the common argument addressed against the writing of bills of a technical nature on the floor of the House by limiting any changes that would be made to deletions; is that not correct?

Mr. GIBBONS. That is correct.

Mr. CONABLE. I thank the gentleman. The gentleman has made a very interesting proposal.

Mr. GIBBONS. Mr. Speaker, I ask all Members to vote "no" on the previous question.

Mr. SMITH of California. Mr. Speaker, I yield 7 minutes to the gentleman from Illinois (Mr. ANDERSON).

Mr. ANDERSON of Illinois. Mr. Speaker, I rise to urge my colleagues to vote "no" on the previous question. I do not make such a recommendation lightly or easily. Indeed, let me be quite candid and honest with you from the very beginning: In Rules Committee on September 24 I voted for a closed rule. In doing so, I deferred to precedent, the conventional wisdom and the leadership of Chairman MILLS.

And there was good reason not to tamper with tradition on this matter. Since the end of World War II the United States and the Congress have compiled a most enviable record of leadership and intelligent policymaking in the area of international trade. Much of the credit for this achievement, I believe, must be ascribed to our determination and the practice to deal with these sensitive and complicated issues in the calm, quiet atmosphere of committee deliberation rather than amidst the hurried bustle of this Chamber.

Moreover, I quite frankly despaired that this imprudent and ill-timed trade bill could have been improved upon under any kind of rule—closed, modified, or open. To be sure, I never for a moment harbored any intention of supporting this measure. On the day of the rules committee decision, I released a statement to the press which said, in part, "this is the wrong bill, at the wrong time, and it addresses itself to the wrong problems. It will be bad for Illinois, bad for the Nation, and bad for international trade. Farmers, consumers, workers, and investors will all be adversely affected." Nevertheless, I saw little to be gained by departure from a sound precedent when the promise of success was so slight.

For let us recall that the time was one when the forces of protectionism were at floodtide. During the long spring and summer of committee hearings the representatives of special, parochial interests—company officials, labor union leaders, local government spokesman—had streamed endlessly into this city. One by one they came forward with their pleas for protection: the manufacturers of scissors and shears, toys, umbrellas, and novelties; the producers of glue, flowers, candles, and sporting goods; the makers of pins and fasteners, mushrooms, honey, footwear, and textiles and apparel.

All told the same story of woe and alarm: the American economy was imperiled; jobs were daily disappearing in droves; the balance of trade was sinking into a state of chronic disrepair; the domestic market was soon to be innundated with the products of cheap foreign labor. It was, therefore, time to call a halt.

These groups worked hard. They collared and buttonholed. They turned out a torrent of facts, figures, charts, and memorandums. They made a powerful case for reassessing the Nation's 30-year standing policy of promoting more liberal trade. They gained an enormous amount of support.

But in all this process, to use the words of the eloquent editorial in this week's Time magazine: "One voice was never heard on Capitol Hill—the voice of the U.S. consumer." And indeed, it might never have been heard, save for the fortuitous intervention of our democracy's wise requirement that holders of the public trust return every 2 years to face the judgment of the people. For it was quite a different chorus that confronted many of us as we worked the campaign trail.

During the month that we were in recess we had ample opportunity to hear other voices. Indeed, it was much less a chorus than a cacophony of confused, troubled voices, apprehensive about the precarious state of the economy. The resentments of the elderly and those on fixed incomes tightly clutching their shrinking dollars clashed with the fears of the young jobholder casting worried glances at the growing unemployment line. The frustrated family unsuccessfully seeking a home, the distraught small businessman unable to secure a loan, the desperate low-income family unable to extend its credit, the discouraged wage earner watching each new gain in pay being eaten up by the rising consumer price index, all merged in a blur and tangle of concern and unease.

This is not to imply, of course, that the economy is hopelessly wrenched out of shape or that disaster impends. Let us face the facts squarely: we have just swallowed some bitter fiscal and monetary medicine—the inevitable price we had to pay for our heedless indulgence in the latter half of the past decade. The medicine, in my view, has begun to have an effect; excess demand has been abated, and the bubble of inflationary psychology punctured. For this reason it is now time to move ahead to more stimulative, expansionary economic policies. But I ask, how are we to accomplish this, if we simultaneously inject a massive new shot of inflation into the economic bloodstream?

Mr. Speaker, let us make no mistake about it—a new surge of inflationary pressures would surely be the result of a retreat to protectionism. Andrew Brimmer of the Federal Reserve Board, for instance, has computed that the textile and shoe sections of this bill alone, would in time amount to nearly $4 billion in additional costs to consumers. And this is only a small part of the story. Of greater import still is the fact that it has not been manufactured goods, but services that have contributed to the heady upward flight of the Consumer Price Index during recent years. Between 1960 and 1969 the overall index rose 24 points. For commodities, however, it rose only 19 points and for durable goods only 11. Yet, in this same period the cost of services leaped 42 points.

Now part of the reason for the relative price stability on the goods side of the ledger has been the spur of vigorous import competition; a factor which has had not only a healthy restraining influence on prices, but also has provided low-cost alternatives in many consumer products that would not otherwise be available. For an illustration of this point, one only need recall that at the end of a decade of inflation the index for consumer electronics, an area of substantial import penetration, stood below the level of 1960.

Shall we now reverse this process? Remove this restraining influence, and invite the onset of an inflationary surge in the goods' sector akin to that wracking the service sector of the economy?

I say "no." Now is not the time to throw a roadblock in the way of the stimulative fiscal and monetary policies we need to move our economy back to *full employment*. Now is not the time to cut off the supply of low-cost apparel, footwear, and other goods upon which our low-income population is so vitally dependent in its quest for economic self-sufficiency and independence. Now is not the time to hastily adopt an expedient and short-term solution to a complicated long-range problem.

Mr. Speaker, let me briefly mention one other interest that has not been heard from adequately: The millions of farmers, workers, businessmen and investors in this country connected with export industries; industries that can expect to suffer devastating retaliation if this trade bill is approved. And let no one say that such a threat is illusory or unreal. I have just returned from a week-long Atlantic Conference in Puerto Rico. There I had opportunity for extensive, frank discussion with representatives of a number of European and Latin American countries, some of them government leaders and others from the private sector.

Let me assure you, they are not bluffing. When they make menacing sounds about retaliation, they mean business. I cannot help but fear that a retreat to protectionism in this country might well ignite a dizzying, sickening round of retaliation and counterretaliation, capable of undoing in a few short years the whole fragile structure of more liberal international trade wrought with so much patience and hard labor over these past 35 years. I cannot believe that the American people are now ready to forsake the mantle of leadership we have borne in fashioning that structure for such a precarious mess of porridge.

Mr. Speaker, let me conclude by returning to my original point. I believe that since the completion of the fall campaign, a more adequate and balanced representation of the interests and forces in American society has begun to weigh in. Those desiring a return to a more prosperous economy, low and middle-income consumers, export-related workers and businessmen, and those who do not want to see the United States retreat from international responsibility, have all begun to make their voices and interests felt.

And let me underscore this last concern. We have made great efforts and expended considerable resources in the past two decades to help secure social and economic development in the third world. President Nixon has made the encouragement of self-development and greater self-sufficiency the cornerstone of his new American foreign policy for the 1970's. In light of this, are we well advised to close off our vast domestic market to the products of the fledgling industries in these countries? Would it not be a gross contradiction of our basic foreign policy posture to dry up the source of the desperately needed exchange earnings required by these countries to propel themselves into economic independence and growth? The question, it seems to me, answers itself.

For all these reasons, I now have hope that we can improve and pare down this bill. I believe that despite the risks, we are now justified in departing from precedent, in laying aside temporarily a tradition that, on the whole, has served us well. In saying this, I do not by any stretch of the imagination advocate an open rule substitute. What I do advocate, though, is the opportunity for this body to strike by section. To trim down the many ill-advised and dangerous portions of this bill, leaving provisions for a renewal of Presidential negotiating authority, the repeal of American selling price, more generous adjustment assistance, and improved antidumping and countervailing duty mechanisms.

Having done that, then let us turn in the new Congress to the many real and serious problems caused by import penetration and disruption, and seek solutions by means of adjustment policies that are truly compatible with a competitive, dynamic economy, technological progress, and international responsibility.

Mr. YOUNG. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from California (Mr. CORMAN).

Mr. CORMAN. Mr. Speaker, I think there is much logic and reason in dealing with ways and means bills under a closed rule, generally, because they deal with very complex tax matters where one phrase or one sentence can have a tremendous impact on the revenues of this Nation.

I suggest that this bill is different from the ordinary in that it deals with two separate and distinct matters—two separate parts of the code—and that House Members ought to have some ability to express their individual views on individual portions of this bill.

The tax portion is one of substantial consequence. It is estimated by the Treasury that it will involve about $600 million a year in revenue losses. It is estimated by our own staff on the committee that it will amount to near $1 billion a year in revenue losses. That is this proposal. We ought to have an opportunity to address ourselves separately as to that.

Now as to the trade bill itself, admittedly, it all deals with one part of the code. But it really is a mixed bag. One provision in it gives the President additional authority to negotiate for tariff reductions. That is obviously to expand our foreign trade.

There are other provisions for adjustment assistance—and antidumping. That is to protect American industry from unfair practices and to take care of any industry or labor group that is dislocated because of imports.

But then in addition, there are some highly dangerous, potentially disastrous provisions to embark upon import quotas.

I would hope that whatever the House does, it would not require Members to cast a simple "yes" or "no" vote on the whole bag of proposals. I think we have the capacity, the understanding and the discretion to separate out the different provisions in this bill and to vote separately on each of these provisions, whether it is an open rule or a modified rule or whatever the House decides.

But I sincerely hope that the House will not decide to force every Member to vote up or down a bill which is so broad and so diverse as this bill is.

Mr. SMITH of California. Mr. Speaker, I yield 3 minutes to the gentleman from Massachusetts (Mr. CONTE).

Mr. CONTE. Mr. Speaker, I rise in opposition to this closed rule which would force us to swallow every section of the trade bill, no matter how indigestible, in order to obtain any of the considerable benefits it would provide.

There is one provision in particular which I simply cannot stomach. It would do a great disservice to all Americans as consumers and as taxpayers. I refer to section 104(a) which would help to perpetuate the inequitable mandatory oil quota program.

In February 1970, after a full year of study, the President's own Cabinet Task Force on Oil Import Control found there is absolutely no justification for continuing these oil quotas which cost the American consumer over $5 billion annually. Instead, the task force urged an end to quotas, and a switch to a tariff system.

This recommendation would lead to lower oil prices and additional revenues of at least $500 million for the Treasury. The present system simply lines the pockets of a handful of major oil companies who are given these quotas.

Section 104(a) is a specific rejection of the task force proposal. In recent testimony, Gen. George A. Lincoln, Chairman of the President's Oil Policy Committee, opposed this provision, because—and I quote—"it takes away from the President a flexibility that he should be allowed to retain in dealing with problems that may come up in the future which cannot possibly be foreseen in detail now."

Mr. Speaker, the presence of this obnoxious provision in this bill is an affront not only to the President, but to all of us in this Chamber who are concerned with the interests of the consumer. To force us to accept this as the price for vitally needed trade legislation is pure and simple blackmail. I for one will not stand for it.

This is why I must oppose this closed rule. But, let me set the record straight, Mr. Speaker. Despite suggestions to the contrary, I do not and will not support an open rule. No responsible legislator can support this. It would expose this legislation to an avalanche of additional special interests to help this industry and that. It would turn this bill into a "Christmas tree" so overloaded with goodies that it would compel a Presidential veto, if it did not fall of its own weight.

Mr. Speaker, the alternative rule which I support would simply permit amendments to strike. It would not permit the

addition of any new provisions. I for one will have little difficulty in supporting the rest of this bill if I am not, at the same time, asked to drive another nail in the coffin of petroleum consumers in the process. I know that many of my colleagues, especially in New England, share this view.

I urge all my colleagues to join me in voting down the previous question on this proposed rule. Only then will we be able to support what is, in the main, a good bill. It is unfair not only to the Members of this House, but to all Americans to ask us to pay this price.

Mr. BOLLING. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Massachusetts (Mr. BURKE).

Mr. BURKE of Massachusetts. Mr. Speaker, I strongly urge all of you to support the closed rule as reported by the Rules Committee for the consideration of the bill, and also to vote for the bill itself.

Passage of this legislation is of vital interest to all the people of New England. I do not know of any legislative enactment in recent years which is so important to my section of the country.

A great deal has appeared in the press about the so-called oil amendment. I voted against this oil amendment, but unfortunately it was adopted in the House Committee on Ways and Means. However, we had only seven members on the committee who would vote against the oil amendment. It is my feeling that the Senate, with its flexible rules, should be the body where the attempt should be made to strike out the so-called oil amendment. If the oil amendment is deleted from the bill in the Senate, then all of my colleagues in New England can try to prevail on the conferences to support the position of keeping the oil amendment out.

I have a list of some of the companies in New England that are affected by this trade bill. This is their only chance for relief. In Massachusetts today we have over 160,000 people unemployed and walking the streets, without a job and without any prospect for a job. The electronic industry has been seriously injured. The shoe industry has been mortally wounded. The textile industry is in real trouble. The cities of New Bedford, Fall River, Lowell, Lawrence, Haverhill, Pittsfield, Springfield, and Boston in Massachusetts, as well as other cities, are suffering this untold misery of continuing acceleration of unemployment.

I predict here in this House today that if we do not pass this bill, the unemployment in my State could go as high possibly as 200,000 by the end of 1971, and, yes, it could reach the figure of a quarter million people unemployed in my home State in 1972.

Make no mistake about it: The big issue in the 1972 campaign is going to be jobs. It is going to be jobs in the district of every Member of the U.S. Congress. I do not care where the Member comes from. The imports, accelerated in this country, have flooded the market and have driven American workers out of jobs, and that is going to be the big issue. Members are going to answer for it. They are going to answer for those jobs just as sure as they are sitting here, and the only answer we can give is to vote for the closed rule. There are flexible rules in the other body, and they can take care of the oil provisions.

Mr. SMITH of California. Mr. Speaker, I yield 2 minutes to the gentleman from North Carolina (Mr. MIZELL).

Mr. MIZELL. Mr. Speaker, yesterday the House passed a $7.5 billion package directly aimed at solving some of the unemployment problems in this country.

This manpower training program hopefully will be of great benefit in our efforts to reduce unemployment in America. One section of that bill authorized $1 billion for establishing public jobs throughout the Nation, with a majority of salaries for those jobs being paid by American taxpayers.

Today, Mr. Speaker, by adopting the rule on debate of H.R. 18970, the Trade Act of 1970, the House will have before it legislation dealing directly and effectively with unemployment in this country as well as preventive medicine to protect the workingman from the ills of unemployment.

Adoption of this rule, and subsequent passage of the bill will assure thousands upon thousands of people throughout America that their jobs will not be lost because of the importation of goods produced by low-wage labor.

I cannot stress too strongly the immediate need for this legislation, and thus for a rule which will provide for a swift and uncomplicated disposition of the bill.

If we had considered legislation such as this 2 years ago, we would have 85,000 more people employed in the textile and apparel industries. Those who have been exploiting our markets with goods manufactured with low-cost labor have refused to negotiate any reasonable quotas, and because of their refusal to negotiate and our inaction, we are now paying the severe consequences in the loss of jobs, but the one who suffers the most is the man with a family who has lost his job at a textile plant and cannot find another one.

I congratulate the very able chairman of the Ways and Means Committee, the gentleman from Arkansas (Mr MILLS), and the ranking Republican on that committee, the gentleman from Wisconsin (Mr. BYRNES), and the committee for their outstanding work during the many weeks of preparing this vital legislation.

The bill is now in final form. Its conditions are well known, its great support among my colleagues is already a matter of record, since more than half of them are cosponsoring similar legislation, its provisions have been carefully selected, its urgency is of crisis proportion.

Because of all these factors, the Ways and Means Committee has wisely sought a rule under which the House could best and most expeditiously consider this legislation, and the Rules Committee has recommended such a rule.

Therefore, I strongly urge my colleagues to abide by the wisdom of this decision and vote for adoption of the rule recommended by our Rules Committee.

Mr. YOUNG. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Ohio (Mr. VANIK).

Mr. VANIK. Mr. Speaker, I expect to vote against the previous question and to support the proposal which is made by my distinguished colleague, the gentleman from Florida (Mr. GIBBONS), to provide for an opportunity for this body to strike provisions from this bill which it may be necessary to strike.

Frankly, the 8 hours of debate provided under this rule is wasted time. I do not know what we are going to do if we cannot amend the bill. We can merely talk. We can save a great deal of time if we just eliminate that debate time, if this gag rule is adopted.

Mr. Speaker, I cannot understand how this body can go along with a proposal like this bill, which provides for a $990 million tax writeoff, a loss to the Treasury of almost $1 billion at a time when we are experiencing a tremendous deficit, and at a time when we face an inflationary problem which has still not been resolved.

Furthermore, I want the House to have an opportunity to strike the oil quota provision. It seems to me that what we do in this bill by locking in the oil quota provision is to provide a monopoly of resources and price fixing prices which cost the consumer $5 to $7 billion annually. Through tax privilege, oil has generated the financial strength to buy heavily into the coal resources of the United States. Ir addition, it is heavily invested in the uranium resources. Soon all of the energy resources of this country will be owned and controlled by the oil industry which will have unprecedented power of economic strangulation.

This bill provides dangerous power in the hands of those who can economically strangle this Nation. It is done through the quota provisions that are provided in this bill.

The closed rule must be defeated. This body must exercise its will in striking from this bill such provisions which cannot be sustained by a majority vote.

Mr. CONTE. Mr. Speaker, will the gentleman yield?

Mr. VANIK. I am happy to yield to the gentleman from Massachusetts.

Mr. CONTE. First, I want to commend the gentleman from Ohio and associate myself with his remarks.

Second, those making the argument that the oil provision should be taken care of over in the Senate and not in the House are saying, are they not, that the Senators are capable of making this change to delete the oil amendment and the House is incapable of offering and making a decision on this amendment. Is this the interpretation of the gentleman from Ohio.

Mr. VANIK. It seems to me the House is just as capable as the other body in resolving this issue and having a fair debate and a meaningful debate, with the privilege of offering amendments.

Mr. CONTE. The gentleman is absolutely correct.

Mr. VANIK. I urge my colleagues to vote down this rule and to support the proposal by my colleague from Florida.

Mr. SMITH of California. Mr. Speak-

er, I yield 2 minutes to the gentleman from Illinois (Mr. FINDLEY).

Mr. FINDLEY. Mr. Speaker, I rise in opposition to the rule, and I urge a negative vote on the previous question, so that hopefully this will make in order the motion by our colleague from Florida (Mr. GIBBONS).

It is very plain to everyone here today that the crucial vote on this trade bill will come on the rule and not on final passage. By the time we get to final passage the issue will be joined and the outcome easily predicted. There are enough troops lined up on the very clear final passage issue to see it breeze through.

Where there is a chance to improve this bill is by voting down the previous question, to make in order amendments to the bill, to delete certain items.

In attempting to get to the floor today I had to elbow my way through a swarm of lobbyists in the corridors. It was all I could do to get to the floor. These lobbyists are well represented, I am told, elsewhere in this Chamber.

No doubt they are here to serve what they think are the best interests of the textile industry, of the shoe industry, of the mink industry or whatever it might be. It is our burden, however, to weigh the interests of these special groups as they perceive their interests against the broader interests of the American people, whether these interests be as consumers, as farmers, as taxpayers, or simply as citizens.

Let me say that there is a grave challenge and issue to the national security involved here. This bill would punish our friends, friends like the democratic government of Italy? What effect this will have if we take this major step backward in terms of trade policy, introduce a volatile new political issue in areas of Italy where Communists are strong.

It behooves us to consider such broad national security aspects before making the crucial vote on the previous question.

Mr. YOUNG. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Connecticut (Mr. MONAGAN).

Mr. MONAGAN. Mr. Speaker, I rise in opposition to the rule and in opposition to the previous question.

This is not an easy decision to make because of the complexities of the legislation proposed here today and also because there are many provisions in it which I can agree with. However, there are two principal objections that I find.

First of all, it is discriminatory in its selection of the products that are preferred; namely, oil, textiles, and nonrubber footwear. It eliminates all of the others, many of which are manufactured in my own district, probably one of the most industrialized in the country, and which in the judgment of their producers both management and labor, and in my own judgment, are equally worthy of consideration for quotas rather than being relegated to the remedy of adjustment assistance, which deals with damages or unemployment compensation rather than jobs.

The second question for me involves, of course, the continuation of the quota system for oil. Certainly all of us in the Northeast, in the State of Connecticut and in the other States in the northeastern part of the country, are terribly concerned about what the future may bring. As has been suggested previously in this debate, the President's own Commission suggested a change from a system of quotas to one of tariffs. Not only has this suggestion been repudiated, but the quota system would be perpetuated in this legislation. What this might bring for the homeowners of Connecticut and New England in the winter ahead is certainly a matter of tremendous concern to us.

For this reason, Mr. Speaker, I am opposed to this provision in the bill and would welcome an opportunity to amend it.

Mr. GIAIMO. Mr. Speaker, will the gentleman yield?

Mr. MONAGAN. I yield to the gentleman from Connecticut (Mr. GIAIMO).

Mr. GIAIMO. Mr. Speaker, I would like to associate myself with the comments of my colleague from Connecticut (Mr. MONAGAN).

I am opposed to the gag rule and to this legislation. I do not think it is the proper approach to this very difficult problem of trade and the balance of trade relationships between the United States and other nations. It is discriminatory and it picks out the textile industry, the oil industry, and the nonrubber footwear industry for special treatment, but it has no concern at all with the balance of the trade problem facing the United States.

Mr. SMITH of California. Mr. Speaker, I yield 2 minutes to the gentleman from New Hampshire (Mr. WYMAN).

Mr. WYMAN. Mr. Speaker, I rise in support of the closed rule in this instance. I want to make a few observations relative to the basic issue involved in the forthcoming vote on the previous question.

It is very clear that anyone favoring the leverage that is given the Chief Executive by this bill on any of the items covered in the bill should vote in favor of the previous question when that question is before us. The President needs this leverage to be able to negotiate trade agreements with importing nations. Without it why should they negotiate when Congress has failed to provide any meaningful restrictions on floods of foreign imports that are wiping out U.S. jobs?

The gentleman from Illinois (Mr. ANDERSON) suggested that the consumer's voice is not being heard on Capitol Hill. I hope the gentleman also recognizes the fact that unemployment in America at this time is becoming of real concern. Unless we do something to protect American jobs in this bill we will surrender hundreds of thousands of jobs to workers at the expense of American workers. This is bound to result in a big increase in unemployment in the United States. It is in the consumers' interests that these workers stay at work and off unemployment compensation. We cannot have our cake and eat it too. We cannot maintain the highest standard of living in the world with the highest wages paid without guaranteeing a share of our market to the U.S. worker.

Mr. Speaker, the suggestion has been made that provisions of this bill if enacted would freeze the Northeastern United States to a higher price for oil. I do not believe this to be accurate. The quotas for oil in district 1 would remain subject to amendment and regulation by the President and the Office of Emergency Preparedness. The oil provision is a compromise to get this bill to the floor. It is not a roadblock to relief for New England, although those of us from that area would, of course, prefer that it not be in the bill.

Yet, if we start the process suggested by the gentleman from Florida of allowing deletions from the bill one by one, it is bound to mean the loss of the bill itself.

Those gentlemen who are familiar with our parliamentary procedures know that there are not enough votes on separate amendments to take care of shoes alone, not enough votes to take care of textiles alone; but if we all stand together across industry lines to protect the jobs of the American working men and women, we can pass this legislation—and it ought to be passed by this House. It ought to be passed by the other body, and promptly signed by President Nixon.

Mr. Speaker, we simply cannot just surrender our jobs and our industries to foreign nations just because from their lower standard of living they pay vastly lower wages than we do. To vote against the previous question in these circumstances is a heavy responsibility for any Representative in this House because it is a vote against the bill itself. I urge a vote of "aye" on the previous question.

Mr. YOUNG. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Pennsylvania (Mr. DENT).

Mr. DENT. Mr. Speaker, time does not allow me to go into the details of this legislation. However, I would recommend to the Members that if they have time to read the September 29 CONGRESSIONAL RECORD, p. 34202, containing a history of trade in the United States that I put into the RECORD, I would like to suggest that there is one thing we must remember in legislating and that is this: That there has to be some equality of consideration for all those concerned, and not just those who are able to belong to a certain committee that is able to do something for those who find themselves in the same distress or even more distress than the textile workers, or the shoe workers, for instance.

Mr. Speaker, my State is the largest shoemaking State in the United States of America. It has an unemployment rate of about 40 percent due to the influx of leather shoes since the passage of the Reciprocal Trade Adjustment Act under President Kennedy. At that time the textile workers, 2 days before the vote, were given a concession which called for the imposition of a tax per pound on imports of cotton content, the content of all products coming into the United States, equal to the subsidy per pound of cotton support. Well, that was never passed and

never approved, but instead of that we passed an equalizer or so-called one-price cotton, selling to the American textile mills at the same price that we were selling cotton in the world market.

Mr. Speaker, I have all the respect in the world for those who can get for themselves that which they deny to others, if in so doing they do not injure others. I say the 15 percent peril point limitation means 17 million tons of steel, meaning, ladies and gentlemen of this House, 104,000 steelworkers' jobs.

We are closing the door in this particular piece of legislation on 420,000 textile jobs which will be eliminated. We are closing in this particular piece of legislation all hope of my 40 percent of shoemakers ever getting back to work. We are not saying a word about tool steel. Seventy percent of the tool steel industry in the United States will not last 5 years in this country, and without this industry, ladies and gentlemen, there will be no industry. The textile industry cannot maintain this economy; shoes cannot maintain this economy.

What this legislation should be is a simple formula giving us a trigger at that point of injury and peril when an industry finds itself unable to compete. This is a day of world competition and nothing else. Vote down this rule.

In so doing we may get legislation that treats all industry, all workers equally.

Who are we to say that one industry is worth saving and another must die.

Why do we try to make one industry's workers a preferred, protected job status and the rest of us tuned to the will-o'-the-wisp of the inexact science of foreign relations.

Trade is an economic exact science and must be treated as such.

Mr. SMITH of California. Mr. Speaker, I yield 5 minutes to the gentleman from North Carolina (Mr. JONAS).

Mr. JONAS. Mr. Speaker, I do not know of any legislation in recent years that has received more consideration than the bill this rule would make in order for consideration. I would just refer the Members to the summary statement in the report of our great Committee on Ways and Means, which is the committee that has been created to do the spadework on legislation in the field of trade, social security, and taxation. These are all intricate subjects that must of necessity be developed within the calm and deliberative atmosphere of a committee room, rather than on the floor of the House of Representatives, where we have 435 Members, many of whom have divergent views.

Experience in the past indicates that legislation of this nature simply should not be undertaken to be written on the floor of the House of Representatives.

I think anyone who reads the summary statement, from which I wish to quote briefly must conclude that we who do not serve on the Committee on Ways and Means can be confident that this bill was given close and careful consideration and the terms of it were agreed upon only after long deliberation and debate within the committee, after listening to hundreds of witnesses, and that we would not be justified in repudiating the action of that committee.

The committee says this in its report:

H.R. 18970 represents many months of effort by your committee to bring to the House a trade proposal which will provide a sound base for the continuation of a long-range trade expansion policy and will meet the immediate need of United States producing and consuming interests, and other economic interests both in domestic markets and abroad. The bill incorporates in modified form the trade proposals made by the President to the Congress on November 18, 1969, some elements of many other trade proposals regarding orderly marketing of imports which had been referred to the committee, other suggestions for changes in our trade and tariff laws made during the course of the public hearings, and the domestic international sales corporation proposal made to the committee by the Secretary of the Treasury.

Now, I invite your attention particularly to the following which also is taken from the committee report:

Your committee devoted over one month to public hearings, receiving testimony from 377 witnesses representing all segments of the United States economy. The printed record includes hundreds of written communications from interested persons and organizations from all parts of the country. The public hearings were in addition to similar hearings held by the committee in 1968. The extensive information and the individual views were helpful to the committee in its task of formulating the policies reflected in H.R. 18970.

Your committee met in executive sessions for over a month in developing the bill. Your committee believes H.R. 18970 deals with the basic issues presented by the many trade proposals brought to the committee's attention—

And so forth.

What I am saying is that the committee which has jurisdiction and expertise in this field, after long, careful and deliberate study and consideration developed this bill. It is my opinion that if the previous question is voted down and an open or modified rule is adopted, this bill will not be considered in the House today, and perhaps never. I do not have any authority for that statement other than my own opinion, but I am not willing to run the risk and I do not believe the 250 Members who cosponsored this bill would want to run that risk either.

If you change the rule reported by the Rules Committee, my judgment is that you will kill this bill so far as the House being given an opportunity for its consideration.

I do not want to see this bill killed because it means so much to so many people in the United States and represents so many man-hours of hard work and consideration by the very committee that we have selected to do the spadework on legislation of this sort.

Something has been said in the course of the debate so far about a comment made recently by a governor of the Federal Reserve Board; that is, a member of the Board of Governors. He made the statement that this bill, if enacted, would cost the consumers of the United States substantial sums of money.

The Deputy Assistant Secretary of Commerce, Hon. Stanley Nehmer, delivered a speech here in Washington and I have before me a release of his speech which is marked for release for the afternoon papers today, and, therefore, I am at liberty to use it, in which Mr. Nehmer completely demolished the arguments of the governor of the Federal Reserve Board who made that statement.

Mr. Nehmer, for example, made the point that Mr. Brimmer fails to understand that consumers are also taxpayers; and he makes a number of other very important points in this speech.

Mr. Speaker, I ask unanimous consent to include the text of Mr. Nehmer's speech as part of my remarks at this point in the RECORD.

The SPEAKER pro tempore (Mr. HOLIFIELD). Without objection, it is so ordered.

There was no objection.

The speech referred to is as follows:

THE TEXTILE ISSUE: FACT AND FICTION

(Remarks by Stanley Nehmer, Deputy Assistant Secretary of Commerce for Resources, prepared for delivery at the board meeting of the National Association of Wool Manufacturers, Washington, D.C., Nov. 18, 1970)

I

I am pleased to have the opportunity to meet with you today, at a time when Congressional consideration of legislation which can affect your industry is moving toward its final stages in this session of Congress.

The solution which the Administration seeks to the problem of burgeoning and disruptive textile imports is the textile legislation now before the Congress. The Administration has taken that position with reluctance because we have always felt and still feel that the preferred way to deal with the textile import problem is through negotiated agreements with our principal foreign suppliers. But, in the absence of any constructive negotiated solution, legislation represents the only means to bring an end to this long-standing, frustrating problem. Secretary of Commerce Stans advised the House Ways and Means Committee on June 25 that the Administration supports the enactment of the textile provisions of the trade bill.

In recent weeks, and particularly during the last week, a number of statements have been made and articles printed on the textile situation. Many of these have shed much heat, but little light, on the textile import issue. We have had much fiction, but few facts. I would like to take this opportunity to comment in particular on one of these statements, prepared for an economics seminar, which received considerable attention in the press. I am referring to the comments of Governor Andrew F. Brimmer of the Board of Governors of the Federal Reserve System concerning import controls and domestic inflation as it relates to the textile issue.

But before getting to the basic questions raised by Governor Brimmer's analysis, I want to emphasize that my comments will be confined to the textile features of the trade bill and the textile issue. They do not in any way represent my judgment or that of the Administration as to other features of the trade bill or as to the position of the Administration on the bill as a whole. Secretary Stans and others in the Administration have expressed our views and deep reservations about many aspects of the trade bill in their recent testimony to the Senate Finance Committee, and I need not repeat that this morning.

II

The key to an understanding of the Administration's support of the textile quota provisions of the trade bill was stated by

Secretary Stans to the Senate Finance Committee on October 12:

"The basic thrust of the textile provisions of this bill is in the direction that we have pursued for many months—the negotiation of viable international textile agreements. The quota provisions of the bill would be superseded by bilateral or multilateral textile agreements and may be waived for non-disruptive imports or where the President may find it to be in the national interest not to impose quotas."

This reading of the bill is not arrived at lightly. It is based on our direct and extensive participation in the drafting of the textile provisions of Title II of the trade bill, and it recognizes that the Ways and Means Committee adopted changes suggested by the Administration in this Title during the course of its very thorough and extensive deliberations.

Secretary Stans and other Administration witnesses had urged modification of the bill originally introduced by Chairman Mills to provide for exemption of non-disruptive goods. This and other changes were developed during the course of hearings, and were adopted by the Committee. A central feature of these changes is to assure a flexible instrument that can be used to bring about negotiated agreements. The Ways and Means Committee itself supports this view of the bill in its report by stating that "it is intended that, insofar as may be possible, the limitation of these imports will be accomplished through the negotiation of voluntary agreements provided for under Section 202 and that the quota provisions of Section 201 will assist in the negotiation of such agreements as well as to provide protection for the domestic market and workers in cases where such agreements are not concluded."

We have said over and over again that we will never cease to negotiate on the textile issue, even if quota legislation is enacted. The public record and the record of the Ways and Means Committee are clear to all who wish to avail themselves of the hard fact of our position on this question.

But Governor Brimmer has not consulted the record. How else to explain his statement which at once recognizes that, under the provisions of Title II the President may exempt non-disruptive articles, that he may waive quotas when he finds it in the national interest to do so, and that negotiated agreements automatically supersede quotas—and yet offers the following as the basic working assumption of his analysis:

"It was assumed that—if quotas were imposed—the amount of imports authorized would be that stipulated under H.R. 18970. In 1971, imports would be held to the 1967–69 average; then, beginning in 1972, the amount authorized would be increased by 5 per cent of the amount authorized in the immediately preceding year."

Governor Brimmer bases his entire estimate of the cost of the textile portions of this bill to consumers on this assumption. If valid, it would mean that 1971 textile imports would represent a rollback of about 25 percent from current levels. This is not fact; it is fiction. Indeed, Governor Brimmer even fails to note that cotton textile imports, which this year will account for some 1.6 billion yards, out of total imports of some 4.4 billion yards, are automatically exempted from quotas by the bill so long as we participate in the Long Term Cotton Textile Arrangement.

In the face of the record, in the face of a clearly stated Administration intention, and in the face of the realities of our textile trade and our textile policy, in which we have always provided substantial access for imports to our market, he assumes that there will be no exemptions for non-disruptive articles, and that either no agreements will be negotiated or, if any agreements are negotiated, there would be no increase above the 1967–69 average provided for in such agreements. That does not make sense.

And where does this wrong assumption lead Governor Brimmer? Following a fairly elaborate analysis which encompasses estimates of 1975 demand versus 1975 imports on the basis of these quotas, and a price analysis about which I shall comment later, we are shown an alleged cost to consumers of $1.8 billion for these textile quotas. At this cost, which he feels would have an inflationary impact on the economy, Governor Brimmer concludes that a solution other than import quotas is needed to provide the help to workers and firms in the industry which he agrees is needed.

III

Governor Brimmer's proposed solution is not new. Alarmed at the possible cost of $1.8 billion to American consumers, he recommends that we ". . . adopt more effective programs to provide re-training and transitional benefits or financial assistance for those who are displaced by competitive forces over which they have no control—whether the forces originated at home or abroad." He offers no analysis of his proposed solution. Indeed, from his paper one would assume that an adjustment assistance program for textiles is free, and that American taxpayers are in some way different from American consumers.

But our experience thus far with adjustment assistance and our estimates for the future in textiles are quite to the contrary. Before getting to that, however, we should perhaps establish a basic line of logic. First, we should recognize that consumers pay taxes. Second, we should recognize that adjustment assistance or any other kind of assistance costs money. Third, we should recognize that such money comes from the Treasury Department which gets it basically from tax revenues. A conclusion begins to emerge, namely, whatever money an adjustment assistance program costs will be borne by taxpayers, a worthy group difficult to distinguish from American consumers.

Now, perhaps we should look at how much an adjustment assistance program might cost in dealing with a problem of the scope and nature of that which confronts the textile industry and its workers. The textile-apparel complex directly employs some 2.3 million workers in some 35,000 separate establishments located in every state of the Union. On the basis of our experience with the automotive arrangement with Canada, we have estimated that adjustment assistance per 100,000 workers certified as eligible to apply for such assistance would cost in the neighborhood of $265 million a year. This assumes that of those certified, only 75 percent finally qualify and receive assistance. Of that 75 percent, only one-fourth receive training allowances. I use the 100,000 figure because it has a peculiarly current significance. From January of this year through September, the latest month for which we have data, textile and apparel employment in the United States was down by 100,000 jobs. A total of 125,000 lost jobs in textile and apparel by the year's end is certainly a real possibility.

Obviously not all of the jobs were lost to import competition, but just as obviously a great many of them were, since American consumption of textiles did not decrease, but the import share of that consumption increased. It is a relevant figure to consider. But we should not assume that a 100,000 or 125,000 job loss will be the end of our textile issue in the absence of a sound solution to the import problem. It can reasonably be predicted that additional job losses of a similar magnitude will continue to occur over the next four or five years in the absence of controls on textile and apparel imports. This annual figure of $265 million would be repeated several times over.

And what about firms? Adjustment assistance to firms also requires money. Our experience in cases of assistance to firms and the kind of capital requirements that might be involved there is less than in the area of worker assistance, simply because there have been fewer successful applications. We do know, however, that on September 29, 1970, the Small Business Administration announced a plan of assistance to the Emil J. Padar Co. (producer of barber chairs) which provided for loans totalling $4,125,000. Other adjustment assistance proposals are being considered by the Commerce Department at the present time. While their cost will vary significantly, I know of at least one that is expected to exceed $1 million.

The textile-apparel industry is composed of some 35,000 establishments owned by some 30,000 firms. Obviously, many of these firms will need assistance. Some of them perhaps will need as much assistance as the Emil J. Padar Co. Others will need less. Surely some will require more. Little imagination is required to forecast that the application of figures in the order of magnitude of $1 million per firm to a very small percentage of these firms, i.e. 2 or 3 percent, produces rather large dollar outlays by the Government for an adjustment assistance program.

For example, assuming 30,000 firms, and assistance for the stated percent at the indicated level, we see: 1% at $1 million=$300 million; 2% at $1 million=$600 million; 3% at $2 million=$1.8 million.

Note that this 3% is only 900 firms, and a $2 million loan is less than one-half of what was deemed necessary to do the assistance job required for a barber chair manufacturer. Obviously the Brimmer solution would bring us to the threshold of a major financial undertaking that staggers the imagination.

Perhaps we should again note that, as Secretary Stans has stated, "The textile industry is too big for any kind of solution that we would be able to apply internally." Consumers, as tax payers, would bear the burdens of such a program.

Indeed, this is perhaps the key distinction between the textile and shoe cases. The 100,000 jobs lost in textile and apparel this year equals 50% of the total U.S. employment in the nonrubber footwear industry. Rather than 30,000 firms, there are 675. So different in size are these problems that they do, in fact, take on a difference in kind.

We believe a reasonable internally-oriented program can meet the problems of the shoe industry. The Administration has put forward such a program. In addition, the Tariff Commission's injury investigation now underway at the request of the President will help us to fill in gaps where import relief may be needed for particular products.

IV

Let us return briefly to another part of Governor Brimmer's analysis. He assumes that the unit value of imports (at retail) is about $6 as compared to a domestic value of about $10. He further assumes that the effect of the quota is to require that each item not available from imports be obtained domestically. Thus, the buyer of a unit who cannot obtain a $6 unit because of the quota must obtain a domestic replacement at $10. Cost of quota? $4 per unit. Net result based on his demand projections and on his import-supply projections? $1.8 billion.

But here again, I think we are dealing with a false assumption. Namely, that all imports and all domestic articles cover the same price spread in unit value. This ignores the fact that imports are generally more concentrated in value terms than is domestic

merchandise which covers in significant quantity the entire range of price and quality. In short, the unit value comparison is not realistic. The $6 item that the consumer replaces with a domestic item is not replaced with a $10 item, but with an item of the same quality whose unit value is likely to be much closer to $6 than to $10.

Every dollar of reduction of that $10 unit in Governor Brimmer's analysis reduces the $1.8 billion cost figure by twenty-five percent. Thus, if a $6 item is replaced by a $7 domestic item the $1.8 billion cost drops to $450 million. You may have noticed that this is far below any reasonable estimate of the cost of an adjustment assistance program.

Governor Brimmer also fails to account for the cost to the Treasury of lost revenue from tax payers who used to work in the textile and apparel industry but are forced into adjustment assistance payments, and from firms which used to make a profit in that industry but no longer do so. Our estimates of the lost wages alone for 100,000 workers amount to more than $500 million a year, or more than $625 million a year for 125,000 workers. And this is cumulative, so that, in the absence of meaningful restraints on imports, by the fifth year alone, it could be somewhere between $2.5 and $3.0 billion. Obviously, this loss to the economy is reflected in lost expenditures by these people, as well as in non-payment of taxes. From contributors to our tax revenue and economic activity, these people shift to recipients of public assistance.

These figures on workers and firms do not reflect community losses sustained as a result of this loss of buying power, increased welfare costs, and lost local tax revenue from unemployed workers and closed plants. Over a five-year period, we could conceivably be dealing with an economic impact measurable in tens of billions of dollars.

As a final note, Governor Brimmer also largely assumes that the only real force holding down textile-apparel inflation is imports, and that a lessening of this pressure means equivalent upward price movement. But we are looking at an extremely competitive industry. Apparel, the focus and example chosen for his analysis, is without doubt the least concentrated major American industry. Its largest firm accounts for but 2 percent of the industry sales and its 8 largest together account for only 15 percent. Firms in this industry clearly face the knife-edge of competition, with or without imports.

There are other technical deficiencies in Governor Brimmer's analysis which I will not pursue in detail at this point, but which further undermine his conclusion.

For example, Governor Brimmer's method of calculating the cost of quotas on apparel depends completely on reducing the entire range of apparel items and pieces to a single "average price" measure. He does this by taking a poundage figure for all retail apparel purchases and dividing it into the total value of such purchases for both domestically produced items and for imports. But there is absolutely no relationship in the market place between the weight of an apparel item and its price. Anyone who looks at his wife's clothing bills knows this.

Also, we know that many of the factors relied upon in Governor Brimmer's method are not the constants he assumes them to be. This is true, for example, of the composition of the consumer's price index basket of goods and services. The only constant about this basket is that it changes all the time as per capita incomes rise and new consumer goods appear on the market. Six years is a long period for which to assume zero change in areas as dynamic as incomes, tastes, and actual consumer expenditures.

Governor Brimmer's method rests on arbitrary assumptions which introduce a serious systematic upward bias into his results and on crucial measurements which are technically unacceptable. Finally, there are also inaccuracies in his summary of the provisions of the bill, which cast additional doubt on the soundness of the paper. In short, good cloth cannot be woven from bad yarn.

V

What can be said, then, about the effect on prices of the textile provisions of the trade bill?

First, we should recognize that textile and apparel imports will continue at high levels under the bill. Instead of the disruptive 47 percent growth in imports of man-made fiber textile products which occurred in the first nine months of this year over the same period of 1969, which was 25 percent higher than the 1968 level, which was 52 percent higher than the 1967 level, we should see a smaller and non-disruptive rate of growth in such imports.

Second, our experience with regard to cotton textile imports which have been subject to control since 1961 under international agreements, has been that prices have risen only slightly. In 1960, the year before these arrangements began, the wholesale price index for cotton products (1957–59=100) stood at 104.4. In September 1970, it was at 106.4. During the same period the index for all industrial commodities increased from 101.3 to 117.1.

Third, the key to the future of prices of textiles and apparel lies in maintaining a viable, competitive domestic industry, that is, in the competition of 30,000 firms for the consumer's business. If imports should further reduce the size of this industry significantly, we can all view with alarm the impact on the consumer.

VI

Thus, I do not accept Governor Brimmer's analysis of the textile situation or his recommendations for a solution to the textile import problem. In my view, public debate on the trade bill and the Congressional debate we shall witness this week are not well served by an analysis which starts from false premises and carries them through to extreme conclusions. One point made by Governor Brimmer is his often repeated caveat, lost in some public reports, that his "estimates are obviously tentative and should be interpreted with considerable caution." I agree with that, and how!

We can only hope that fact, not fiction, will prevail on this issue in the coming weeks.

Mr. YOUNG. Mr. Speaker, I yield to the distinguished gentleman from Florida (Mr. SIKES).

Mr. SIKES. Mr. Speaker, I support the bill which is before the House and the closed rule which would make House consideration of the bill in order. I feel that both are essential.

In recent days the House has been deluged with free trade arguments and with propaganda against H.R. 18970. It must be borne in mind that this is not protectionist legislation. It is reciprocal trade legislation—something which is badly needed, something to bolster the courage of the administration and the State Department so that they will stand more strongly for U.S. interests in trade negotiations.

This legislation is long overdue. It has been years since the Congress has had an opportunity to express in a positive way its feelings on trade legislation. Failure to approve the closed rule means that we shall lose this chance and possibly the only chance to be helpful to American industry and to American workmen for other years to come. We should support the closed rule and the bill.

Those of us who are genuinely concerned about the increasing severity of the competition of foreign goods with those of American manufacturers have long urged the enactment of legislation which gives some measure of protection. We have seen American industries forced to the wall and American workmen thrown out of jobs as more and more foreign producers flood the American market each year with their products.

We are not impressed by the argument that we should adhere to the free trade policies which have long been advocated by the State Department. In the main, they are free trade policies only insofar as the United States is concerned. Many foreign nations have for a long time blocked free entry for most U.S. goods by special taxes. It is time for the United States to protect its own interests. We have an opportunity to do so here today insofar as the House is concerned by voting for the closed rule and for the bill.

Mr. YOUNG. Mr. Speaker, I yield 5 minutes to the distinguished gentleman from Missouri (Mr. BOLLING).

Mr. BOLLING. Mr. Speaker, I opposed this rule in the Rules Committee. A closed rule was adopted 8 to 7. A motion to make it an open rule was defeated, after having been adopted momentarily; it was defeated 8 to 7.

This is the result, in part, of a recommendation made by President Nixon a year ago. I had thought, after listening to the discussion of this bill by a great many Republicans and Democrats, some for and some against the bill, that probably it would disappear on November 4, but I find it still here.

I happen to believe that this bill should not be considered on this 18th of November, 1 year after the recommendations of President Nixon. The people of the country have voted in a new Congress. It is a full year after the President made his recommendation. The economic situation here and abroad is remarkably different from what it was a year ago. And if there needs to be a consideration given to all the complicated problems that are involved in this bill, it should be given by the new Congress, by the new Committee on Ways and Means, on new recommendations from President Nixon.

We are beginning to hear from abroad for the first time, not threats of retaliation to this bill, but words of concern about the state of their economies. The economies of the other developed nations are beginning to experience the same kind of trouble that this ecomony has experienced for a year. This bill is the wrong bill at the wrong time and in the wrong Congress.

I personally favor the defeat of the rule. I will, however, because there are many Members who believe there should be a debate on the matter and an opportunity to deal with the matter not under a closed rule, but under a rule that will allow strikes, support the effort to vote down the previous question, and I will support the substitute rule to be offered by the gentleman from Florida (Mr. GIBBONS). But I think somebody should

say that at least one Member of this House believes that this bill is headed in the wrong direction at the wrong time and for the wrong reasons. I believe we forget what has happened to us before. We have heard a good deal about isolationism in foreign affairs and defense, and I hope we recognize that this is the other partner in the move toward isolationism. This is the move toward economic isolationism, and I think it is an extraordinarily dangerous step for this lameduck Congress to even consider.

I urge that the rule be defeated.

Mr. BROYHILL of North Carolina. Mr. Speaker, in the normal course of legislative events, I have generally been opposed to closed rules because I feel that the Members of the House should have the opportunity to make changes in bills which may not have been foreseen or approved by the committees reporting the measures. In the case of H.R. 18970, however, I strongly believe it is wise to support the Ways and Means Committee in allowing the bill to remain intact as the committee has written it.

The committee has conducted exhaustive hearings into the Nation's trade policies over the past several decades and the effect they have had on our economy and trade balance with other countries. I believe that this bill provides a balanced trade policy which will best serve the national interest in the 1970's. In our deliberations here, we must not allow this bill to become cluttered with extraneous amendments which do not serve the interests of our national economy. I urge the House to accept without change the rule on this bill.

Mr. PELLY. Mr. Speaker, I rise to urge support for voting down the previous question on the rule so that we can get a rule that would make it possible to eliminate objectional provisions of H.R. 18970, the Trade Act of 1970. If this attempt is not successful, then I will vote against the Trade Act as it is presently written.

One of the significant shortcomings of the committee's consideration is its failure to consider relative national priorities. With the trade surplus in June the largest in 4 years and with exports in the first half of 1970 running 14 percent ahead of last year, it is hard to understand why a new special tax incentive is so high on our list of priorities that it warrants the expenditure of $630 million or more a year. It is especially difficult to understand such a priority at a time when funds for many other programs are being cut back and when we find ourselves faced with the prospect of a sizable budgetary deficit, variously estimated at levels as high as $10 billion.

In addition, Mr. Speaker, the Puget Sound region, as well as the rest of the State of Washington, is suffering from heavy unemployment at the present time. Our economy cannot stand the enactment of a law such as provided by the Trade Act of 1970.

I urge support for amending the bill, and, as I said, should this move fail, I strongly urge defeat of H.R. 18970.

Mr. BROYHILL of Virginia. Mr. Speaker, I rise in support of H.R. 18970, the Trade Act of 1970, which has been a maligned and misrepresented piece of legislation. It has, in the vernacular, taken a "bum rap."

Newspaper editorial writers have called it, among other things, the most restrictive trade bill in 40 years. But the truth is, the Trade Act of 1970 is a complex and many-sided measure, which does not deserve most of the labels that have been placed on it.

This is a bill tailored for its times.

We are on the threshold of a new decade, and the Trade Act of 1970 was put together with today and tomorrow, not yesterday, in mind.

Unlike decades past, the 1970's demand truly innovative moves by the United States in the international marketplace.

Our country is no longer the unchallenged leader in global exchange. Other nations, notably Japan and Germany, which we helped rebuild after World War II, are offering strong and growing competition for both goods and markets throughout the world.

Also of significance are the fast-rising international trading blocs, such as the Common Market. Hailed at birth as outgoing assets to a world seeking freer trade, they have matured as ingrown conclaves of protectionism.

Against this background, the Committee on Ways and Means tried to perfect a bill which would:

First, encourage substantial increases in the exports of U.S. goods to other countries;

Second, offer assurances to our trading partners that the United States remains ready and willing to negotiate for fairer and freer trade; and

Third, enable American industries and workers to gain more prompt and adequate relief from unusually heavy inroads of imports.

The bill's principal ingredient to stimulate exports is a provision to permit establishment of Domestic International Sales Corporations, or DISC's.

Under present law, American firms can set up foreign subsidiaries to take advantage of lower labor costs abroad. By so doing, they also can take advantage of a provision of law allowing the income of their foreign subsidiaries to remain untaxed until it is returned to the United States.

The committee's bill would extend this same tax deferral privilege to the DISC's. Their profits would not become subject to U.S. income tax until distributed to shareholders. The aim, of course, is to encourage American enterprises to manufacture goods domestically and ship them abroad, thus keeping both jobs and capital at home.

In an effort to show American conciliation in world trade, another provision of the bill paves the way for removal of the so-called American selling price—ASP—system of customs valuation, which has drawn strong objections from our trading partners. In effect, the bill authorizes the President to proclaim an end to ASP, whenever he feels this country has received the best possible concessions in return.

The bill recognizes also that sound trading must be reciprocal. A number of provisions are included along this line, among them a strengthened "escape clause" mechanism, and other avenues of potential relief for domestic industries seriously injured by rapidly rising imports.

However, it is most important to keep in mind that woven throughout the bill, in all its provisions which could lead to increased tariffs or import quotas, is an overriding clause allowing the President to decline to take action whenever and wherever he feels it would be contrary to the national interest.

The bill allows the President to be highly flexible in his actions on trade, and it restores his authority to proclaim reductions in rates of duty. It also gives him added power to act against discriminatory moves by other countries.

Now, Mr. Speaker, I mentioned at the outset that this bill had been maligned and misrepresented. And I would like to take this opportunity to put to rest, permanently, I hope, one particular allegation made against the measure and those who have supported it.

Some observers, who apparently did not bother to read the bill itself, charged that it would establish quotas on the importation of oil, costing American consumers vast sums of money and contributing to a shortage of fuel oil.

In the first place, Mr. Speaker, this bill does not provide for an oil import quota. It merely amends section 232 of the Trade Expansion Act of 1962. Under this section, the President is empowered to restrict the importation of any commodity which he feels poses a threat to the national security.

The only restrictions imposed under this section is on crude oil, and the form of the restriction is a quota. The action dates back to 1959, which means that four Presidents have felt that quotas on crude oil were necessary for national security reasons. Any one of them could have moved to lift the quotas at any time, and the committee amendment would not change the status of this 11-year-old action.

It would simply prevent the President from using tariff adjustments to restrict imports under the section. It does not prevent the President from adjusting imports to any level he deems appropriate in maintaining national security. Nor does it affect the President's flexibility in modifying import limitations already in effect.

Unfortunately, Mr. Speaker, this is just one of the many misunderstandings about the Trade Act of 1970 which have been circulated.

It is my hope that this debate on the subject of the House bill will make this measure more thoroughly understood, and thus help remove the apprehensions that some citizens have about it.

It is clear, Mr. Speaker, that the existing trade law has outlived its time and its usefulness, and that we need very badly a new and workable replacement.

To gain a full realization of this need, all we have to do is look around us, at home as well as abroad.

Over the 5 years, from 1965 to 1969,

imports to our shores have outgained our exports by about 70 percent, and we have bought from other countries half again as much as they have bought from us.

Our merchandise balance, once profitably high, plunged to $800 million in the hole last year. And our share of world exports has steadily declined.

And all this time, Mr. Speaker, we have refrained from adding the barriers to trade which other nations have been piling on. Just to list the nontariff restrictions instituted by our trading partners would consume a very large book, indeed.

To highlight our predicament, let us look at Japan, where an American businessman would be limited to 7 percent of the equity of any Japanese company, where quotas and licensing restrictions are imposed on almost every conceivable type of imported product, where exporting industries get a heavy helping hand from the Japanese Government, and where production workers last year were paid an estimated 76 cents per hour on the average, contrasted to $3.19 per hour for their American counterparts.

In order to cope with such conditions—the international trade agreements enjoyed in other countries but barred by law in the United States; the growth of nontariff trade barriers abroad; and the impossible wage differentials on all sides—we desperately need a new law under which we can operate more effectively.

The Trade Act of 1970 is the kind of law we need. It is the kind of law we simply must have if we are to compete in the world marketplace of today, and tomorrow, too.

Mr. BOLAND. Mr. Speaker, I rise in support of the modified rule sought by my colleagues in the New England delegation. Such a rule—allowing deletions in the bill, but prohibiting any additions—would give us a welcome opportunity to strike the provisions barring the replacement of the oil import quota system with a tariff system. The quota system—a thorn in the side of New England consumers for a decade now—restricts all but a trickle of inexpensive fuel oil imports into the Northeastern United States. As a result, Mr. Speaker, the domestic oil industry rules the New England marketplace for petroleum products with something akin to feudal sovereignty. The domestic industry raises prices virtually at whim, forcing consumers throughout the Northeast to dig deeper and deeper into their pocketbooks each winter. Fuel oil costs in New England are now running a staggering 60 percent—that figure is quite accurate: 60 percent—over the costs only a year ago. A shortage of fuel oil, moreover, recurs each year with the same dreary and disheartening regularity. This winter the shortage threatens to take on the proportions of a crisis. Evidence is mounting that the domestic oil industry is creating what is tantamount to a deliberate shortage, concentrating on the manufacture of highly lucrative products such as jet fuel.

The quota system shields the oil industry against virtually any kind of foreign competition, giving it a stranglehold on the Northeast. Is this free trade, Mr. Speaker? Is it fair trade? Does it allow manufacturers to compete in an open marketplace? The answer is all too obvious.

The oil quota system can now be abolished outright by a stroke of the President's pen. Created by Executive order late in President Eisenhower's administration, the quota system has never been part of this country's statutory code. As it is now written, however, the trade bill would have the effect of making the system law. It stipulates that no "fee or tariff" may be imposed under the Trade Expansion Act's national security provisions—provisions that now govern oil imports. Quite obviously, Mr. Speaker, this stipulation would crush any effort to substitute an equitable tariff system for the patently inequitable quota system. Granted, it might seem remotely possible to establish tariffs under Trade Expansion Act provisions other than the national security provisions I have just cited.

Such an achievement, however, would take tortuous and tedious maneuvering. I will grant still further, Mr. Speaker, that nothing in this trade bill explicitly prohibits the President from amending or abolishing the quota system. Yet, what is the likelihood—one in 100? one in 1,000?—that the President would throw wide the gates to oil imports without even the possibility of tariff controls.

As strongly as I can, Mr. Speaker, I urge the adoption of a modified rule. I want to make plain, while I have the chance, that I most emphatically do not support an open rule granting any kind of amendment. Such a carte blanche rule might destroy the trade bill, mutilating it beyond recognition. I believe its provisions—with the conspicuous exception of the oil import provisions—are sound ones eminently worthy of support.

What are those provisions? They are quite simple: first, they would stem the veritable torrent of shoes and textile imports now threatening American industry and its workers; second, they would give the President authority to restrict any imported product that constitutes a comparable threat.

It is cruelly ironic, Mr. Speaker, that New England suffers from import trade policies no matter how generous or how stingy they are. Oil imports, as I mentioned earlier, are all but flatly prohibited in the Northeast. New England consumers are denied inexpensive foreign imports of a product as vital to their lives as food or clothing. Yet, in other markets—shoes, textiles, and electronics are remarkably good examples—imports flourish without restrictions. Hundreds of industries and hundreds of thousands of jobs are in peril. Foreign manufacturers are taking up a larger and larger share of the U.S. marketplace each year. In some markets—indeed, in many of them—foreign imports are approaching domination. This is not scare talk, Mr. Speaker. It is a stark reality. The livelihood of the American working man and woman is at stake here.

I will not bore you today with tables of statistics. The alarming trends they reveal are obvious—indeed, so conspicuous that even the most cursory glance is enough. The work force at General Instrument Corp.'s Sickles Division in Chicopee, Mass., to cite just one example in the electronics field, dwindled from 3,000 to 1,000 within a few years. The Palmer, Mass., division of Colorado Fuel & Iron Corp., a wire manufacturer, is shutting down, throwing nearly 650 men and women out of work. Shoe factories throughout Massachusetts—throughout all of New England, in fact—have been closing for the past several years. Many small towns, once the homes of thriving industries turning out everything from ceramics to pickled olives, are now impoverished. The plants have closed down or moved.

Here is just a partial list of threatened industries in New England: Textiles and apparel, shoes, rubber footwear, leather goods, brass mill products, stainless steel flatware, flax yarn and threads, fish nets, card clothing, pulp and paper machinery, machine tools, scissors and shears, handbag frames and purse frames, fine and speciality wire, stainless steel sinks, Christmas decorations, electronics, mink fur skins, clothespins and veneer products, precision bearings, antifriction bearings, sprocket chains, builders' hardware, wood screws and comparable fasteners, bicycles and cycle parts, slide fasteners, safety pins and straight pins, fishery products, marble, granite, confectionery products, green olives.

The most ardent opponents of the trade bill contend it will inhibit "free trade," fomenting a trade war among the world's most powerful industrial nations. This—if I may speak bluntly, Mr. Speaker—is little more than nonsense. First, nothing even distantly or tenuously comparable to "free trade" exists in many U.S. marketplaces. Foreign manufacturers, unencumbered by tariffs or quotas of any real significance, have free access to the American consumer. But domestic American industry—the industry that gives that consumer his paycheck and buying power—cannot sell its products in foreign supply nations. Tariff and comparable duty barriers erected by foreign governments, barriers often far steeper than the ones contemplated in the bill before us today, thwart "free trade." Can U.S. industries sell cars in Germany, television sets in Japan, cutware in Sweden? We all know the answer.

The vast disparity in wage rates between American and foreign industry blocks "free trade" even here at home. A Taiwan radio manufacturer paying its workers 10 cents an hour enjoys an insuperable advantage over an American firm paying $4 or $5 an hour. Free competition—that is to say, free competition in the sense that adversary companies share all the advantages of an open marketplace—is nothing short of a myth.

I believe in the concept termed "free world trade." Indeed, the concept is so alluring that no rational man could dispute its benefits. But it does not now exist. Like something out of an Orwel-

lian nightmare, foreign and domestic manufacturers are "free" but the foreign ones are more free than the domestic ones.

The trade bill we will consider today would lead to a state of affairs far closer to "free world trade" than exists today. It would assure that foreign and domestic industries share equitably in the American marketplace, setting the kind of trade standards that would allow each to compete fairly for the consumer's dollar. The quotas sought in the bill are generous enough—indeed, ample enough—to give foreign supply nations their just share of the market. The quotas are high enough, in fact, to prevent any of the retaliatory steps that the bill's opponents have envisioned.

With the exception of its oil provisions—and, after all, people cannot buy oil if they do not have jobs—the bill is a sound and evenhanded one.

Here are just a few of the telegrams I have received from industries in my district and State supporting the bill:

SPRINGFIELD, MASS.,
November 16, 1970.

EDWARD P. BOLAND,
Member of Congress,
Washington, D.C.:

Foreign made imported roller chain shipments represents 25.3 percent of the total U.S. market today. This is an increase from 3.3 percent in 1955, and currently growing at a rate of 25 percent per year.

The import of 22,000,000 lbs. of foreign product represents the loss of about 1,600 skilled jobs to our industry, and an estimate of 400 jobs to our company in Mass.

We request your action to prevent further deterioration of our market in order that we have a vital industry and jobs for our State.

PAUL R. COHN,
Rex Chainbelt Inc.

SPRINGFIELD, MASS.,
November 16, 1970.

EDWARD P. BOLAND,
Member of Congress,
Rayburn Office Building,
Washington, D.C.:

Re your telegram regarding impact of foreign made products the effect to date on our business and employment level has been very nominal, however we anticipate this changing over the next two to three years because of the anticipated impact of foreign made goods primarily in the major appliance field.

JOSEPH A. OLSEN,
Springfield Wire, Inc.

SPRINGFIELD, MASS.,
November 16, 1970.

Hon. EDWARD P. BOLAND,
House of Representatives,
Washington, D.C.:

In response to your wire of Nov. 14 we advise that foreign production has made increasing and steady inroads into our fuel injection product sales over past ten years, initially in farm tractor and industrial engine lines and more recently into heavy duty truck and locomotive business. Employment and production in Springfield operation down approximately 30 percent or 675 workers because of this and related problems.

RALPH HERSHFELT,
Vice President and Division Manager,
American Bosch Division.

SPRINGFIELD, MASS.,
November 17, 1970.

Representative EDWARD P. BOLAND,
Rayburn Building,
Washington, D.C.:

Your favorable vote on H.R. 18970 Foreign Trade Bill required to offset impact of lower tariff under Kennedy rounds. Imports have caused loss of business with resulting shorter work week and prospects are for increased foreign competition.

CHENY BIGELOW,
Wire Works, Inc.

SPRINGFIELD, MASS.,
November 16, 1970.

Hon. EDWARD BOLAND,
Rayburn Office Building,
Washington, D.C.:

Strongly urge vote for H.R. 18970, Trade Act of 1970. Impact of 46 percent gross in imports of manmade fibers over 1969 has been primary contributor to the twenty four percent decline in Monsanto operating income for the first nine months of 1970, compared to same period in 1969. Imports will continue to escalate unless adequate controls are legislated and absence of controls will continue to adversely affect Monsanto.

FRANCIS KEARNEY,
Plant Manager, Bircham Bend, Monsanto Co.

SPRINGFIELD, MASS.,
November 16, 1970.

Hon. EDWARD P. BOLAND,
Rayburn House Office Building,
Washington, D.C.:

Re your wire of today regarding the Trade Act of 1970 which will be voted on by the House on Wednesday.

Imports have already affected the Springfield plant in an indirect way and are predicted to have a direct affect in the future. Imports of products made with manmade fibers have increased 47 pct. in the first nine months of 1970 over the record level of the same period 1969. This has had a serious effect on our major customers and has naturally resulted in a sharp decline in their purchases of fibers from us. The earnings of the company have been adversely affected by these imports to a degree that affects growth of other parts of the company including the Springfield area.

In addition, the provision in the Trade Act for domestic international sales corporations will make the Springfield plant products more competitive in export markets.

For the future, Monsanto and other plastic companies in the area have publicly stated concern over the competitive position of plastic products made in the area. The additional tariff cuts on these products in 1971 and 1972 and the 40 pct. higher cost of U.S. raw materials over those used abroad will cause these products to be non-competitive in world markets, including the U.S.

This obviously will affect our employment and make it far more difficult to attract capital dollars to the Springfield plant. We hope this puts the importance of the passage of this bill in the proper perspective from our point of view.

Regards,

G. M. ELLSWORTH,
Plant Manager, Monsanto Co.

SPRINGFIELD, MASS.,
November 16, 1970.

Hon. EDWARD P. BOLAND,
Member of Congress,
Washington, D.C.:

Re tel 11–14. Hard to measure direct impact. Threat of going abroad creates pressure on prices. Believe there is a considerable volume of imported forgings and forged products affecting U.S. employment. Appreciate your concern.

Good luck.

C. A. EAGLES,
President, Storms Drop Forging Co.

SPRINGFIELD, MASS.,
November 17, 1970.

EDWARD P. BOLAND,
Member of Congress,
Washington, D.C.:

As a manufacturer of certain types of drop forgings for the automotive industry, we feel that we are affected indirectly by imported cars and trucks. In addition as a manufacturer of a line of completed mechanics wrenches for a large national distributor we are affected by imports of these tools but do not have the figures to substantiate. We are also aware that other factors, both domestic and international, have an impact on our business operations within the Commonwealth of Massachusetts. Factors such as the current economic downturn Mideast crisis and the Vietnam conflict have some adverse effect on our business. At the present time our mass operations are working reduced hours and we are not hiring any manufacturing personnel.

MOORE DROP FORGING CO.
GERALD A. ASSELIN.

Mr. SMITH of California. Mr. Speaker, I have no further requests for time.

Mr. YOUNG. Mr. Speaker, I have no further requests for time.

Mr. Speaker, I move the previous question on the resolution.

The SPEAKER. The question is on ordering the previous question.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. GIBBONS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 189, nays 204, not voting 41, as follows:

[Roll No. 357]

YEAS—189

Abbitt	Feighan	Marsh
Adair	Fisher	Martin
Albert	Flood	Melcher
Alexander	Flowers	Mills
Anderson, Tenn.	Flynt	Minshall
	Ford, Gerald R.	Mizell
Andrews, Ala.	Foreman	Mollohan
Annunzio	Fountain	Montgomery
Ayres	Frey	Morton
Baring	Fulton, Tenn.	Murphy, Ill.
Belcher	Galifianakis	Murphy, N.Y.
Betts	Garmatz	Natcher
Bevill	Gettys	Nichols
Biaggi	Gilbert	O'Konski
Blackburn	Gray	O'Neal, Ga.
Blanton	Green, Oreg.	Passman
Bow	Griffin	Patten
Brasco	Griffiths	Pepper
Bray	Grover	Perkins
Brinkley	Hagan	Philbin
Brock	Haley	Pickle
Brooks	Hall	Pirnie
Broyhill, N.C.	Halpern	Podell
Broyhill, Va.	Hammer-schmidt	Poff
Buchanan		Preyer, N.C.
Burke, Mass.	Hanley	Price, Ill.
Burleson, Tex.	Harsha	Pryor, Ark.
Burlison, Mo.	Hathaway	Purcell
Burton, Utah	Hays	Quillen
Bush	Hébert	Rarick
Byrnes, Wis.	Hechler, W. Va.	Rivers
Cabell	Heckler, Mass.	Roberts
Caffery	Henderson	Rogers, Colo.
Carey	Howard	Rooney, N.Y.
Carney	Hull	Rooney, Pa.
Casey	Hunt	Rostenkowski
Cederberg	Ichord	Ruth
Chamberlain	Jarman	St Germain
Chappell	Johnson, Pa.	Sandman
Cleveland	Jonas	Satterfield
Collins, Ill.	Jones, Ala.	Saylor
Collins, Tex.	Jones, N.C.	Schadeberg
Colmer	Jones, Tenn.	Schneebeli
Corbett	Kazen	Shipley
Cowger	Kee	Sikes
Cramer	Kluczynski	Slack
Cunningham	Kuykendall	Snyder
Daniel, Va.	Kyl	Staggers
Davis, Ga.	Kyros	Steed
Davis, Wis.	Landrum	Steiger, Wis.
Denney	Lennon	Stephens
Dennis	Lloyd	Stratton
Dickinson	Long, La.	Stubblefield
Dorn	Lukens	Stuckey
Downing	McDade	Sullivan
Duncan	McMillan	Symington
Edwards, Ala.	MacGregor	Taylor
Eshleman	Mahon	Thompson, Ga.
Evins, Tenn.	Mann	Thomson, Wis.

Tiernan	Watson	Winn
Ullman	Watts	Wyman
Waggonner	White	Young
Wampler	Whitehurst	Zion
Ware	Whitten	

NAYS—204

Adams	Giaimo	O'Hara
Addabbo	Gibbons	Olsen
Anderson, Calif.	Goldwater	O'Neill, Mass.
	Gonzalez	Patman
Anderson, Ill.	Green, Pa.	Pelly
Andrews, N. Dak.	Gross	Pettis
	Gubser	Pike
Arends	Gude	Pucinski
Ashbrook	Hamilton	Quie
Ashley	Hanna	Railsback
Barrett	Hansen, Idaho	Randall
Beall, Md.	Hansen, Wash.	Rees
Bell, Calif.	Harrington	Reid, Ill.
Bennett	Harvey	Reid, N.Y.
Biester	Hastings	Reifel
Bingham	Hawkins	Reuss
Boland	Helstoski	Riegle
Bolling	Hicks	Robison
Brademas	Hogan	Rodino
Broomfield	Holifield	Roe
Brotzman	Horton	Rogers, Fla.
Brown, Calif.	Hungate	Rosenthal
Burke, Fla.	Hutchinson	Roth
Burton, Calif.	Jacobs	Roudebush
Byrne, Pa.	Johnson, Calif.	Rousselot
Carter	Karth	Roybal
Celler	Kastenmeier	Ryan
Chisholm	Keith	Scherle
Clancy	King	Scheuer
Clark	Kleppe	Schmitz
Clausen, Don H.	Koch	Schwengel
	Landgrebe	Scott
Clay	Latta	Sebelius
Cohelan	Leggett	Shriver
Conable	Long, Md.	Sisk
Conte	Lowenstein	Smith, Calif.
Conyers	Lujan	Smith, Iowa
Corman	McCarthy	Smith, N.Y.
Coughlin	McClory	Stafford
Crane	McCloskey	Stanton
Culver	McCulloch	Steele
Daniels, N.J.	McDonald, Mich.	Steiger, Ariz.
Delaney		Stokes
Dellenback	McEwen	Talcott
Dent	McFall	Teague, Calif.
Derwinski	Madden	Thompson, N.J.
Devine	Mailliard	Tunney
Diggs	Mathias	Udall
Donohue	Matsunaga	Van Deerlin
Dulski	May	Vander Jagt
Dwyer	Meeds	Vanik
Edwards, Calif.	Meskill	Vigorito
Eilberg	Michel	Waldie
Erlenborn	Mikva	Weicker
Esch	Miller, Calif.	Whalen
Evans, Colo.	Miller, Ohio	Whalley
Farbstein	Minish	Widnall
Fascell	Mink	Wiggins
Findley	Mize	Williams
Fish	Monagan	Wilson, Bob
Foley	Moorhead	Wilson, Charles H.
Ford, William D.	Morgan	
	Morse	Wolff
Forsythe	Mosher	Wright
Fraser	Moss	Wyatt
Frelinghuysen	Myers	Wylie
Friedel	Nedzi	Yates
Fulton, Pa.	Nelsen	Yatron
Fuqua	Nix	Zablocki
Gaydos	Obey	Zwach

NOT VOTING—41

Abernethy	Dowdy	Ottinger
Aspinall	Eckhardt	Poage
Berry	Edmondson	Pollock
Blatnik	Edwards, La.	Powell
Boggs	Fallon	Price, Tex.
Brown, Mich.	Gallagher	Rhodes
Brown, Ohio	Goodling	Ruppe
Button	Hosmer	Skubitz
Camp	Langen	Springer
Clawson, Del	McClure	Taft
Collier	McKneally	Teague, Tex.
Daddario	Macdonald, Mass.	Wold
de la Garza		Wydler
Dingell	Mayne	

So the previous question was not ordered.

The Clerk announced the following pairs:

On this vote:

Mr. Boggs for, with Mr. Teague of Texas against.

Mr. Abernethy for, with Mr. Dingell against.

Mr. Edmondson for, with Mr. Gallagher against.

Mr. Fallon for, with Mr. Blatnik against.

Mr. Dowdy for, with Mr. Daddario against.

Mr. Price of Texas for, with Mr. Button against.

Mr. Rhodes for, with Mr. Hosmer against.

Mr. Collier for, with Mr. Pollock against.

Mr. McKneally for, with Mr. Del Clawson against.

Mr. Berry for, with Mr. Camp against.

Until further notice:

Mr. Macdonald of Massachusetts with Mr. Langen.

Mr. Edwards of Louisiana with Mr. Brown of Michigan.

Mr. Ottinger with Mr. Ruppe.

Mr. Aspinall with Mr. Wydler.

Mr. Eckhardt with Mr. Springer.

Mr. de la Garza with Mr. Goodling.

Mr. Mayne with Mr. Brown of Ohio.

Mr. McClure with Mr. Skubitz.

Mr. Wold with Mr. Taft.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. GIBBONS

Mr. GIBBONS. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GIBBONS: Strike out all of that material beginning on page 1, line 10, after the comma down to the period on line 7, page 2, and insert the following in lieu thereof: "the bill shall be read for amendment under the five-minute rule by titles instead of by sections. No amendments shall be in order to said bill except amendments offered by direction of the Committee on Ways and Means or amendments proposing to strike out any matter in the bill and such amendments of a conforming or clerical nature as are necessary to perfect the text of the bill following the adoption of any such amendment to strike. Amendments that may be offered to said bill under the terms of this resolution shall be in order, any rule of the House to the contrary notwithstanding."

The SPEAKER. The gentleman from Florida is recognized for 1 hour.

Mr. GIBBONS. Mr. Speaker, as the House has already voted, I shall endeavor to be brief and not to use the full 1 hour.

As I understand the parliamentary situation—and I make this statement for the benefit of Members who have asked me questions—I control the time for 1 hour. I shall be most happy, of course, to yield to any Member who has any question or who wishes to discuss the amendment. I shall be happy to yield to any Member for a question or debate or any purpose other than to amend this proposal.

If this is then voted down, someone else will control the hour or the time until a final rule is adopted.

Mr. FINDLEY. Mr. Speaker, will the gentleman yield?

Mr. GIBBONS. I yield to the gentleman from Illinois.

Mr. FINDLEY. Mr. Speaker, I wonder if the gentleman would clarify this point. Under the amendment to the rule the gentleman has now offered, will it be possible for individual Member to move to strike the last word during the reading of the bill and thereby get 5 minutes for purposes of debate?

Mr. GIBBONS. Yes; it would be possible.

If Members would like to have a copy of the proposal, I have some mimeographed copies here, and there are copies on each of the main tables. They can have copies for their own purposes or for reading.

There is nothing very magical or very different about my amendment to the rule than the rule reported by the Rules Committee. All my amendment seeks to do is to give each Member of this House, as the bill is read, as each title is completed, the opportunity to come in and present an amendment to strike—not an amendment to add any new material and not any amendment to add any substance to the bill, but only to strike from that bill.

If things are stricken, obviously it is going to be necessary to adopt clerical or perfecting amendments relating to punctuation and numbering and so on, and that is provided for in this rule.

This rule also provides there shall be the same amount of general debate as provided in the rule reported by the Rules Committee.

There is really no substantial difference in the rule I am proposing or the amendment to the rule I am proposing other than that this rule, if adopted, would allow Members to come in and to strike from this very important bill and this very controversial bill items that the Members do not agree with.

Mr. O'NEILL of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. GIBBONS. I yield to the gentleman from Massachusetts for purposes of debate.

Mr. O'NEILL of Massachusetts. What is the proposed amendment the gentleman from Florida is going to offer if this rule prevails?

Mr. GIBBONS. I have a number of amendments, but I would not be so presumptuous as to say I would introduce all the amendments that are possible in this. Let me say there are about five or six major controversies in this bill. One of the controversies, of course, involves oil. Whoever gets the floor first can be recognized on that one. One of the controversies involves textiles, and one of the controversies, of course, involves mandatory quotas in textiles, one involves mandatory quotas on shoes, and one of the controversies involves the DISC, the Domestic International Sales Corporation. There are controversies on mink skins.

There are many, many amendments that could be introduced. I would expect that as we went through the bill there would be opportunities to hear all of those, as well as the pro forma amendments to gain time to discuss other parts of the bill.

Mr. PUCINSKI. Mr. Speaker, will the gentleman yield?

Mr. GIBBONS. I yield to the gentleman from Illinois for purposes of debate.

Mr. PUCINSKI. Mr. Speaker, the gentleman in his remarks referred to the fact that this bill would provide some relief for three categories, for textiles and oil and shoes. As I understand the gen-

tleman's amendment, there is nothing in this amendment that would give any Members of this body an opportunity to improve this legislation to the extent that relief could be provided for any other industries.

For instance, we know that by April 1 of 1971, there is not going to be a single colored television set made in America *any place. I represent* a district that has a large electronic industry—at least, had it, but is not going to have it after April 1. There is nothing in the amendment offered by the gentleman that would give this Member an opportunity to improve this bill to bring some relief to that particular industry. All the amendment offered by the gentleman does is merely permit us perhaps to water this bill down, but it does not permit us to improve it to the extent that it will help any except these three basic industries, and we can only knock these three industries out, so I am puzzled as to why anybody should support this amendment within those rigid limitations. Will the gentleman explain?

Mr. GIBBONS. The gentleman's question touches on one of the more sensitive points in the House of Representatives. There has been for a long time objection expressed to the closed rules from the Ways and Means Committee. The excuse has always been or the reason has always been that these are very complicated matters, and that not only were they complicated, but also there was always a chance for logrolling.

My amendment would not permit the adding of new material to the bill. It would only permit the striking of material from the bill.

Mr. WOLFF. Mr. Speaker, will the gentleman yield?

Mr. GIBBONS. I am glad to yield to the gentleman from New York for the purpose of debate.

Mr. WOLFF. Is it not true the automatic triggering devices in the bill today would provide for other industries?

Mr. GIBBONS. That is correct, but not mandatorily.

Mr. VANIK. Mr. Speaker, will the gentleman yield?

Mr. GIBBONS. I am glad to yield to the gentleman from Ohio.

Mr. VANIK. Has my distinguished colleague made any determination as to whether or not this bill will be called up in the event this rule is adopted?

Mr. GIBBONS. No, sir; I have not.

Mr. VANIK. One of the things which has come to my attention is the fact that under the rules which still prevail in the House the vote on any of the sections to be striken, or any language to be stricken, would be a nonrecorded vote in the Committee of the Whole.

Would there be any great harm if this entire program were carried on in the new Congress, when we could consider new rules which might make it possible to get a recorded vote on this bill section by section?

Mr. GIBBONS. Well, of course that is the decision the Members will have to make when the rule is finally considered, on final passage of the rule.

Mr. VANIK. One of the things that is raised by this very problem is the failure in the Reform Act which we have just adopted to provide for record votes under situations where there is a closed rule. A closed rule in a sense keeps nonrecorded some of the essential votes that might be developed on a very important piece of legislation of this type. Would the gentleman not agree with that?

Mr. GIBBONS. Yes, sir; that is correct.

Mr. ADAMS. Mr. Speaker, will the gentleman yield?

Mr. GIBBONS. I am glad to yield to the gentleman from Washington for the purpose of debate.

Mr. ADAMS. Mr. Speaker, I rise in opposition to considering these very controversial tariff and trade amendments under a closed rule which would prevent the Members from making any change in the tariff and quota system set forth in the committee bill.

I will vote against the previous question in order that the House will be able to vote on the amendment of the gentleman from Florida (Mr. GIBBONS) that would at least allow the Members to strike certain sections of the bill. This is a compromise amendment which would not allow the bill to be amended so as to add many additional provisions to it but would allow Members to strike some of the very controversial trade quota restrictions contained in the bill.

I resent a district in the State of Washington that is heavily involved in the export-import trade, both through the Port of Seattle and through activities of our major transportation companies, such as the Boeing Co. and our shipyards.

I have received letters from Gov. Daniel J. Evans, of the State of Washington, on July 21, 1970, and September 17, 1970, urging that I oppose the restrictive quotas and support a concept of freer trade. I also have telegrams of July 23, 1970, and November 7, 1970, from the Port of Seattle urging opposition to the restrictive legislation contained in this bill. I have also received a letter dated July 23, 1970, from the county executive of the metropolitan county of King which contains Seattle in its boundaries, and a letter of September 24, 1970, and a telegram dated November 16, 1970, from the executive director of the Washington Public Ports Association, all of which oppose the trade bill.

I requested information from the Boeing Co. regarding the value of Boeing jetliners and spare parts delivered to foreign airlines since 1959. I want to report to you that non-U.S. customers have received 634 of the more than 2,000 passenger jets delivered by Boeing, with a value of $3.5 billion. The first Boeing jetliner for an overseas customer was a 707–120 delivered to Qantas Airways of Australia in 1959. Starting in that year, the export figures of the Boeing Co. were as follows: 1959, $53 million; 1960, $250 million; 1961, $86 million; 1962, $127 million; 1963, $45 million; 1964, $95 million; 1965, $245 million; 1966, $269 million; 1967, $347 million; 1968, $554 million; 1969, $413 million; and through October 1970, $672 million.

I cite this information to you to indicate the tremendous importance of selling our products abroad if we are to maintain a balance of trade favorable to the United States. If this bill should produce a trade retaliation policy such as was produced by the Smoot-Hawley Tariff Act in the early 1930's, then we could produce a worldwide depression. I think our position should be toward expanding the American economy and world trade which produce prosperity throughout the world and not toward restrictions and limitations which may produce a shortrun benefit for the few but in the long run narrow the world's industrial base and produce worldwide unemployment which can have as its consequence a worldwide depression.

During the last week I was in Japan as a member of the House Interstate and Foreign Commerce Committee working with officials of the Japanese National Railroad on possible application of Japanese techniques used on the Tokaido Express to our faltering railroad passenger system in conjunction with the Railroad Passenger Service Act which this Congress has just passed and which will be reported to the Congress by the executive branch in 90 days and put into operation in May of 1971. While visiting Japan I had an opportunity to discuss this bill at length with members of our State Department, with representatives of the Port of Seattle, and other Washington State firms which are doing business with Japan. They are all deeply concerned about the effects of this bill on foreign trade between the United States and Japan. I would point out that we sell over $1 billion worth of agricultural products to Japan each year which can easily be replaced by other sources in Canada, Australia, and elsewhere. This accounts for the concern of many of the wheat producers in my State of Washington.

On Friday of last week while in Japan, I received information that the Japanese Government has taken the position that it will immediately discuss voluntary quota restrictions on textiles with the United States. I would like to ask the gentleman from Florida (Mr. GIBBONS) whether he has any additional information on this subject and if this has in fact been considered by the Committee on Ways and Means on the presentation of this legislation.

Mr. GIBBONS. No, sir. The only thing I know about this—and I hate to use that old cliche—is what I have read in the newspapers. I do not have any inside information.

Mr. ADAMS. I thank the gentleman.

Mr. HANNA. Mr. Speaker, will the gentleman yield?

Mr. GIBBONS. I am glad to yield to the gentleman from California for the purpose of debate.

Mr. HANNA. As I understand the purpose behind a closed rule, in the ordinary instance, for tax measures and for trade measures such as this, we have been constrained to go along with the rule under the principle that it is very difficult to write this kind of legislation on the floor of the House.

It seems to me what commends the suggestion that is contained in the gentleman's amendment is it at least gives us an opportunity to make a decision on

the various sections of the bill, as to whether we want them or do not want them. It does not put us in the posture, as was suggested by the gentleman from Illinois, of trying to write this kind of legislation on the floor, on the suggestion of some Member, without any indication of hearings or the deep ramifications that might come from a decision to add some items into this very complicated bill.

I believe the gentleman is exactly on point and on course. The Members of this body ought to at least have the right to decide whether they are going to be for this kind of quota system for the various items covered in this bill and as to whether or not they want to go along with this other supposedly positive suggestion that is contained in it, which has more of a tax benefit to export rather than in this other field in which we are dealing.

So I think I am correct, am I not, that the gentleman is trying to keep within the spirit of the closed rule in that we do not try to write this complicated legislation on the floor of the House without the benefit of hearings or going through all of the ramifications of the things that might be associated with what has been suggested here; and, rather, we are going ahead with the decisionmaking process on the items described in the report we have before us. Is that a correct statement?

Mr. GIBBONS. Yes, sir. I think that the gentleman's observation is very sound.

Mr. HANNA. I certainly support the gentleman and hope the Members of the House will go along with this kind of modified rule.

Mr. MATSUNAGA. Mr. Speaker, will the gentleman yield?

Mr. GIBBONS. I am happy to yield to the gentleman for the purpose of debate only.

Mr. MATSUNAGA. First of all I wish to commend the gentleman in the well for the leadership he has shown on this matter.

The rule which the gentleman proposes calls for reading the bill by titles instead of sections. This will not in any way preclude an amendment which will remove sections within the title, will it?

Mr. GIBBONS. No; it will not. The purpose of having a whole title read at one time is, for instance, if you tried to remove one of the mandatory quotas in title II, you would have to have a number of different amendments in order to accomplish this. We thought it would be better—and I discussed it with Members, and I feel it would be better—to have an orderly way of considering this and not get all mixed up in whether or not you had passed a certain section or whether a certain section had been read or not. In this way the entire title will be read and it will be thrown open to amendment at any point in that title. The bill is very neatly arranged, so that if we limit our amendments to items within that title, we will hit the controversal parts. The purpose of having the bill read by titles is that amendments will then allow people to go freely within the title to strike out any provision of that title that the majority of the Congress thought should be stricken out.

Mr. MATSUNAGA. Is it the intent of the gentleman in the well to offer an amendment deleting that section or those sections pertaining to textiles?

Mr. GIBBONS. I have not decided what amendments to introduce myself. I am sure there will be a lot of amendments introduced on all of these items. We will have to see where the chips fall.

Mr. MATSUNAGA. The objection, then, that we may end up with a Christmas tree is not applicable to the rule that the gentleman offers in view of the fact that the gentleman's proposal would only permit the striking out of certain items; is that correct?

Mr. GIBBONS. Yes, sir. There would be no Christmas tree. There might be a skeleton but no Christmas tree.

Mr. MATSUNAGA. I thank the gentleman.

Mr. FULTON of Pennsylvania. Mr. Speaker, will the gentleman yield?

Mr. GIBBONS. I am happy to yield to the gentleman for the purpose of debate only.

Mr. FULTON of Pennsylvania. The question comes up that no amendment shall be in order to said bill except by direction of the Committee on Ways and Means. Let me ask the gentleman, Are there any amendments that the Committee on Ways and Means has in mind that they are ready to offer in this event?

Mr. GIBBONS. I do not know unless there are some technical ones. I do not recall any votes that we have taken since the bill was reported. But I do not expect any.

Mr. FULTON of Pennsylvania. So there is no amendment that has already been passed and is ready to be offered by the Committee on Ways and Means?

Mr. GIBBONS. No, sir.

Mr. FULTON of Pennsylvania. So that merely eliminates that section from the general rule?

Mr. GIBBONS. That is the standard boilerplate clause in all of the so-called closed rules.

Mr. FULTON of Pennsylvania. The last sentence of your amendment says that amendments that may be offered to said bill under the terms of this resolution shall be in order any rule of the House to the contrary notwithstanding. That means very definitely that every rule of the House is set aside as to germaneness, as to applicability, and as to extent and really as to subject matter under your amendment, does it not?

Mr. GIBBONS. No.

Mr. FULTON of Pennsylvania. As I understand it, it does.

Mr. GIBBONS. The gentleman misstates my amendment. The body of my amendment says only motions to strike. So, unless it is in that bill it cannot be stricken. It cannot be added to. You cannot bring in something else. Only motions to strike the provisions of the bill would be in order.

Mr. FULTON of Pennsylvania. Mr. Speaker, if the gentleman will yield further, I want to make my point more clear. We are then in the House not proceeding on the same broad basis as the other body proceeds on its amendments? We are still very restrictive under your amendment?

Mr. GIBBONS. The gentleman is correct. I believe it is a responsible manner in which to handle this very important problem.

Mr. BURLESON of Texas. Mr. Speaker, will the gentleman yield?

Mr. GIBBONS. I yield to the gentleman from Texas.

Mr. BURLESON of Texas. Well, further reviewing the points as to who and what may offer amendments to strike certain provisions of the pending bill, in the second sentence, again repeating, you say that no amendment shall be offered or be in order to said bill except amendments offered by direction of the Committee on Ways and Means.

What constitutes "direction"?

Mr. GIBBONS. I think I know what it means. Let me say that is in the original rule that we are debating here. As I say, I hesitate to call it "boilerplate" but I notice it is in all of the closed rules and I am not attempting to change that procedure.

Mr. BURLESON of Texas. Mr. Speaker, if the gentleman will yield further, this would mean, however, in response to the gentleman from Pennsylvania, that we are not creating a Christmas-tree bill, but does this mean that a member of the Ways and Means Committee could offer new material?

Mr. GIBBONS. No. Under the closed rule as reported from the Rules Committee, the Ways and Means Committee could direct its chairman—and it has many times in the past directed its chairman—to make additions or corrections in the legislation then pending even though we had a closed rule. In other words, the rule was always closed except to a majority of the Ways and Means Committee. I would not say it is "boilerplate" in all of these closed rules.

Mr. BURLESON of Texas. Would this then mean that the Ways and Means Committee would have to convene itself to give direction to the manager of the bill?

Mr. GIBBONS. I would imagine that it would. I know in the past we have done that. I remember on the revenue bill which passed last year after the bill was reported. I think we had an amendment that we directed the chairman to offer.

Mr. BURLESON of Texas. Mr. Speaker, if the gentleman will yield further, it seems to me this would be a rather awkward situation, if the Ways and Means Committee had to convene to take some action to give direction before we could proceed here with any amendments on the floor. Would that be the case?

Mr. GIBBONS. That has always been that way. I am not trying to change it. What I am trying to do is to grant to the other Members of the House a right to come in here and send an amendment to the desk and get 5 minutes to debate it then there will be 5 minutes in opposition, and also pro forma amendments to gain additional time like motions to strike the last word which would be available. But you could not come in, for

instance, and add some other item like TV sets or you could not come in and add tomatoes and strawberries as some of us perhaps would like to do if we had a broad open rule.

Mr. BURLESON of Texas. Mr. Speaker, if the gentleman will yield further, then the gentleman says the only amendments that would be in order would be amendments to strike out any item contained in the pending bill. This would mean that any Member could offer amendments or motions to strike?

Mr. GIBBONS. Could offer any motion to strike.

Mr. FRELINGHUYSEN. Mr. Speaker, will the gentleman yield?

Mr. GIBBONS. I yield to the gentleman from New Jersey.

Mr. FRELINGHUYSEN. I thank the gentleman for yielding.

I would like to say that I did vote against the previous question and I think there is merit in the pending amendment the gentleman from Florida has offered. My question involves a situation in which the House now finds itself, and I wonder what the gentleman's opinion is about this: It would seem to me that in view of the fact that a very unusual action and, perhaps, unprecedented action has been taken in rejecting the action of the Ways and Means Committee for a closed rule, that the membership generally is either in doubt about the wisdom of the bill as recommended by the Committee on Ways and Means or is in doubt about the wisdom of taking action on a bill of this character and scope at this time in view of the fact that Christmas is about 5 weeks away and there is considerable doubt that the other body will take any action this year. Does the gentleman think that the best thing to do with this would be not to proceed with it, but simply postpone any further action until the 92d Congress?

Mr. GIBBONS. That is a very tough question to answer. I do not support the bill in its present form, and perhaps even if we go through on the amendment process I may not vote for it.

I would say to the gentleman from New Jersey that there are some good things in the bill that must at some time in the future be enacted, at least it is my point of view that there are some good things in the bill that must be enacted. I would hope that we would dispose of my particular amendment and then let the House go along and finally decide what it wants to do. I would not be so presumptious as to tell 434 other Members how to cast their vote on this.

Mr. FRELINGHUYSEN. It does seem to me that what the House may be doing is getting itself out in a position that it may well end up with a skeleton bill, but it cannot end up with a bill identical, or presumably will not end up with a bill identical, with the recommendations of the committee, and that it might be better, instead of the House taking action, for the House to postpone action until next year.

Mr. TUNNEY. Mr. Speaker, will the gentleman yield?

Mr. GIBBONS. I yield to the gentleman from California.

Mr. TUNNEY. Mr. Speaker, I thank the gentletman very much for yielding.

Mr. Speaker I voted "no" on the previous question and I am going to support the amendment offered by the gentleman from Florida because I think it is a good amendment. But if the amendment offered by the gentleman from Florida carries and if the committee decides to withdraw the bill from consideration in this session of the Congress I would not want my vote to be construed by the Japanese Government for one that they do not have to continue negotiations on the textile and/or the textile imports to the United States. I personally believe that the Japanese Government has pursued unfair trade practices with the United States. There has been a substantial increase in the importation of oil and textiles, and yet at the very same time the United States finds it very difficult to move American products into Japan, and the countermarkets in Japan are almost totally impossible.

I want to make the point on the amendment offered by the gentleman from Florida before the bill is withdrawn, if in fact it will be withdrawn, that in the opinion of the speaker the Japanese Government is going to have to proceed with all due pace on the negotiations regarding textile imports.

Mr. HUNGATE. Mr. Speaker, I concur with the views expressed on this bill by my colleague from California (Mr. TUNNEY). I would further add that I think unfair foreign competition exists to the textile industry, as he has indicated, and also in particular to the shoe industry. The manufacture of foreign textiles and footwear is conducted under conditions and for wages that would never be tolerated here. Some of the problems posed by these foreign imports and too often overlooked are well stated in the following editorial:

SPANISH KIDS ARE DIFFERENT

"The golf links lie close by the mill
And almost every day
The laboring children can look out
And see the men at play."

When Sarah N. Cleghorn wrote those lines in 1915 she jolted the conscience of American women and the last remnants of child labor on this country died. But that was before women became politically organized and moved into the back room where the special interests make their trades.

Well, in spite of the huckster's song you haven't come a long way Baby. You're right back where you started. For in publicity opposing quotas on shoe and textile imports, your League of Women Voters in Maine and Massachusetts are on record as favoring child labor.

Please don't say nobody told you. You know that in Spain, one of the largest exporters of shoes to the United States, the apprentice system allows the use of 12 to 14 year old children at ten hours a day. And you know that 10 to 15 year old children help man some shoe factories in South America.

This is a shameful thing and the women who were cajoled into accepting the stand of the League's foreign policy committees should resent being hoodwinked into publicly favoring child labor.

Can it be that Maine and Massachusetts women have consciences so elastic that they will condone child labor just so long as it is not in their home town? We are moved to ask Do American women really think that Spanish kids are different?

Mr. CELLER. Mr. Speaker, will the gentleman yield?

Mr. GIBBONS. I yield to the gentleman from New York.

Mr. CELLER. Mr. Speaker, has the gentleman any information that the committee will not withdraw the bill if his amendment prevails?

Mr. GIBBONS. No, I do not.

Mr. CONTE. Mr. Speaker, will the gentlemon yield?

Mr. GIBBONS. I yield to the gentleman from Massachusetts.

Mr. CONTE. Mr. Speaker, at the outset I want to commend the gentleman in the well. I worked very closely with the gentleman during the past several weeks on this particular amendment, and I vote "no" on the previous question. I support his amendment at this time, which is simply an amendment to strike from the bill, and not to add to the bill and make it a Christmas-tree bill.

I think that we in New England and the eastern seaboard now have been given an opportunity to straighten out the oil situation in this bill, which really compounds a felony by freezing the hands of the President, and changing the oil quota system in the way of a tariff system that is very crucial on the eastern seaboard, and amounts to a $5 billion additional cost to the consumers on oil.

If the amendment offered by the gentleman from Florida is adopted by the House, the Congress will be given an opportunity to work its will and strike out that section from the bill.

Mr. VANIK. Mr. Speaker, will the gentleman yield?

Mr. GIBBONS. I yield to the gentleman from Ohio.

Mr. VANIK. Mr. Speaker, I want to say that I certainly support the amendment, or the proposal offered by the gentleman from Florida. In his statement on the proposal the gentleman from Florida reassured us that under his rule it would be possible to strike out any language in the bill or any section of the bill.

I wonder if the gentleman from Florida would yield so that I could address a parliamentary inquiry to the speaker?

Mr. GIBBONS. I will be glad to yield for the purpose of a parliamentary inquiry.

PARLIAMENTARY INQUIRY

Mr. VANIK. I would like to make this parliamentary inquiry.

Mr. Speaker, under the rule as has been submitted by the gentleman from Florida, am I correct in understanding that it will be in order to strike out either any language or any section or any provision which presently exists in the trade bill as reported by the Committee on Ways and Means?

The SPEAKER pro tempore (Mr. ROONEY of New York). Under the terms of the amendment, any motion to strike out any language, word or otherwise in any part of the bill would be in order.

Mr. VANIK. Including an entire section?

The SPEAKER pro tempore. Including an entire section, or title.

Mr. VANIK. I thank the Speaker.

Mr. GIBBONS. Mr. Speaker, I yield to the gentleman from New Hampshire (Mr. CLEVELAND) for purposes of debate.

Mr. CLEVELAND. Mr. Speaker, referring to your earlier dialog with the gentleman from New Jersey (Mr. FRELINGHUYSEN), I gathered from that dialog, and I want to make the record clear on this, that you are opposed to the bill in its present form and that you are not sure you will vote for the bill even if it is skeletonized through the process of the amendment that you offer?

I think this is important because on procedural votes, there will always be the question of why some voted the way they did on a procedural vote.

Certainly, if the sponsor of a motion is against the bill and if the sponsor of the next motion to amend the rule is against the bill, it certainly raises a reasonable supposition at least that a vote in favor of such motions would be votes against the bill. That is the way I interpret it and as a supporter of the objectives of this legislation. I thank you for yielding and invite your comment.

Mr. GIBBONS. I am opposed to the bill in its present condition and in its present form. There are many things in it that I think could be stricken without substantially hurting the position of this country. I have not made up my mind as to how I will vote. I will do as I think most prudent Members of this body would do and that is to wait to see the final form of the bill and then decide how they are going to vote.

There are many things in this bill that are good. There are other things I think, in my opinion, should be stricken.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. GIBBONS. I yield to the gentleman.

Mr. GROSS. Mr. Speaker, I hope the House will adopt the gentleman's amendment, and for several reasons, but principally because I think this is bad legislation, as it now stands. I do not think it can be made good legislation by virtue of an amendment.

Therefore, it is my hope that the leadership will carry out the threat that has been expressed here on every hand that if the amendment is adopted that the bill will be junked for the rest of this session. I hope that is true and the committee will come out with some good legislation in the next session of the Congress—and legislation that will not have to be attached to a social security bill in order to get it through the House of Representatives.

Mr. LONG of Maryland. Mr. Speaker, will the gentleman yield?

Mr. GIBBONS. I yield to the gentleman from Maryland for the purposes of debate.

Mr. LONG of Maryland. Mr. Speaker, I agree with the gentleman on his amendment. I am opposed to this bill also, the way it stands.

I think the gentleman's amendment offers a very sound and responsible way to provide, as between those of us who are dissatisfied with the legislation under a closed rule, but still recognize the impossibility of making a wide-ranging piece of legislation through a completely open rule.

Mrs. HECKLER of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. GIBBONS. I yield to the gentlewoman from Massachusetts for purposes of debate only.

Mrs. HECKLER of Massachusetts. Mr. Speaker, I wish to commend the gentleman on his amendment and to express my opinion that it is entirely desirable.

In the last round of votes, I happened to have voted for the previous question although I harbor strong opposition to certain sections of the bill and found the oil provisions undesirable and unwarranted. As a New Englander, I recognize only too well that there are very substantial problems in the textile and shoe industries. It was authoritatively circulated on this floor that the bill would have been absolutely defeated unless the previous question prevailed.

In order to save the valuable provisions of the bill, and the purpose of the bill itself, I voted for the closed rule.

However, I far prefer the gentleman's approach which allows for a section-by-section analysis and vote on the bill. I feel the stakes involved in this debate today are very high indeed.

This year I went to Japan and had an opportunity to speak with the American Ambassador. I happen to consider myself an advocate of free trade and realize we live in a very small world indeed. But free trade depends on voluntary agreements among the nations. The Japanese at the time of my visit would not negotiate a fair trade arrangement on textiles. At this moment the Japanese are barely beginning to negotiate and they are stalling to see what action this House takes.

A quarter of the seats in the textile factories in Fall River, Mass., in my district, were empty this year as I went through those factories. Japanese competition has been a very substantial factor in causing this unemployment. Obviously, we must give muscle to our negotiators, and I think the only way to do so is to open up the bill and give our negotiators the kind of backing they need, not to protect all industry or to develop fortress America, but to give American employment the opportunity it sorely needs and badly deserves. I ask the House to support the gentleman's amendment.

Mr. GIBBONS. Mr. Speaker, I yield to the gentleman from Illinois (Mr. YATES) for purposes of debate.

Mr. YATES. I thank the gentleman for yielding. There is some disagreement as to what the parliamentary situation will be if the gentleman's amendment is voted down. Will the gentleman yield to me so that I might propound a parliamentary inquiry to the Chair?

Mr. GIBBONS. I am glad to yield to the gentleman from Illinois for the purpose of his propounding a parliamentary inquiry.

PARLIAMENTARY INQUIRY

Mr. YATES. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore (Mr. ROONEY of New York). The gentleman will state it.

Mr. YATES. Mr. Speaker, what will be the parliamentary situation in the event the amendment offered by the gentleman from Florida is voted down?

The SPEAKER pro tempore. The resolution before the House will then be voted upon.

Mr. YATES. Will the resolution be voted on or will the previous question be again submitted to the House before that vote?

The SPEAKER pro tempore. If a motion to adopt the previous question is agreed to, the House will vote on the resolution.

Mr. YATES. But the first vote, then, will occur on the previous question again, and if that is voted up, the vote will then occur on the original rule; is that correct?

The SPEAKER pro tempore. If that situation arises.

Mr. YATES. I thank the Chair.

Mr. LENNON. Mr. Speaker, will the gentleman from Florida yield to me for purposes of debate?

Mr. GIBBONS. I am glad to yield to the gentleman from North Carolina for purposes of debate.

Mr. LENNON. Has the gentleman been advised that the chairman of the Ways and Means Committee will withdraw the bill from consideration of the House today if the gentleman's amendment is adopted?

Mr. GIBBONS. I have not discussed that matter with the gentleman from Arkansas.

Mr. LENNON. Would the gentleman object to my asking that question of the chairman of the Ways and Means Committee at this time for the information of Members of the House? I think the House is entitled to know the intention of the majority of the members of the Ways and Means Committee in the event the resolution is amended. Would that gentleman object to the House having that information?

Mr. GIBBONS. I would not object to yielding for that purpose.

Mr. LENNON. Will the gentleman yield, then, so that I might address that question to the chairman of the committee?

Mr. GIBBONS. Certainly.

Mr. LENNON. Mr. Speaker, I wonder if the chairman of the Ways and Means Committee will tell the House whether it is his intention to withdraw the bill from consideration of the House if the amendment offered by the gentleman from Florida is adopted.

Mr. MILLS. If the gentleman from Florida will yield, let me respond in this way on the question of withdrawing the bill: I have specific instructions from a majority of the Ways and Means Committee—the vote was 17 to 7 with one member voting "present" to order the bill reported, and even a greater majority with reference to the rule—to bring this bill to the floor of the House under a closed rule. The committee by votes specifically rejected the proposals by the

gentleman from Ohio and the gentleman from California who wanted a different type of rule. If a closed rule is not agreed to, I could not bring the bill to the floor of the House until I go back to the committee and get further instructions from the committee. And, certainly, that would not occur today.

Mr. LENNON. May I have the permission of the gentleman from Florida to ask the chairman of the Ways and Means Committee one further question?

Mr. GIBBONS. Certainly.

Mr. LENNON. I interpret that statement, Mr. MILLS, to mean that if we adopt the amendment offered by the gentleman from Florida, then you will have to take the bill back to the full Ways and Means Committee for further direction as to how you shall bring it to the floor?

Mr. MILLS. That is correct. If the gentleman will yield further, at that point the committee could instruct me to bring the bill to the House as the rule provides—whatever the House does with respect to the rule—or they could ask me to go back to the Rules Committee and get an open rule, if they should so instruct.

Mr. LENNON. May I ask another question for the information of the Members of the House?

Mr. GIBBONS. Certainly.

Mr. LENNON. If you should have the same direction by the committee with which you now stand before the House, what would be the situation then?

Mr. MILLS. I take the direction of the Ways and Means Committee, which instructs me with respect to legislation, extremely seriously, and I am not going contrary to what the committee instructs me to do.

Mr. LENNON. If they instruct you to bring it back again tc the House under a closed rule, it would then be stalled for the rest of the session; is that correct?

Mr. MILLS. I am just the chairman of the committee. I am bound by what the committee decides.

REQUEST FOR PERMISSION FOR COMMITTEE ON RULES TO FILE A REPORT

Mr. ALBERT. Mr. Speaker, will the gentleman yield to me for the purpose of making a unanimous-consent request?

Mr. GIBBONS. I am glad to yield to the majority leader for that purpose.

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file a report.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

Mr. HALL. Reserving the right to object——

Mr. HALL. Mr. Speaker, reserving the right to object, may we ask the purpose of this unanimous-consent request, and does it pertain to the matter at hand?

Mr. ALBERT. It pertains to the highway bill.

Mr. HALL. Further reserving the right to object, Mr. Speaker, may I ask the distinguished majority leader if action has been completed by the committee, to his knowledge, on the matter for which he asks unanimous consent?

Mr. ALBERT. It has not been, but action is contemplated within a matter of minutes.

Mr. HALL. Then, Mr. Speaker, I am constrained to object.

The SPEAKER pro tempore. Objection is heard.

Mr. RANDALL. Mr. Speaker, I hope I shall never readily or easily agree, without a long and determined fight to consider any kind of legislation on the floor of this House under procedures which bar the majority of the membership from its rightful participation through the amendment process.

Once again today all of us are being asked to consider the important trade bill of 1970 under a rule which forces all of us to meekly surrender ourselves to the will of the members of the Committee on Ways and Means.

Let me emphasize that I have the highest regard for the members of that great committee and the greatest respect for its able chairman.

Yet, I cannot forget that the people of our congressional district elected me to represent them in Congress. I am denied the right to represent them under a closed or "gag" rule. I cannot responsibly represent my people if I am barred from the opportunity to offer amendments to this trade bill, tax bill, social security legislation or welfare legislation.

It is for these reasons that I have consistently voted against all closed rules in my years in Congress.

The RECORD will show that earlier today I voted against the previous question on the adoption of the rule. I did so because I thought there would thus be restored to the House an opportunity to include not only textiles and shoes but also perhaps steel and electronic items in this bill. When the Speaker recognized the gentleman from Florida (Mr. GIBBONS), a member of the Ways and Means Committee, there was offered a modification to the closed rule. The exact wording of his amendment provided that there could be amendments by direction of the Committee on Ways and Means and there could be amendments to strike out certain provisions of the bill and also provide that there be amendments of conforming or clerical nature to perfect the text of the bill.

Of course, there was some merit in the debate which followed that this entire legislation be put over to the new Congress under new rules. Then there was argument to the effect that if an open rule was granted this would become kind of a Christmas tree. Certainly, that would not be possible under the modified open rule of the gentleman from Florida. For my part, I believe that we should get some relief from the flood of imports as soon as possible without any further delay particularly for the textile and shoe industries.

Now, Mr. Speaker, I voted "no" on the previous question because I intend to vote for the modified open rule of the gentleman from Florida (Mr. GIBBONS), because it is an improvement so far as it goes over the out and out gag rule. But, Mr. Speaker, I would not want my vote against the previous question to be construed as saying to the Japanese we are declaring a recess on negotiations with them to reduce their flood of imports when they have said to use in effect they are not interested in importing into their country any greater quantities of our American made products. Mr. Speaker, I could not let a "no" vote be construed as wanting to delay consideration of the shoe and textile provisions in the bill brought to us under a closed rule. I voted "no" on the previous question because I was hopeful we might be able to provide some relief for steel and electronics as well as shoes and textiles.

On procedural votes, they are, of course, subject to various interpretations and that is why I am taking this time to explain my position.

During the time of the discussion on the previous question and after that and while the roll was being called, I took it upon myself to visit on the floor with several available members of the Ways and Means Committee and the distinguished chairman. I learned in these conversations that if the closed rule should in the final analysis be defeated the chairman would have to go back to the Committee on Ways and Means before he would call up for consideration before the House the badly needed trade bill of 1970.

Repeating, it is my intention to support the Gibbons modified rule. Should it fail to be adopted it is my intention to most reluctantly in this exceptional set of circumstances bite the bullet, grit my teeth and support the closed rule because I am convinced after conversations with members of the Ways and Means Committee and the chairman that the Trade Act of 1970 as it is now written is, so to speak, the last train out and last clear chance to do anything for our shoe and textile people. The fact that we are not satisfied with the trade bill in its present form is no reason that an effort should not be made to provide some relief to two important industries rather than for us to face the possible alternative of no relief for any of our industries.

There is a quotation to whom at the moment I cannot make proper attribution as to author which states, "consistency, thou art a jewel." To vote for any closed rule I suppose is to engage in consistency. I heard Members say that consistency is not as great a virtue as the perseverance of a Member of Congress to fight for the interest of his constituents at all times and under any set of circumstances. In our area some of our shoe plants have already been closed down. In other instances, their output has been reduced. Our garment plants are not running at maximum capacity. Clearly then, as repugnant as a closed rule may be it is the only chance for legislation this session of Congress for relief from excessive foreign competition. Without this bill we will continue to export American jobs. There are areas where our shoe plants, garment factories, steel mills, and electronic plants are suffering layoffs.

If I must today reluctantly compromise a principle or opposition to a closed rule then whether or not I am consistent and whether or not these circumstances constitute such a great urgency as to make an exception, all of these are of second-

ary importance to the plight of those industries that have suffered too long without the relief the Trade Act of 1970 will provide.

PROVIDING FOR CONSIDERATION OF H.R. 18970, TRADE ACT OF 1970

Mr. GIBBONS. Mr. Speaker, I do not detect anyone else asking me to yield.

Therefore, Mr. Speaker, I move the previous question on the amendment and on the resolution.

The SPEAKER. The question is on ordering the previous question.

The previous question was ordered.

The SPEAKER. The question is on the amendment offered by the gentleman from Florida.

The question was taken; and on a division—demanded by Mr. FULTON of Pennsylvania—there were—ayes 93, noes 91.

Mr. YOUNG. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 192, nays 201, not voting 41, as follows:

[Roll No. 358]

YEAS—192

Adams	Foley	Michel
Addabbo	Ford, William D.	Mikva
Anderson, Calif.	Forsythe	Miller, Calif.
Anderson, Ill.	Fraser	Miller, Ohio
Andrews, N. Dak.	Frelinghuysen	Minish
Arends	Frey	Mink
Ashbrook	Fuqua	Mize
Ashley	Giaimo	Monagan
Barrett	Gibbons	Moorhead
Beall, Md.	Goldwater	Morgan
Bell, Calif.	Gray	Morse
Bennett	Green, Pa.	Mosher
Biester	Gross	Moss
Bingham	Gubser	Myers
Boland	Gude	Nedzi
Bolling	Hamilton	Nelsen
Brademas	Hanna	Nix
Broomfield	Hansen, Idaho	Obey
Brotzman	Hansen, Wash.	O'Hara
Brown, Calif.	Harrington	O'Neill, Mass.
Burton, Calif.	Harsha	Pelly
Byrne, Pa.	Hastings	Perkins
Carney	Hawkins	Pettis
Chisholm	Heckler, Mass.	Pike
Clancy	Helstoski	Quie
Clausen, Don H.	Hicks	Railsback
Clay	Holifield	Randall
Cohelan	Horton	Rees
Conable	Hungate	Reid, Ill.
Conte	Hutchinson	Reid, N.Y.
Conyers	Jacobs	Reifel
Corman	Johnson, Calif.	Reuss
Coughlin	Karth	Riegle
Crane	Kastenmeier	Robison
Culver	Keith	Rodino
Daniels, N.J.	Kleppe	Roe
Delaney	Koch	Rogers, Fla.
Dellenback	Landgrebe	Rosenthal
Derwinski	Latta	Roth
Devine	Leggett	Roudebush
Diggs	Long, Md.	Rousselot
Donohue	Lowenstein	Roybal
Dulski	McCarthy	Ryan
Dwyer	McClory	Scherle
Eckhardt	McCloskey	Scheuer
Edwards, Calif.	McCulloch	Schmitz
Erlenborn	McEwen	Schwengel
Esch	McFall	Shipley
Evans, Colo.	Madden	Sisk
Farbstein	Mailliard	Smith, Calif.
Fascell	Mathias	Smith, Iowa
Findley	Matsunaga	Smith, N.Y.
Fish	May	Snyder
	Meeds	Stafford
	Meskill	Stanton
		Steele
	Steiger, Ariz.	Vigorito
	Stokes	Waldie
	Symington	Weicker
	Talcott	Whalen
	Teague, Calif.	Widnall
	Thompson, N.J.	Wiggins
	Tunney	Williams
	Udall	Wilson, Bob
	Van Deerlin	Wilson, Charles H.
	Vander Jagt	Winn
	Vanik	

NAYS—201

Abbitt	Ford, Gerald R.	Murphy, Ill.
Adair	Foreman	Murphy, N.Y.
Albert	Fountain	Natcher
Alexander	Friedel	Nichols
Anderson, Tenn.	Fulton, Pa.	O'Konski
Andrews, Ala.	Fulton, Tenn.	Olsen
Annunzio	Galifianakis	O'Neal, Ga.
Ayres	Garmatz	Patman
Baring	Gaydos	Patten
Belcher	Gettys	Pepper
Betts	Gilbert	Philbin
Bevill	Gonzalez	Pickle
Biaggi	Green, Oreg.	Pirnie
Blackburn	Griffin	Podell
Blanton	Griffiths	Poff
Bow	Grover	Preyer, N.C.
Brasco	Hagan	Price, Ill.
Bray	Haley	Pryor, Ark.
Brinkley	Hall	Pucinski
Brock	Halpern	Purcell
Brooks	Hammer-schmidt	Quillen
Broyhill, N.C.	Hanley	Rarick
Broyhill, Va.	Harvey	Rivers
Buchanan	Hathaway	Roberts
Burke, Fla.	Hays	Rogers, Colo.
Burke, Mass.	Hébert	Rooney, N.Y.
Burleson, Tex.	Hechler, W. Va.	Rooney, Pa.
Burlison, Mo.	Henderson	Rostenkowski
Burton, Utah	Hogan	Ruth
Bush	Howard	St Germain
Byrnes, Wis.	Hull	Sandman
Cabell	Hunt	Satterfield
Caffery	Ichord	Saylor
Carey	Jarman	Schadeberg
Carter	Johnson, Pa.	Schneebeli
Casey	Jonas	Scott
Cederberg	Jones, Ala.	Sebelius
Celler	Jones, N.C.	Shriver
Chamberlain	Jones, Tenn.	Sikes
Chappell	Kazen	Slack
Clark	Kee	Staggers
Cleveland	King	Steed
Collins, Ill.	Kluczynski	Steiger, Wis.
Collins, Tex.	Kuykendall	Stephens
Colmer	Kyl	Stratton
Corbett	Kyros	Stubblefield
Cowger	Landrum	Stuckey
Cramer	Lennon	Sullivan
Cunningham	Lloyd	Taylor
Daniel, Va.	Long, La.	Thompson, Ga.
Davis, Ga.	Lukens	Thomson, Wis.
Davis, Wis.	McDade	Tiernan
Denney	McDonald, Mich.	Ullman
Dennis	McKneally	Waggonner
Dent	McMillan	Wampler
Dickinson	MacGregor	Ware
Dorn	Mahon	Watson
Downing	Mann	Watts
Duncan	Marsh	Whalley
Edwards, Ala.	Martin	White
Eilberg	Melcher	Whitehurst
Eshleman	Mills	Whitten
Evins, Tenn.	Minshall	Wright
Feighan	Mizell	Wyman
Fisher	Mollohan	Yatron
Flood	Montgomery	Young
Flowers	Morton	
Flynt		

NOT VOTING—41

Abernethy	Dowdy	Passman
Aspinall	Edmondson	Poage
Berry	Edwards, La.	Pollock
Blatnik	Fallon	Powell
Boggs	Gallagher	Price, Tex.
Brown, Mich.	Goodling	Rhodes
Brown, Ohio	Hosmer	Ruppe
Button	Langen	Skubitz
Camp	Lujan	Springer
Clawson, Del	McClure	Taft
Collier	Macdonald, Mass.	Teague, Tex.
Daddario	Mayne	Wold
de la Garza	Ottinger	Wydler
Dingell		

So the amendment was rejected.

The Clerk announced the following pairs:

Mr. Teague of Texas for, with Mr. Boggs against.

Mr. Dingell for, with Mr. Abernethy against.

Mr. Gallagher for, with Mr. Edmondson against.

Mr. Blatnik for, with Mr. Fallon against.

Mr. Daddario for, with Mr. Dowdy against.

Mr. Hosmer for, with Mr. Price of Texas against.

Mr. Button for, with Mr. Collier against.

Mr. Pollock for, with Mr. Rhodes against.

Until further notice:

Mr. Aspinall with Mr. Berry.

Mr. Macdonald of Massachusetts with Mr. Brown of Michigan.

Mr. Passman with Mr. Langen.

Mr. Edwards of Louisiana with Mr. Lujan.

Mr. de la Garza with Mr. Mayne.

Mr. Ottinger with Mr. Ruppe.

Mr. Wydler with Mr. Springer.

Mr. McClure with Mr. Skubitz.

Mr. Brown of Ohio with Mr. Del Clawson.

Mr. Goodling with Mr. Taft.

Mr. O'KONSKI changed his vote from "yea" to "nay."

The result of the vote was announced as above recorded.

The doors were opened.

The SPEAKER. The question is on the resolution.

PARLIAMENTARY INQUIRY

Mr. GROSS. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state his parliamentary inquiry.

Mr. GROSS. Was the previous question adopted?

The SPEAKER. The Chair will state that the previous question was ordered on the amendment and on the resolution.

The question is on the resolution.

Mr. BOLLING. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 203, nays 187, not voting 44, as follows:

[Roll No. 359]

YEAS—203

Abbitt	Cleveland	Hagan
Adair	Collins, Tex.	Haley
Addabbo	Colmer	Hall
Albert	Cowger	Halpern
Alexander	Cramer	Hammer-schmidt
Anderson, Tenn.	Cunningham	Hanley
Andrews, Ala.	Daniel, Va.	Harsha
Annunzio	Davis, Ga.	Hathaway
Baring	Davis, Wis.	Hays
Barrett	Delaney	Hébert
Beall, Md.	Denney	Hechler, W. Va.
Belcher	Dennis	Heckler, Mass.
Betts	Dickinson	Henderson
Bevill	Donohue	Howard
Biaggi	Dorn	Hull
Blackburn	Downing	Hungate
Blanton	Duncan	Hunt
Boland	Edwards, Ala.	Hutchinson
Bow	Eilberg	Ichord
Brasco	Eshleman	Jarman
Bray	Evins, Tenn.	Jonas
Brinkley	Fascell	Jones, Ala.
Brock	Feighan	Jones, N.C.
Brooks	Fisher	Jones, Tenn.
Broyhill, N.C.	Flood	Kee
Broyhill, Va.	Flowers	Keith
Buchanan	Flynt	Kluczynski
Burke, Mass.	Ford, Gerald R.	Kuykendall
Burleson, Tex.	Foreman	Kyl
Burlison, Mo.	Fountain	Kyros
Burton, Utah	Friedel	Landrum
Byrnes, Wis.	Fulton, Tenn.	Lennon
Cabell	Fuqua	Lloyd
Caffery	Galifianakis	Long, La.
Carey	Garmatz	Lujan
Carney	Gettys	Lukens
Carter	Gilbert	McDade
Cederberg	Gray	McEwen
Chamberlain	Griffin	McKneally
Chappell	Griffiths	McMillan
	Grover	

MacGregor	Preyer, N.C.	Smith, N.Y.
Mahon	Price, Ill.	Snyder
Mann	Pryor, Ark.	Staggers
Marsh	Pucinski	Steed
Martin	Purcell	Steele
Melcher	Quillen	Steiger, Wis.
Miller, Ohio	Randall	Stephens
Mills	Rarick	Stratton
Minshall	Rivers	Stubblefield
Mizell	Roberts	Stuckey
Mollohan	Rogers, Colo.	Sullivan
Montgomery	Rogers, Fla.	Symington
Morton	Rooney, N.Y.	Taylor
Murphy, Ill.	Rooney, Pa.	Thompson, Ga.
Murphy, N.Y.	Rostenkowski	Thomson, Wis.
Natcher	Roth	Tiernan
Nichols	Roudebush	Waggonner
O'Konski	Ruth	Wampler
Olsen	St Germain	Watson
O'Neal, Ga.	Sandman	Watts
O'Neill, Mass.	Satterfield	Whitehurst
Patten	Schadeberg	Whitten
Pepper	Schneebeli	Wyman
Perkins	Scott	Yatron
Philbin	Shipley	Young
Pirnie	Sikes	Zion
Podell	Sisk	
Poff	Slack	

NAYS—187

Adams	Goldwater	O'Hara
Anderson, Calif.	Gonzalez	Patman
	Green, Oreg.	Pelly
Anderson, Ill.	Green, Pa.	Pettis
Andrews, N. Dak.	Gross	Pickle
	Gubser	Pike
Arends	Gude	Quie
Ashbrook	Hamilton	Railsback
Ashley	Hanna	Rees
Ayres	Hansen, Idaho	Reid, Ill.
Bell, Calif.	Hansen, Wash.	Reid, N.Y.
Bennett	Harrington	Reifel
Biester	Harvey	Reuss
Bingham	Hastings	Riegle
Bolling	Hawkins	Robison
Brademas	Helstoski	Rodino
Brotzman	Hicks	Roe
Brown, Calif.	Hogan	Rosenthal
Burke, Fla.	Holifield	Rousselot
Burton, Calif.	Horton	Roybal
Byrne, Pa.	Jacobs	Ryan
Casey	Johnson, Calif.	Saylor
Celler	Johnson, Pa.	Scherle
Chisholm	Karth	Scheuer
Clancy	Kastenmeier	Schmitz
Clark	Kazen	Schwengel
Clay	King	Sebelius
Cohelan	Kleppe	Shriver
Collins, Ill.	Koch	Smith, Calif.
Conable	Landgrebe	Smith, Iowa
Conte	Latta	Stafford
Conyers	Leggett	Stanton
Corbett	Long, Md.	Steiger, Ariz.
Corman	Lowenstein	Stokes
Coughlin	McCarthy	Talcott
Crane	McClory	Teague, Calif.
Culver	McCloskey	Thompson, N.J.
Daniels, N.J.	McCulloch	Tunney
Dellenback	McDonald, Mich.	Udall
Dent		Ullman
Derwinski	McFall	Van Deerlin
Devine	Madden	Vander Jagt
Diggs	Mailliard	Vanik
Dulski	Mathias	Vigorito
Dwyer	Matsunaga	Waldie
Eckhardt	May	Ware
Edwards, Calif.	Meeds	Weicker
Erlenborn	Meskill	Whalen
Esch	Michel	Whalley
Evans, Colo.	Mikva	White
Farbstein	Minish	Widnall
Findley	Mink	Wiggins
Fish	Mize	Williams
Foley	Monagan	Wilson, Bob
Ford, William D.	Moorhead	Wilson, Charles H.
	Morgan	
Forsythe	Morse	Winn
Fraser	Mosher	Wolff
Frelinghuysen	Moss	Wright
Frey	Myers	Wyatt
Fulton, Pa.	Nedzi	Wylie
Gaydos	Nelsen	Yates
Giaimo	Nix	Zablocki
Gibbons	Obey	Zwach

NOT VOTING—44

Abernethy	Brown, Ohio	Collier
Aspinall	Bush	Daddario
Berry	Button	de la Garza
Blatnik	Camp	Dingell
Boggs	Clausen, Don H.	Dowdy
Broomfield		Edmondson
Brown, Mich.	Clawson, Del	Edwards, La.
Fallon	Mayne	Rhodes
Gallagher	Miller, Calif.	Ruppe
Goodling	Ottinger	Skubitz
Hosmer	Passman	Springer
Langen	Poage	Taft
McClure	Pollock	Teague, Tex.
Macdonald, Mass.	Powell	Wold
	Price, Tex.	Wydler

So the resolution was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Boggs for, with Mr. Teague of Texas against.

Mr. Abernethy for, with Mr. Dingell against.

Mr. Edmondson for, with Mr. Gallagher against.

Mr. Fallon for, with Mr. Blatnik against.

Mr. Dowdy for, with Mr. Daddario against.

Mr. Collier for, with Mr. Hosmer against.

Mr. Rhodes for, with Mr. Pollock against.

Mr. Bush for, with Mr. Camp against.

Mr. Price of Texas for, with Mr. Button against.

Mr. Berry for, with Mr. Del Clawson against.

Mr. Passman for, with Mr. Miller of California against.

Until further notice:

Mr. Aspinall with Mr. Broomfield.

Mr. Macdonald of Massachusetts with Mr. Don H. Clausen.

Mr. Brown of Ohio with Mr. Langen.

Mr. Edwards of Louisiana with Mr. Brown of Michigan.

Mr. de la Garza with Mr McClure.

Mr. Ottinger with Mr. Mayne.

Mr. Goodling with Mr. Ruppe.

Mr. Wydler with Mr. Skubitz.

Mr. Wold with Mr. Springer.

Mr. CARNEY and Mr. PHILBIN changed their votes from "nay" to "yea."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Leonard, one of his secretaries.

PERMISSION TO FILE REPORT ON INDEPENDENT OFFICES AND DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT APPROPRIATIONS UNTIL MIDNIGHT, NOVEMBER 19

Mr. EVINS of Tennessee. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tomorrow, November 19, to file a privileged report on a new Independent Offices and Department of Housing and Urban Development Appropriation Bill, 1971.

Mr. TALCOTT reserved all points of order on the bill.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

ANNOUNCEMENT REGARDING RULES COMMITTEE MEETING

Mr. COLMER. Mr. Speaker, I wish to announce to the members of the Rules Committee that the meeting called for 4 o'clock has been canceled, and the meeting will go over until Monday.

TRADE ACT OF 1970

Mr. MILLS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 18970) to amend the Tariff and Trade Laws of the United States, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from Arkansas.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 18970, with Mr. FLYNT in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Arkansas (Mr. MILLS) will be recognized for 4 hours, and the gentleman from Wisconsin (Mr. BYRNES) will be recognized for 4 hours.

The Chair recognizes the gentleman from Arkansas (Mr. MILLS).

Mr. MILLS. Mr. Chairman, I yield myself 20 minutes.

Mr. Chairman, let me go immediately, if I may, to a brief explanation of what is in the bill before the Committee of the Whole.

I am doing this because I have read quite a bit in the public press and elsewhere about it. As the author of the bill, along with the gentleman from Wisconsin, at the direction of the Committee itself, I am somewhat confused by some of these reports, and I can imagine that Members of the House who are not on the Ways and Means Committee could likewise be confused, because what I have read about the bill raises some question in my mind about whether or not the draftsmen put into the bill the decisions of the Ways and Means Committee or the decisions of some other group, since there is very little similarity between what I have read in some of these articles describing the bill—I am not saying all of it, but I say some of it—and really what I understand is in the bill.

So let me go briefly, if I may, to what I think is in the bill. I have read it again since we had the election on November 3, so I am not trusting my memory of some 6 or 8 or 10 weeks, however long it has been. I have gone back and reread it.

Let me advise you about the five broad purposes that are in the bill.

First, this bill would extend the authority of the President to enter into foreign trade agreements through June 30, 1973, and would grant to the President additional new authority to reduce duties.

I have not read about that in many of the articles that I have read about this bill. This additional authority is to reduce the duties, not below what the duties are

now, but below what the duties will be on January 1, 1972, when the last stage of the Kennedy reductions go into effect. Now, have you all been advised in the newspapers about that?

Second, it would amend the tariff adjustment and adjustment assistance provisions of the Trade Expansion Act of 1962. I will come to an explanation of that in a moment.

Third, it would provide temporary—and get the word "temporary"—quantitative limitations on imports of certain textiles and footwear and authority to negotiate international agreements in order to insure nondisruptive marketing of textiles and footwear imported into the United States.

Fourth, it would provide for a deferral of—this is such a bad thing, according to some of my friends—it would provide for a deferral of the U.S. income tax on domestic corporations engaged in export sales. Why? In order to remove an income tax disadvantage to U.S. exports and thus to U.S. jobs.

Fifth, it would provide for action in certain other trade areas of immediate concern.

Now, Mr. Chairman, let me get down to some of the details of these five broad purposes and the reasons for the bill.

Due to the great controversy this bill has apparently created, I believe Members of the House deserve an explanation of how and why the Committee on Ways and Means reached these major decisions which are reflected in the various provisions of H.R. 18970.

It has been 8 years since the Congress has reviewed the foreign trade policy of the United States. I say the Congress, because the Committee on Ways and Means has had some hearings during this period of time, but it did not report legislation to the House. That means that the last review that the Congress had of this subject matter culminated in the Trade Expansion Act of 1962.

You may remember that as that bill passed the House it did so by what was then the largest vote percentagewise and in numbers for any extension of the reciprocal trade agreement program in its history. That was in 1962. That act granted broad new trade agreement authority to the President. Perhaps this was the broadest authority we have ever given the President under any extension or any initiation of the trade agreements program. This was general authority he had over a 5-year period to reduce duties by not more than 50 percent of the rate that was in existence on July 1, 1962.

Mr. Chairman, as I was saying, this bill in 1962 provided for authority in the President to reduce those duties in effect on July 1, 1962, but not to exceed 50 percent.

Now, are you aware of the fact that since that time, since that legislation passed, this general authority has been used almost to its maximum in reductions of rates in the Kennedy round of trade negotiations? I am not quarreling with that.

Moreover, the trade agreement authority under that act expired on June 30, 1967. For more than 3 years the President has been without any trade agreement authority.

The escape clause provisions are permanent but the authority to negotiate and the authority to reduce duties has always been fixed by Congress for a limited period of time and subject to review.

The trade agreement authority, as delegated by the Congress and implemented by the President, has been the keystone of U.S. foreign trade policy since 1934.

The President in his message to the Congress 1 year ago, as was pointed out during the discussions earlier, indicated that the administration had reviewed the policy of freer world trade and found that its continuation is in our national interest. This bill does not contravene that purpose or objective.

In that message the President also indicated that the trade problems of the seventies will differ significantly from those of the past. The President stated that the trade bill he was submitting to the Congress would restore the authority needed by the President to make limited tariff reductions, take concrete steps toward the increasingly urgent goal of lowering tariff barriers to trade and recognized the very real plight of particular industries, companies, and workers faced with import competition and to provide for readier relief in these special cases; and also to strengthen the General Agreement on Tariffs and Trade by authorizing the appropriation of funds for U.S. participation in the GATT.

These things you have not heard about, have you, that are in the bill? I know you have studied the bill but you have not read about these matters in the newspapers or heard about them in the media.

The President also in that message recognized that there were certain special problems which I will talk about in just a few minutes. H.R. 18970, the bill reported by the Committee on Ways and Means, is responsive to these four goals listed in the President's message and includes every one of them. Indeed, the bill contains provisions totally responsive to every separate proposal contained in the tariff bill submitted by the President which the gentleman from Wisconsin (Mr. BYRNES) and myself introduced; everything that he asked for is in it.

Then a little later on he asked us to do some more things.

As requested by the President, H.R. 18970 extends the President's trade agreement authority, as I pointed out, to reduce duties by 20 percent. It amends section 252 of the Trade Expansion Act of 1962 with respect to foreign import restrictions, just as he asked for.

The bill not only adopts the amendments requested by the President but gives the President new direction and authority to act against foreign import restrictions or other policies which unjustifiably or unreasonably burden U.S. commerce.

One important provision in the 1962 act dealing with foreign import restrictions was limited to agricultural products. As requested by the President, we expanded the provision to cover all types of products exported by the United States.

One aspect of the trade relations emphasized in the President's message was the American selling price system of valuation. During the Kennedy round of trade negotiations, the American selling price system, although limited in application as it is, came to be characterized as a symbol of U.S. nontariff trade restrictions. Every time our negotiators would talk to other country's negotiators about their barrier against our exports, they said, "Oh, but you Americans have violated all the laws of nature by continuing ASP."

The President requested us to let him go forward with the agreement that had been reached in connection with the Kennedy round which would eliminate the American selling price system of valuation.

Now, this provision has been highly enjoyed and highly regarded by those people who have had the benefit of it in the past, so you can understand that they did not much like giving it up. They came to the committee and they argued with the committee against the elimination of the American selling price, but the committee finally decided to include in the bill authority for the President to announce its termination whenever he was convinced that we in turn were receiving sufficient quid pro quo for its elimination.

Now, we did not do it just like he asked, but the important thing to remember is that he can do exactly what he said he wanted to do under what we did report.

The bill also provides for the authorization of appropriations for the GATT, as I pointed out.

As the Members of the House well know, the tariff adjustment and assistance systems provisions incorporated in the act of 1962 have not worked, and they could not work, contrary to what we anticipated, because the criteria established in title III of the Trade Expansion Act for determining eligibility for industries, firms, and workers seeking tariff adjustments or adjustment assistance from injurious imports, unfortunately were too rigidly drawn. That is why, when workers were out of work as a result of increasing import no relief could be given because the criteria for granting assistance were just entirely too rigid.

The President asked for us to change that provision. The law now says that the Tariff Commission, in order to find somebody eligible for tariff adjustment assistance, or this assistance provision, must find that the injury resulted "in major part from a trade agreement concession." It is impossible to prove or to show, and the Tariff Commission must find that such increased imports are "the major factor" in causing or threatening to cause serious injury to the domestic industry.

These two criteria together proved to be almost insurmountable. Only recently have cases been decided in favor of the injured party.

We have amended it; we have not provided it exactly as the President said he wanted it done, but the purpose in the President's mind to remove the rigidity so that people actually injured could

get help can be accomplished under the bill. In my opinion, it is not open as some have said, to any abuse, because nowhere at any time under this bill can any industry get any kind of a relief through the escape clause except that it show that the industry and its workers are being subjected to serious injury from imports, or they are being threatened with serious injury from imports.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield to the gentleman from Iowa.

Mr. GROSS. Well, its rigidity was not entirely the fault of the law. What about the personnel on the Tariff Commission and the authority to the President to overrun it?

Mr. MILLS. The Tariff Commission was just not able to find this injury to result in major part from a trade concession, or a major part from increased imports.

What is a major part? There are a lot of interpretative factors that go into this. I know because I have some constituent interest in one of these cases. One of my good friends in Little Rock back in 1965 or 1966 wrote me a letter and gave me the names of some 200 employees. They were involved in a very fine operation making ceramic tile in Little Rock. They were being laid off and he wrote me the names and addresses and he wanted me to write each one a letter explaining why they were being laid off—because he did not have the heart to tell them. I did not either.

But we tried to get the Tariff Commission to resolve that case through an escape clause proceeding. The Department of Labor joined them in it and the Commissioners by a vote of 6 to 0 said that there was no injury to these people because of imports. When the Japanese at that time had an overwhelming part of the ceramic tile consumed in the United States. But even under those conditions the Tariff Commission apparently could not find injury under the existing criteria. Under the bill they will be able to reach the more obvious and reasonable finding.

We say that all they have to do now is to show that increased imports are contributing substantially toward causing or threatening serious injury and that there is no necessity in the bill to continue to have to prove that this injury results from some trade concession that we make.

Now, under the bill, if increased imports are contributing substantially to the serious trouble that this company is having, the Tariff Commission then can so find and recommend relief.

Now, Mr. Chairman, let me resume my discussion of the reasons for this bill before us today.

While not objecting to this change in criteria for adjustment assistance, spokesmen for the administration apparently felt that the "contribute substantially" criteria for tariff adjustment goes too far in liberalizing the criteria for industry relief.

However, the provision as amended by the committee is based on the concept of serious injury and the withdrawal of tariff concessions, fully recognized in article XIX of the GATT. The committee feels that it will provide the most fair and balanced criteria for responding to the changing needs of domestic industries while recognizing the integrity of our international trade obligations, both explicit and implicit.

As I have indicated, the failure of existing tariff adjustment provisions to offer meaningful relief to industries experiencing serious injury from imports has resulted in a loss of confidence on the part of domestic producer interests in the fairness of existing trade law. As Members of the House are well aware, this loss of confidence is evident in the hundreds of bills introduced by Members of this House and referred to the Committee on Ways and Means. Many of these bills provide for quota protection for industries which have experienced a loss in their share of the domestic market to rapidly increasing imports. Thus, and I believe that Members will agree, the committee amendments to the tariff adjustment provisions which restore the opportunities for relief which existed prior to 1962 are necessary to avoid the hiatus of the past 8 years. The ineffectiveness of the tariff adjustment provisions has both heightened the concern of domestic producers and led foreign exporters to expect that they may ship to this country in ever-increasing volumes regardless of market impact with impunity. This can no longer be the case.

As indicated in the President's message, the trade problems of the 1970's differ significantly from those in the past. The most welcome growth in productive capabilities abroad has resulted in new competitive pressures for U.S. producers not only in third markets but in the U.S. market. The United States is a large and attractive market. In some cases, countries with increased productive capability have attempted to export to the United States to the full extent of their growing capabilities. Such import increases can cause economic adjustments in this economy greater than our own domestic producers can sustain, both in magnitude and the time permitted for healthy economic adjustment.

These developments have had their impact both in terms of the balance-of-trade and balance-of-payments position of the United States. The impacts of rapidly growing foreign capabilities to export to the U.S. market have been magnified during the inflation we have experienced in the past few years. We have been far too slow to recognize the implications of these dynamic shifts in the world economy.

For the most part, the quota bills introduced in the House would limit increases in imports to proportional increases in the domestic market. While recognizing that these proposals were responsive to actual trends in trade in many instances, the committee determined that it could not, in the interest of continuing the policy of freer world trade, enact blanket quota legislation. It sought to be responsive to rapidly increasing and injurious import competition in various product lines by providing an additional injury determination under the tariff adjustment provisions. This provision, as reported by the committee, has been completely misinterpreted by those who apparently see no need for anticipating levels of trade under which reasonable economic adjustments can be made and which are essential to maintain, if indeed we are to continue our policy of freer world trade.

The additional injury provision requires first that a finding of serious injury to the domestic industry be made by the Tariff Commission. Then and only then does the Commission examine the specific conditions relating to the criteria of the additional injury determination. The criteria for this special finding of more severe injury requires either, first, that the trend in increased imports in relation to domestic consumption meet certain statistical standards, or, second, that such increased imports are resulting in declines in domestic production or in the employment related to the product. If either of these conditions are met, the Commission would also have to establish that the prices of the imported product and the unit labor cost involved in its production are substantially below those related to the production of the domestic product with which such imports are competing.

These criteria will be difficult to establish. However, if conditions in the U.S. market are such that within a 3-year period the trends in imports in relation to domestic consumption meet either the statistical criteria or declines in domestic production and employment and stem primarily from substantial differentials in prices and unit labor costs, it was the committee's view that the serious injury being experienced by the domestic industry should receive greater consideration than a case of serious injury under the regular tariff adjustment provisions.

The form of remedy recommended by the Tariff Commission is to be binding on the President in the case of the additional injury finding in the absence of a national interest determination by the President. However, and I wish to emphasize this point, the types of remedy which the Tariff Commission may recommend are the same as under present law. That is, the Commission may recommend increased tariffs, import quotas or any combination of restrictions on imports. The interpretation that has been given to this amendment as omnibus quota provision is ill founded.

The committee has amended the criteria for eligibility for adjustment assistance to firms and workers along the lines of the change in criteria for tariff adjustment relief—that is, it must be found that increased imports are "contributing substantially" to the serious injury. Further, the committee's amendment of the Trade Expansion Act would require that the President make adjustment assistance available in those cases in which he does not act to remedy serious injury by tariff adjustment means. In other respects, the bill as reported by the committee fully adopts the recommendations contained in the President's trade message.

I would only add at this point that the amendments the committee has agreed to

and recommends to the House with regard to tariff adjustment and adjustment assistance represent changes that the committee feels are necessary and desirable. The committee has retained for the President sufficient flexibility to meet the requirements of the national interest in acting on Tariff Commission recommendations.

In its amendments, the committee has continued to recognize that a policy of freer trade will call for economic adjustments. In its amendments, the committee has also recognized that such adjustments cannot be permitted to affect domestic producing interests to the extent that the costs of such economic adjustments exceed the benefits resulting from a policy of freer trade.

As I have indicated, the committee was confronted with many trade proposals introduced by a substantial proportion of the House membership seeking limitations on imports. Many dealt with the problem of textile imports. The longstanding problem in world trade in textiles has been recognized by the U.S. Government and most contracting parties to the GATT in the negotiation and continuation of the Long-Term Arrangement on Trade in Cotton Textiles. However, developments in world trade in textiles since the negotiation and renewal of the Long-Term Arrangement have continued as a problem for the U.S. textile industry. Its problem received the concern of principal spokesmen for both major political parties. The President in his trade message and on other occasions has referred to the textile import problem as "a special circumstance that requires special measures."

As the Members may be aware, I have fully supported the efforts of the administration, including Secretary of Commerce Stans in the attempts to negotiate an international agreement under which the problems of world trade in textiles could be dealt with on a basis of international cooperation. I have attempted to make clear that while I have been personally opposed to solving international trade problems by the enactment of statutory quotas, the enactment of such controls would be found necessary by the Congress in the absence of an international agreement.

During the committee's hearings on trade and tariff proposals, it became obvious that for a variety of reasons such an international agreement could not be reached. As a result, prior to the close of the hearings, the quota proposals with respect to textiles contained in H.R. 16920 then being considered by the committee were supported by Secretary Stans on behalf of the President. These provisions as amended by the committee encompass almost all of the recommendations made by the executive branch.

I have received no information that would indicate that the administration no longer supports these provisions.

In the many trade proposals pending before the committee, the problems facing the American footwear industry have received the greatest emphasis not only by witnesses before the committee but by many Members of the House. The rapid degree of import penetration which shoe manufacturers have faced is greater in some respects than the problems that have been experienced by textile producers and their workers. Although the administration did not support the inclusion of nonrubber footwear in the quota provisions developed by the committee, it was determined, almost overwhelmingly by the committee, that the domestic footwear industry merited the same consideration being provided the textile industry. From the previous position that many Members of the House have taken on this issue, I feel sure that Members will support this position.

The committee is well aware of the departure from previous policy that title II of H.R. 18970 represents. I would like to emphasize that these measures are temporary in nature. Further, they provide the President with the same degree of flexibility which he will have under the new provisions of the tariff adjustment amendments.

These include the authorization of international agreements under which reasonable levels of trade may be established, the provision relating to the exception from quotas for imports found to be nondisruptive of the U.S. market and finally the President's flexibility to exempt from quota products or countries should the national interest require it. The provisions are all designed to permit the President to meet the requirements of the national interest while at the same time recognizing the tremendous problem that the textile and footwear industries face at this time.

The committee has been concerned with the administration of other provisions of trade law which have long been a part of the conditions under which domestic producers and foreign producers are to operate in the U.S. market. For a number of years, the committee has had before it legislation intended to amend the Antidumping Act of 1921 in order to make it more responsive to the needs of domestic industries faced by unfair pricing practices of foreign exporters. However, there have been indications recently that the existing Antidumping Act can be administered in a manner that will prevent unfair pricing practices in the sales of imported products. The committee amendments to the Antidumping Act are intended to require expeditious and fair investigation and execution of this law.

The committee has also amended the countervailing duty provisions of the Tariff Act of 1930 which is intended to offset the subsidization of foreign exports. Too often in the past this law has not been administered as intended by the Congress. The committee has amended the provision to require action by the Secretary of the Treasury within a specific time period. Moreover, it has amended the provision to recognize that in certain cases imports already subject to quantitative limitation should not be placed in double jeopardy by the imposition of countervailing duties. Such cases in the past have resulted in failures to carry out the provisions of law which tend to erode its effectiveness.

In two limited cases has the committee recognized that the import problems faced by domestic producers require immediate changes in the restraints imposed under the Tariff Act. In the case of glycine, the determination of dumping and the imposition of dumping duties have under the circumstances not remedied the injury to the industry caused by dumped imports. In the case of mink furskins, the peculiar agricultural and marketing cycle faced by domestic producers appears to require restraints not presently available under existing tariff provisions.

On the express recommendation of the administration and continued urging by the Secretary of the Treasury, the committee has included in the bill a provision which would defer income tax on the earnings of particular corporations engaged in export sales. Tax practices of developed countries and the effect of the existing rules under the GATT disadvantage U.S. exporters. In face of these disadvantages, the committee determined that encouragement to U.S. export sales is necessary. Moreover, the tax burden on export earnings compared with tax burdens imposed on earnings from U.S. investments abroad encourages foreign investment over increased domestic production for export. The committee determined that the domestic international sales corporation proposal of the administration will provide a necessary stimulus both to export sales and to the encouragement of continued production and employment in this country.

The proposed Trade Act of 1970, H.R. 18970, as reported by the committee, seeks to be responsive to the existing challenges which the United States faces at this time. It also provides a base upon which the United States can continue its policy of freer world trade grounded in the basic assumption that cooperation in world trade must proceed on a reciprocal and mutually beneficial basis.

The great preponderance of the U.S. economy in the post-World War II period has given way to strong economies and strong competitors in world markets. The extent to which the United States can continue its leadership in freer world trade policy is dependent upon the degree of responsibility and the extent of international cooperation that other countries are willing to assume.

A careful reading of H.R. 18970, a careful reading of all of its provisions, raises the question of why foreign countries are threatening retaliation against the United States. I would assume that the GATT rules do not permit retaliation until the commercial interest of the country proposing such retaliation has actually taken place. I would submit that the thrust of H.R. 18970 is a warning to other countries—not a bluff, not a threat, but merely a warning. It is, however, a warning of what can take place if there is not to be a recognition of mutual problems and a willingness to solve them in the spirit of cooperation. The provisions of the bill authorize the President to work out with our trading partners those most immediate trade problems which

are recognized in the bill and those problems which may be recognized under safeguard procedures provided in the bill. This bill is a well balanced bill which meets the requirements of the United States in its international trade position today. It sets the groundwork for continued cooperation in international trade policy for the future.

Mr. DENT. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield to the gentleman.

Mr. DENT. It is true that prior to the introduction of this bill it looked like there may be some kind of legislative enactment on the protective side of trade. Prior to that there was no relief granted under the trade adjustment assistance. But, as for my own district, I now have about 1,000 workers who are receiving trade adjustments under the bill, that bill we are talking of at present.

Mr. MILLS. That is right. I know that this is one of the few cases in which such relief was granted.

Mr. DENT. Yes, that is true, but there is nothing in this bill or any past or present bill now in effect that does anything to give relief for 1 year or 15 months for those who are over 60 years of age or provide manpower training which they get out of acts in Congress, but nothing in this or any other piece of legislation yet which says that any of these men are ever going back to making glass.

Mr. MILLS. No; and there is nothing here that guarantees that they will go back to making anything. But there is within this bill plenty of authority to the Tariff Commission and the President to see that the serious injury that befalls anybody as a result of imports can be corrected.

Mr. DENT. That is true. If the gentleman will yield further on this point, then why is it not good enough for the textile workers—if it is good enough for my workers?

Mr. MILLS. Let me speak to that point. I know that there are those who think we have been overly concerned perhaps about textile employees and shoe employees.

Mr. RIVERS. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield to the gentleman.

Mr. RIVERS. Did not the chairman and the committee say that the authority for the President presently to negotiate in all of this year and the Kennedy round is expiring and he needs this bill. The only authority he has left to help industry is the saving clause?

Mr. MILLS. He does not have any authority to reduce any rate of duty at the present time. This involves the Tariff Commission—how to decide that some industry is being injured under the escape clause.

Mr. RIVERS. That is right.

Mr. MILLS. We would have to, as we upped the duty as we have always done in the past, compensate for that raised duty on the product of the injured industry by lowering a duty on some other product being imported. He has no authority to do that now. So actually if the Tariff Commission recommends now under existing law the raising of a duty to protect an industry that is being driven out of existence, the President cannot raise the duty without running the risk of immediate retaliation by the country that ships to us those commodities that are destroying our industry. He cannot compensate for it by reducing the duty. He must have this authority.

Mr. RIVERS. He must have this authority to continue.

Mr. MILLS. What I am saying to my dear friends is this, that everything the President has asked for in his far-reaching proposals to continue to keep us in this free trade flow is in this bill. Is that not correct, I ask my friend from Wisconsin? Everything the President has asked for at some point is in this bill; is that not correct?

Mr. BYRNES of Wisconsin. The gentleman is absolutely correct.

Mr. MILLS. I do not disagree with anybody for insisting that he is always right, and the President has that privilege as far as I am concerned. I just do not happen always to agree that he is always right.

We did put some thing in here which he did not suggest. I have never known since I have been a member of the Ways and Means Committee a President's proposal to have all the t's crossed and the i's dotted just as he wanted it in the first instance. If we had passed the legislation that they sent up from these departments, nine times out of 10, it would not have done what they wanted done anyway. So we had to rewrite in many instances; indeed, in nearly all instances.

All in the world we have done that seems to make this bill so bad in the eyes of some very vocal people is to provide in the bill a provision that is the brain child of my friend from Wisconsin, if I may congratulate him. It says, in addition to the ordinary escape clause arrangement, where the Tariff Commission finds injury and makes a recommendation to the President, and the President can do anything with it he wants to do, we are going to write another provision in. I have already referred to the details, and I want the gentleman to discuss it, but it is this so-called triggering thing they refer to. It looks to imports that are coming into the United States with such speed and velocity that they are taking over 15 percent of the American market, and their share of the market has growth by 3 or 5 percentage points in a recent period.

If the Tariff Commission finds that to be the case and other criteria are met, such as a decline in volume in an industry, and they are selling at prices substantially lower than the price of the same commodity produced here, then the Tariff Commission decides what kind of relief is necessary to that industry to stop this serious injury, and if they say it is an increase in duty, or if they say it is a tariff-quota arrangement or a quota, if the President decides to take action to remedy the injury to industry, he must follow the findings of the Tariff Commission.

Members of Congress in the past have said that the Tariff Commission's recommendations to the President in some instances should be more effective. All we are doing is saying that under these circumstances, if the President finds he wants to do something for this industry, he cannot argue with the relief suggested by the Tariff Commission. But even then he does not have to do it. If he says it is not in the national interest for us to take action, that it would cause other problems, he does not have to take action. Moreover, he does not have to tell what national interest is involved. This is another instance in the bill in which we would give him almost unlimited flexibility to do in this field what he and his advisors think ought to be done. This is a "bad" provision?

Then there is another "bad" provision. It is perfectly all right to have quotas on textiles.

But it is not good, he says, and we do not need to provide the same relief for the problems of the shoe industry. I am a little surprised at the President. I think he has been either oversold in the relationship that exists between the textile problem and the shoe problem by the textile people or undersold by the people engaged in the shoe business. If there is anything clear in my mind from the studies of this matter we have made in the Ways and Means Committee, it is that if there is a difference in the import problems of the textile industry and the shoe industry, it is that those of the shoe industry are greater.

I suggest that Members go downtown; go down there with your wife some time when she is buying those pairs of shoes each month. Yours does not? Oh, I am surprised. I will have to talk to my wife. All right, but I am surprised that the Members do not have these problems. But go through this experience. You will find that women buy 50 percent of all the shoes that are used in the United States. The men use about 25 percent of them and our children as they grow up use the other 25 percent. But at any rate, go downtown with your wife when she buys that one pair of shoes you let her buy and see how many of the shoes are American-made any more. See how many of them come from other countries. We, of course, are talking about shoes made of leather. See where they come from.

Quite frankly, I cannot see a bit of difference in the world in the basic problems of the two industries. The administration recognized the textile problem, evidently because of the size and concentration of the industry. But, we must recognize that the shoe industry, likewise, involves thousands upon thousands of jobs, dispersed within small communities throughout the Nation. So how can I say I am going to give this kind of legislative relief to one, and I am not going to give it to the other? If one is entitled to it, the other is entitled to it, and I think both of them are entitled to it.

Why? Why do I think that? Because the technology that we have had over the years and the modernization we have had in our plants and the equipment in recent years are not any different, not any greater now than the technology and modernization and know-how in the most underdeveloped country in the

world as far as textiles and shoes are concerned. They have it.

Then what else do they have? They have a wage rate in those countries that I think is a disgrace to the countries and to humanity.

I have asked the Japanese representatives of their Government why in the name of goodness do they not stimulate a market in Japan for greater consumption of that which they produce? They said, "How do you do that?" I said, "You start with a 75-cent-an-hour minimum wage and then let nature take its course." Those people who have 50 cents an hour today buy so little of what is produced in Japan, so that Japan in order to carry out its economic program of expansion—and Members ought to read about it sometime—has to continually increase exports, and they have done it.

There is a gentleman here from New Hampshire who can tell us about the complete domination in recent years of the miniature precision and instrument ball bearings. That is in the State of this gentleman, is it not?

Mr. CLEVELAND. Yes, sir.

Mr. MILLS. The gentleman has two companies left out of 10 and he is not going to have one of them in less than 12 months if we do not do something about it. He has been trying for 2 years to have this industry declared essential to national defense under the national security provision where this importance could be recognized, but other than getting a hearing over there and watching the industry go down, there has been nothing. But 75 percent of its total production goes to NASA operations and to defense? Is that correct?

Mr. CLEVELAND. That is right, and just to enlarge slightly on the importance of this particular industry, we do not have a missile that can fly or a guidance system that can function or an airplane that can function or anything in our whole arsenal of defense or space that is not totally dependent on this particular industry and its ongoing capability. It is being destroyed piecemeal. Downtown at the Office of Emergency Preparedness, they sit on their hands, and have for more more than 2 years, and cannot even give us a decision. It is a disgraceful situation and if I can obtain time I will discuss it further tomorrow.

Mr. MILLS. They will say they can buy these things from Japan more cheaply now. We did that with silk. We used to produce silk garments and things made of silk in the United States. Finally we discontinued the importation of silk for shirts and things like that, but the items made of silk are still produced outside of the United States, not inside, and the price today is approximately twice what it was when we had both imports and domestic production.

Mr. FULTON of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield to the gentleman from Pennsylvania.

Mr. FULTON of Pennsylvania. I thank the gentleman for yielding. I have been waiting patiently, because I have been on the floor all afternoon sitting with the Pennsylvania delegation, and I have voted on every rollcall. Immediately after rollcall No. 359 I went out and checked the tally sheets and found that on the adoption of the rule on the trade bill, I was not registered as voting. I will, at a later time in the House, ask unanimous consent to correct that rollcall.

Mr. MILLS. I thought the gentleman voted "yea." I made a mistake.

Mr. FULTON of Pennsylvania. That was Mr. FULTON of Tennessee.

Mr. PEPPER. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield to the gentleman from Florida.

Mr. PEPPER. I should like to have a statement from the able chairman, whom we all respect so highly, about an aspect of the matter which means more to a lot of the people in this country, and I believe to a lot of the Members of the House, than specific provisions of the bill. I refer to what has been said by a lot of economists, and what has been said by a lot of critics of this bill, that perhaps it is not so bad per se within its own provisions but that this bill is a turning back of the economic policy of this country toward the days of high tariffs which were epitomized in the Smoot-Hawley tariff of the early 1930's.

Mr. MILLS. I have touched upon that already, but I will be glad to expand further on what I have said.

Mr. PEPPER. That is one subject which I believe is important to the people.

Mr. MILLS. There are three or four things which they say about this bill. It is said that if we pass this bill there will not be anything imported into the United States, so that everything sold will be much higher. That is one of the myths about this bill, because there is nothing in this bill to cut off our markets. Even under title II, we provide for imports to share in our growth.

Another thing said is that if we pass this bill, oh, everybody will rise up and retaliate against us. To me that is a myth, because I am confident they want the market more than retaliation. They get little of substance from retaliation; they gain a great deal from our market.

And another thing said is that we are turning 180° now, going back away from the policy that we have been following in this Government since 1934. To me that is completely false, because we have put in this bill every liberalizing feature the President asked for.

With respect to these temporary limitations that we put in, which we thought were necessary for the time we are passing through, they are for 5 years. Any time a tariff commission develops a recommendation to the President under an escape clause action and the President implements it, that is in effect for 4 years and subject to his review.

The quota limitations on shoes and textiles are for limited periods of time. We know that the particular problems of these two industries are such that if they do not have some assistance within that 5-year period, and through that 5-year period, all of the textile apparel business is going to be outside of the United States.

There will not be a shirt made in the United States, in my opinion, in 5 years if this legislation does not pass. We will not be able to find any printed goods, in my opinion, in the United States in 5 years if this bill is not passed.

There may be some segments of the textile industry, such as these rather large ones, which will continue to exist, because they have such a diversity of production.

But the Members should talk with these fellows from South Carolina, North Carolina, Georgia, Virginia, and other places where I have been. Talk with them about this line of production, down now, that operated 4 years ago, or this line of production, down now, that operated 4 or 5 years ago. Talk to them about the 65,000 to 70,000 people who are not working now, who were working at this time last year in the textile and apparel business. Talk to the people in New York City, where so much of this apparel industry is centered, about the hours that they work now, those who are working, compared to the hours they worked before.

These are serious problems. I have tried to tell our friends that—the Japanese, the people in the European Common Market—and have said, "Anytime you have a problem, you tell us about it."

The CHAIRMAN. The time of the gentleman from Arkansas has again expired.

Mr. MILLS. Mr. Chairman, I yield myself an additional 5 minutes.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. MILLS. Mr. Chairman, I yield myself 5 additional minutes.

All in the world we have been trying to impress the other country's problems with is the fact that we now have some problems and if we do not resolve these problems, then the clock might be turned back. If this legislation is not passed now, I shudder to think of the legislation that the Congress might well pass 2 years from now when I suspect you will have a very high percentage of the people of the United States unemployed in whatever industries they may be. If you do not believe that they will find it difficult to stay in operation in the electronics industry, just look around and see where these consumer electronic products are produced that are in all of our stores. They talk about the consumer going to have to pay more than he does now.

In order to be a consumer you have to be on welfare or a retirement system of some kind or else working and producing goods to make a living. You cannot be a consumer under 65 years of age, hardly, I do not suppose, without working. So I say you do not want to mislead people altogether by making them think that we are nothing but a bunch of consumers in the United States and that nobody works here. At least 75 percent of our people work. In order to be consumers people have to work. In order to be able to work there has to be some degree of protection of their jobs against serious injury from imports. So I do not see how you can differentiate between the consumer and the worker in this country.

Do you know who asked me to intro-

duce this bill the first time it was introduced to provide quotas on shoes and textiles made of wool and manmade fibers? The workers in New York City. Last April I sat down with the labor leaders who represent these people in the shoe industry and in the tannery industry and in the textile industry. They asked me to do it because they were scared to death about what was happening to the jobs of their members throughout the United States, and labor representatives in these industries went all out for it.

Mr. VANIK. Mr. Chairman, will the gentleman yield. If the distinguished gentleman will yield to me, as he knows, I oppose the oil quota sections. In our public hearings there was no discussion about the need for going in this direction. So, of course, I was surprised, as a member of the committee, when we did.

Mr. MILLS. Do you not remember the testimony of our former colleague, Mr. Ikard, and a group with him describing the fallacy contained in what is called the President's Cabinet report?

Mr. VANIK. Yes. It was in the Cabinet report.

Mr. MILLS. They were recommending you take care of oil imports through your tariffs rather than through your quotas. Let me get straight on it. Any time you raise tariffs you raise the price of that which comes into the United States. It is just that simple. If your people in New York and in the East want to have a tariff system for your fuel that you must have that comes from abroad, then go back and tell your constituents that it is going to cost you more money in the process.

I had something to do with the drafting of the national security provision back in the 1950's. The late Senator Kerr and I worked on it in conference with other Members. Mr. BYRNES was also a Member. You remember we did it in the conference. The House adopted it, and the Senate adopted the provision, too. What is here in law now we worked out in that conference. We never intended any such use of tariff duty adjustments. Whenever an industry essential to national defense was being impaired by imports we intended that that injury be eliminated immediately in the interest of national defense through the use of a quota, which would do it.

Mr. VANIK. There is a distinction, if my distinguished chairman will yield. In the oil quota we simply assigned——

Mr. MILLS. Oh, I recognize that in the application of quotas, there are problems. There is no question about it.

Mr. VANIK. It is a complete gift to the industry.

Mr. MILLS. If we want to clean up the oil quotas, that is another thing. I think there should be some changes made in the use of them. I agree with that completely. It may not be good now, but you are not going to protect your consumer if you convert from a quota system to an increase in duty. It just will not work. The price of your fuel coming into different ports from different areas of the world is, of necessity, different. It ranges up and down.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. MILLS. Mr. Chairman, I yield myself 5 additional minutes.

Mr. PUCINSKI. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield to the gentleman from Illinois.

(Mr. PUCINSKI asked and was given permission to revise and extend his remarks.)

Mr. PUCINSKI. The distinguished chairman has spoken of the alternatives which are contained in this bill. I think everyone knows that the electronics industry in this country is now a disaster area.

Mr. MILLS. There appears to be no question about it.

Mr. PUCINSKI. We have lost millions of man-hours of work because of foreign competition.

I want to ask the distinguished chairman this question: Is there not something in this bill which recognizes the fact that by April 1, 1971, there is not going to be a single color television set produced in the United States? There were 30 million sets produced in this country and not one of them made in the United States.

Mr. MILLS. These things are made in my State, too. I have only very little textile industry in my district, but I recognize their problems. However, the electronics industry is a big industry in the district represented by the gentleman from Arkansas (Mr. HAMMERSCHMIDT).

Mr. PUCINSKI. It is a big industry in my district also.

Mr. MILLS. It is a big industry in the district represented by the gentleman from Arkansas (Mr. ALEXANDER). I know the problem, but my goodness alive, what would the hue and cry be if we had a bill to give for every 70 different types of articles on which bills have been introduced a quota? The President said we should not have quotas on shoes but we have one on shoes after he kicked the gate down.

Mr. PUCINSKI. What relief can this industry look forward to in the future?

Mr. MILLS. There is plenty of relief contained in this bill if they will go through the escape clause and particularly that provision which makes it mandatory on the President to provide this relief. The Tariff Commission can recommend the remedy and the President can act unless he finds that giving them relief is contrary to the national interest. Lawyers who represented these industries said that if we did loosen up the rigidity of the escape clause procedure they could get relief under it and we have given them that opportunity.

Mr. PUCINSKI. Mr. Chairman, if the gentleman will yield further, is it not true that the Tariff Commission now wears two hats? It sets foreign import tariffs and quotas and then determines if those tariffs and quotas are hurting American industry. I have introduced a bill to provide judicial review. There should be further machinery to take care of this situation. A great weakness in the operation of the system is the fact that the same people are creating these problems.

Mr. MILLS. The Tariff Commission will be all right in my opinion if they will get an understanding of the intent of the Congress, and if we can correct what we did in 1962.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. MILLS. Of course I yield to the gentleman from Iowa.

Mr. GROSS. Who said that? Who kicked the gate down?

Mr. MILLS. The President asked for quotas on textiles.

Mr. GROSS. I wondered to whom the gentleman was referring.

Mr. MILLS. I am sorry. I thought I made that clear.

Mr. GROSS. Who kicked the gate open?

Mr. MILLS. The President; and for the life of me I cannot bring myself to understand the thinking of those who advised the President to the effect that you can get quotas on textiles because of their problem, but you do not have quotas on anything else.

Mr. GROSS. The question is that certainly the House Ways and Means Committee is autonomous.

Mr. MILLS. Is what?

Mr. GROSS. The House Ways and Means Committee is autonomous.

Mr. MILLS. Oh, I thought the gentleman said "harmless."

Mr. GROSS. Perhaps I should have said that but I did not intend to.

So, why continue to come back to the President as being the culprit? How about the Congress? It can write any kind of law it wants to.

Mr. MILLS. I am just saying that it appears he does not like this provision that Mr. BYRNES of Wisconsin created.

He did not like this, and although I think all of the members of the committee except one voted to keep the shoe quota in; he did not like that.

So I say I just do not understand the thinking of these people who are advising him, because I know you cannot pass it without the shoe provision.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MILLS. Mr. Chairman, I yield myself 1 additional minute.

I yield to the gentleman from Pennsylvania.

Mr. DENT. Mr. Chairman, I appreciate that the gentleman is trying to make a good case for a bad bill.

Mr. MILLS. Wait a minute. I never said that.

Mr. DENT. I have an opinion, and the gentleman has an opinion.

Mr. MILLS. I have never said that on the gentleman's bill coming up out of the Committee on Labor.

Mr. DENT. I mentioned it just as a reflection of the situation that to me is very serious. The gentleman said the President decided the textile industry needed relief. He said, "Now, I decided

that shoes," he said "I think shoes need relief."

Mr. Chairman, I think tube steel needs relief. I can give proof that glass needs relief. Why can we not write legislation that treats each one of these workers the same?

Mr. MILLS. We have.

Mr. DENT. The glass workers should be given assistance, we should give relief to them, and we should go on to the tube steel workers, and give them the same blessing.

Mr. MILLS. There's not an industry in this country that owes more, in my opinion, to a certain Member of this Congress than does the steel industry, because it was here that the motivation occurred for the voluntary agreement on the importation of steel. I know now that they have gotten out of the cheaper steel and into the more expensive steel, and that some adjustment needs to be made there.

Mr. DENT. I agree.

Mr. MILLS. Then we certainly know about the steel industry, and I think it is absolutely essential to our national security. There is nothing in the existing law, however, that the steel industry can do about getting relief, but the steel industry can get relief with respect to those articles that are seriously injuring the steel industry that are coming through imports.

Mr. DENT. I agree with the gentleman. However, I want to say that my observations——

The CHAIRMAN. The time of the gentleman has again expired.

Mr. MILLS. Mr. Chairman, I yield myself 1 additional minute.

Mr. DENT. I want to make it clear, I think the gentleman is right, but my observations made from much traveling through many countries are that they will not ask for relief, because there is no need to ask for relief. They are not measuring their existence today or their progress today on the production within the confines of the United States. I visited $47 million worth of new building construction going on today in a new steel mill in South America. I saw the largest engine plant ever built anywhere in the world being built in Mexico. There is nothing in this that makes any kind of exception to the trade bill. I saw 55,000 jobs move across the Rio Grande River within the last 3½ years.

I tell you industry does not give a tinker's darn about where they produce, and you have no right to ask them to, because they will only think of the rules that harm them and how they work. The only ones who are something in the steel industry today are not the stockholders, and it is not the industry, it is the worker, the worker who loses his job. We must equate jobs with trade.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. MILLS. I have gone on much further than I intended, but, Mr. Chairman, I will yield myself 1 additional minute.

Mr. DENT. I am sorry for taking so much time.

Mr. MILLS. Oh, no, I was not referring to that, but that I have overlooked many additional important parts of the bill that I wanted to talk about.

I mentioned them briefly, and I am hopeful that the distinguished gentleman from Wisconsin (Mr. BYRNES), and other members of the committee, will go into a more complete discussion, if you will, of this so-called trigger mechanism, and why we accepted it. And they will discuss DISC, and I may tomorrow want to say something additional about DISC because, as I said earlier in the course of my discussion, I think that it is greatly misunderstood. I think those people in labor who are viewing it as they do are taking a very shortsighted view of it, because if ever anything was ever thought of that, I think, offers greater hope in reversing this trend in the exportation of jobs abroad, it is this thing called DISC. Yes, we do have to pay the prices, but not of collecting the taxes that are earned in the sale of these American-made goods.

The tax on the manufacturing part of it will be paid immediately, but only that tax with respect to the profit attributable to the sale of the American-made article abroad will not be immediately collected. And if it amounts to $1 billion it means in all probability that we have materially increased American production, and therefore increased American jobs. Before concluding, however, I would like to make a detailed explanation of the bill.

TRADE AGREEMENT AUTHORITY

Under section 101 of the bill, the authority of the President to enter into trade agreements with foreign countries or instrumentalities thereof would be extended until July 1, 1973. This authority expired on July 1, 1967, and would be reinstated on the enactment of H.R. 18970. The committee believes it is important to the proper conduct of our foreign trade relations that this delegation of authority be reinstated for the period requested by the President.

The President would be authorized to proclaim such modifications of existing import restrictions as are required or appropriate to carry out any new trade agreements. Under the bill, he is authorized to reduce by 20 percent or by 2 percentage points, the rates of duty which will exist when the final stage of the Kennedy round reductions is to be made effective on January 1, 1972.

In providing this new authority, it is understood that it will be used primarily to offer new tariff concessions to affected countries, when the President is required under the tariff adjustment provisions or otherwise to proclaim increased import restrictions on an article covered by concessions granted by the United States in trade agreements. The authority would not be used for any new major tariff negotiations. The President would be able to use the authority in limited negotiations on one or several products to resolve individual trade problems causing difficulties for U.S. exporters.

Use of the authority is subject to the termination and prenegotiation safeguard procedures already prescribed in the Trade Expansion Act of 1962.

The bill does not renew or extend any of the other authorities to modify tariffs provided in sections 202, 211, 212, or 213 of the Trade Expansion Act of 1962.

The bill provides that the tariff concessions agreed to under this new authority shall be staged in at least two installments with 1 year intervening. It also provides that tariff reductions agreed to under the new authority may be combined with any remaining stages of earlier proclamations made pursuant to the Kennedy round of trade negotiations.

It is assumed that the President would not stage any new concession concurrently unless he had previously determined that this could be done without detriment to the U.S. industry producing the article or articles affected by the tariff reduction.

OTHER PRESIDENTIAL AUTHORITY

FOREIGN IMPORT RESTRICTIONS AND DISCRIMINATORY ACTS

Section 103 of the bill would amend section 252 of the Trade Expansion Act of 1962 and provide new authority and direction to the President to act against import restrictions or other acts of foreign countries which unjustifiably or unreasonably burden, or discriminate against U.S. commerce.

By removing the word "agricultural" from section 252(a) the President is directed to take such action as he deems necessary and appropriate when a foreign country unjustifiably restricts "any" U.S. product. Such action under existing provisions of the law might include the imposition of duties or other import restrictions on products of the foreign country imported into the United States.

The bill would amend section 252(b) of the Trade Expansion Act to direct that the President shall take certain actions whenever a foreign country whose products benefit from U.S. trade agreement concessions provides subsidies or other incentives to its exported products to other foreign markets so that U.S. sales of competitive products to those other markets are unfairly affected thereby. This amendment was recommended by the executive branch and approved by the committee as necessary to protect U.S. commercial interests.

In addition, the bill would increase the authority of the President under section 252(b) of the Trade Expansion Act by enabling him to impose duties and other import restrictions whenever such a foreign country is maintaining nontariff restrictions substantially burdening U.S. commerce, engaging in discriminatory acts which unjustifiably restrict U.S. commerce or providing such subsidies or other incentives for its exports.

Section 252(c) would be amended by directing and authorizing the President to take action whenever a foreign country whose products benefit from U.S. trade agreement concessions maintains unreasonable import restrictions which substantially burden U.S. commerce. The President would be authorized and directed to impose duties or other import restrictions on the products of such foreign country in such instances as well as

to suspend or withdraw trade agreement concessions or to refrain from proclaiming benefits to carry out trade agreements with such foreign countries.

Since subsections (a) and (b) of section 252 are both directed toward foreign import restrictions and discriminatory acts which are illegal, the committee determined that the scope of presidential authority to act to prevent the establishment or obtain the removal of such foreign import restrictions ought to be the same in both subsections. Consequently, a new subparagraph (C) to the latter subsection provides powers equal to that provided in existing (a)(3). Similarly it was deemed desirable that subsection (c)(1) be amended to give the President power to impose duties or other import restrictions against the unreasonable, though legal, foreign government practices to which that subsection is directed. Finally, it was deemed desirable that the obligatory word "shall" used in both of the two first subsections, with regard to the President's action, should also be used in the third subsection in place of the existing "may," subject, of course, to his having due regard for the international obligations of the United States.

These amendments provide important new direction and authority to the President to act to protect the interest of U.S. commerce. Not only should the President respond to this additional direction by the Congress to protect U.S. commercial interests, it is also incumbent on such domestic producing interests to use the provisions in section 252(d) to fully and accurately inform the President when action is taken or contemplated by foreign countries in order that the President and those to whom he has delegated this responsibility may act promptly and effectively.

It must be recognized that over the years, the United States has granted increased market access to foreign produced goods in order to gain greater access in foreign markets for goods produced in the United States. It is incumbent on both the Government and U.S. producing interests to cooperate in the maintenance of access to foreign markets on a fair and reasonable basis for goods produced in the United States.

One example of foreign import restrictions which unreasonably and in some cases unjustifiably restrict U.S. commerce is the national procurement policies and practices of foreign governments and Government-owned or Government-controlled instrumentalities.

Testimony received by the Committee on Ways and Means indicates that most nationalized industries and Government-controlled utilities of other industrial nations procure their equipment almost exclusively from their own respective domestic sources.

The most notable example of such buy-national procurement policies and practices involves large electrical equipment—turbine generators, power transformers, and power circuit breakers which are the backbone of electrical power systems. Such exclusionary practices by foreign governments effectively prevent U.S.-made products from competing in those foreign markets. At the same time, industries in these countries, secure in their insulated home markets, are free to enter the U.S. market. They are even encouraged by Federal procurement policy to sell to nonmilitary Federal Government agencies in the United States, subject only to the modest, and clearly stated, Buy American Act differential.

Such practices not only involve hundreds of millions of dollars of high-technology products essential to this country's electrical energy systems, they result in one-way trade antithetical to the basic idea of reciprocity in foreign trade relations. U.S. manufacturers of such equipment should be permitted to compete in such foreign markets in the same manner as foreign manufacturers are permitted to compete here. To the extent that foreign government restrictions against the purchase of U.S. equipment deny market access equivalent to that afforded foreign products in the United States, they are unreasonable. In some cases they may be unjustifiable within the meaning of section 252(a) and section 252(b)(2) and should be examined on a case-by-case basis and the appropriate action taken as required by the amendment to section 252.

NATIONAL SECURITY PROVISION

Section 104 of the bill would amend section 232 of the Trade Expansion Act of 1962, the national security provision, to provide that any adjustment of imports under that section shall not be accomplished by the imposition or increase of any duty, or of any fee or charge having the effect of a duty. A review of the legislative history of section 232 of the Trade Expansion Act and its predecessor provisions in the trade agreements legislation, indicates that the delegation of authority to the President to adjust imports should be limited to the use of quantitative limitations.

The amendment to section 232 is not intended in any way to foreclose the President from adjusting imports to such levels as he deems necessary to prevent impairment to the national security. Nor does it affect the flexibility of the President to modify import limitations already imposed under section 232 to meet increased demands for raw materials or other emergency requirements which may arise from time to time.

The bill would also amend section 232 with respect to the time within which the Director of the Office of Emergency Preparedness is to make a determination with respect to applications for action under the national security provision. Delays too often ensue in reaching determinations under this section. Under the bill, a determination on new applications is to be reached within 1 year after the date on which the investigation is requested. Determinations on active pending cases are to be made within 60 days of the date of enactment of this act.

TARIFF ADJUSTMENT AND ADJUSTMENT ASSISTANCE TARIFF ADJUSTMENT

Section 111 of the bill would amend section 301(b) of the Trade Expansion Act in a number of significant ways. That is: First, by liberalizing existing criteria for tariff adjustment; second, by adding an additional determination as to the nature of the injury; third, by including a definition of the term "domestic industry producing articles like or directly competitive with the imported article"; fourth, by directing the Tariff Commission also to investigate factors which in its judgment may be contributing to increased imports of the article under investigation; fifth, by changing the voting requirements of the Commission in regard to its determinations with respect to tariff adjustment remedies; and, sixth, by making the tariff adjustment procedures applicable to the products of all countries.

The bill would accomplish liberalization of present tariff adjustment criteria basically by: First, eliminating the present causal connection between increased imports and trade-agreement concessions; and, second, by substituting for the present concept of "the major factor"—in existing paragraph (3)—the concept of section 7 of the Trade Agreements Extension Act of 1951, as amended.

Thus, under the bill, it is to be determined whether increased exports "contribute substantially—whether or not such increased imports are the major factor or primary factor"—toward causing or threatening to cause serious injury. The parenthetical language was inserted to contrast the proposed criteria with the existing concept of "the primary factor" proposed by the administration, and to show that these latter concepts were not in any sense controlling in the interpretation of the concept provided in the amendment to section 301(b) of the Trade Expansion Act. The committee's acceptance of the criteria of section 7 of the 1951 Extension Act was also based upon the fact that such criteria had previously been determined by the President to be compatible with our obligations under the GATT.

The term "like or directly competitive," used in the bill to describe the products of domestic producers that may be adversely affected by imports, was used in the same context in section 7 of the 1951 Extension Act and in section 301 of the Trade Expansion Act. The term was derived from the escape-clause provisions in trade agreements, such as article XIX of the GATT. The words "like" and "directly competitive," as used previously and in this bill, are not to be regarded as synonymous or explanatory of each other, but rather to distinguish between "like" articles and articles which, although not "like," are nevertheless "directly competitive." In such context, "like" articles are those which are substantially identical in inherent or intrinsic characteristics—that is, materials from which made, appearance, quality, texture, and so forth—and "directly competitive" articles are those which, although not substantially identical in their inherent or intrinsic characteristics, are substantially equivalent for commercial purposes, that is, are adapted to the same uses and are essentially interchangeable therefor.

The elimination of the causal connection between increased imports and trade-agreement concessions will result

in the necessity for the Commission to consider the impact of imports from all countries rather than from those entitled to the rates in rate column numbered 1 of the TSUS.

The bill would amend the tariff adjustment provisions to provide an additional determination as to the nature of injury. If an affirmative injury determination is made under section 301(b)(1), an additional determination would have to be made under new subsection 301(b)(5) as amended. The additional determination as to injury would be as to whether either of the conditions specified under (A) or (B) described below in combination with the conditions specified in (C) below, exist:

(A) Imports of the article under investigation constituted more than 15 percent of apparent U.S. consumption of the article in the first calendar year preceding the calendar year in which the investigation was instituted, the ratio of imports of such article to consumption for such first preceding calendar year increased absolutely by at least 3 percentage points over the corresponding ratio for the second calendar year preceding the calendar year in which the investigation was instituted, and the ratio of imports of such article to consumption for such first preceding calendar year increased absolutely by at least 3 percentage points over the corresponding ratio for the third calendar year preceding the calendar year in which the investigation was instituted.

(B) As a result of increased imports first, domestic production of the like or directly competitive product is declining or is likely to decline so as to substantially affect the ability of domestic producers to continue to produce the like or directly competitive product at a level of reasonable profit, and second, production workers' jobs, man-hours worked, or wages paid production workers in the domestic production of the like or directly competitive product are declining substantially or are likely to decline substantially.

(C) First, the imported article is offered for sale at prices which are substantially below those prevailing for like or directly competitive products of comparable quality produced in the United States and constitutes an increasing proportion of apparent domestic consumption, and second, the unit labor costs attributable to producing the imported article are substantially below those attributable to producing like or competitive articles in the United States.

The definition of "domestic industry" included in the bill encompasses the so-called segmentation concept which was a part of former section 7 of the 1951 Extension Act. By virtue of this definition, the domestic industry will include the operations of those establishments in which the domestic article in question—that is, the article which is "like," or "directly competitive with," the imported article, as the case may be—is produced. Where a corporate entity has several establishments—that is, divisions or plants—in some of which the domestic article in question is not produced, the establishments in which the domestic article is not produced would not be included in the industry. The concern of the Tariff Commission is to be with the question of serious injury to the productive resources—that is, employees, physical facilities, and capital—employed in the establishments in which the article in question is produced. Indeed the tariff adjustment provisions are concerned with the status of productive resources of the product in question located in the United States and not the totality of productive resources owned by the domestic producers involved.

The bill would require the Tariff Commission, in the course of any proceeding initiated under paragraph 301(b)(1), to investigate any factors which may be contributing to increased imports of the article under investigation. Such factors would include the effect of tariff concessions, foreign wage rates, and also possible dumping, subsidization, or other forms of unfair competition. If the Tariff Commission has reason to believe that increased imports are attributable in part to circumstances which come within the purview of the Antidumping Act, 1921, section 303 or 337 of the Tariff Act of 1930, or other remedial provisions of law, it would be directed to promptly notify the appropriate agency and to take such other action as it deems appropriate in connection therewith.

This provision is designed to assure that the United States will not needlessly invoke the escape-clause—article XIX of the GATT—and will not become involved in granting compensatory concessions or inviting retaliation in situations where the appropriate remedy may be action under one or more U.S. laws against unfair competition for which no compensation or retaliation is in order.

Under the amended tariff adjustment provisions, a finding of serious injury to the domestic industry is considered to be an affirmative injury determination if a majority of the Tariff Commissioners present and voting so determine. In addition, the remedy determination of a majority of the Commissioners voting for the affirmative injury determination shall be treated as the remedy determination of the Commission.

This bill would amend section 351 of the Trade Expansion Act to provide that the President shall, upon receipt of an affirmative injury determination, proclaim such import restrictions as he determines to be necessary to prevent or remedy serious injury, unless he determines that it would not be in the national interest. When the Tariff Commission makes an injury determination and makes the aforementioned additional determination provided for in section 301(b)(5), the President is directed to implement the remedy determination of the Commission unless he determines that such action would not be in the national interest. Thus, in amending the tariff adjustment provisions, it is intended that a finding of serious injury to a domestic industry by the Tariff Commission be binding on the President, although the remedy for such injury is left to the President except in cases of a more severe injury finding under 301(b)(5). Therefore, it is intended that a national interest finding by the President not to proclaim a tariff adjustment remedy should be broadly based and not solely on the desirability of pursuing a liberal trade policy.

The bill would make no change in the existing provisions for congressional review which applies to those cases where the President does not carry out the remedy determination of the Commission.

The review procedures on outstanding tariff adjustment actions are amended to provide that the Tariff Commission, in its reports on conditions in the industry concerned with the tariff adjustment, will include information on the steps taken by the firms in the industry to compete more effectively with imports.

The reporting requirements regarding such reviews of tariff adjustment actions are also amended to provide that the Tariff Commission will make findings similar to those in an original tariff adjustment investigation if it should determine in an investigation reviewing an outstanding tariff adjustment action that the existing restrictions on imports are insufficient to prevent or remedy serious injury to the domestic industry. Such finding would be in addition to that presently required with regard to the effect of a reduction or elimination of a tariff adjustment action.

Section 352 of the Trade Expansion Act is amended to provide that the President may negotiate orderly marketing agreements at any time after an affirmative injury determination. Further, the amendment provides that such agreements may replace in whole or in part tariff adjustment actions.

ADJUSTMENT ASSISTANCE

Adjustment assistance for firms and workers injured by increased imports is made more readily available under this bill. The bill also provides that the President, instead of the Tariff Commission, will make the substantive determinations of eligibility.

In addition, firms or workers may petition directly to the President rather than to the Tariff Commission as at present, and firms and workers may apply directly to the Secretaries of Commerce or Labor, respectively, after Presidential action providing for such requests following a Tariff Commission finding of injury to an entire industry.

The basic formula for the weekly trade readjustment allowance payable to an adversely affected worker is increased in the bill to 75 percent of his average weekly wage or to 75 percent of the average weekly manufacturing wage, whichever is less, reduced by 50 percent of the amount of his remuneration for services performed during the week.

Affected workers have a responsibility to endeavor to give prompt notice of difficulties by applying for assistance as soon as they become unemployed or are threatened with unemployment. Section 301(a)(2) of the Trade Expansion Act would be amended to provide that petitions filed by or on behalf of a group of workers shall apply only with respect to individuals who are, or who have been within 1 year before the date of filing of

such petition, employed regularly in the firm involved. Individuals who become unemployed or underemployed after the date of the filing of the petition may be eligible to apply under any certification issued if they are members of the group described therein.

The bill provides that the President shall determine whether an article like or directly competitive with an article produced by the firm or an appropriate subdivision thereof is being imported in such increased quantities, either actual or relative, so as to contribute substantially toward causing or threatening to cause serious injury to such firm or subdivision or unemployment or underemployment of a significant number or proportion of the workers of a firm or appropriate subdivision thereof.

It is intended that in most cases unemployment or underemployment of a significant number or proportion of the workers shall be found where the unemployment or underemployment, or both, in a firm, or an appropriate subdivision thereof, is the equivalent of a total unemployment of 5 percent of the workers or 50 workers, whichever is less. At the same time, there are many workers in plants employing fewer than 50 workers. Accordingly, there may be cases where as few as three workers in a firm, or an appropriate subdivision thereof, would constitute a significant number or proportion of the workers.

It is intended that an "appropriate subdivision" of a firm shall be that establishment in a multiestablishment firm which produces the domestic article in question. Where the article is produced in a distinct part or section of an establishment—whether the firm has one or more establishments—such part or section may be considered an appropriate subdivision. In the Trade Expansion Act, this concept was confined to groups of workers. This bill would extend the concept to firms as well.

Section 301(c) of the Trade Expansion Act, as amended, would provide for reports from the Tariff Commission to assist the President in making determinations with respect to petitions filed by firms or groups of workers.

The factual report of the Tariff Commission of the facts disclosed by its investigation with respect to a firm or group of workers is to be made at the earliest practicable time, but not later than 60 days after the date on which it receives the request of the President.

After receiving the Commission's report, the President is to have a maximum of 30 days in which to make his determination as to whether the firm or group of workers is eligible to apply for adjustment assistance.

For transitional purposes, investigations relating to adjustment assistance under existing section 301(c) in progress immediately before the date of enactment of H.R. 18970 are to be continued as if the investigation had been instituted under the amended section 301(c) and the petition treated as filed as of the date of enactment. Tariff Commission determinations pending before the President on date of enactment are also to be subject to the amended criteria and procedures.

If the President makes an affirmative determination on a petition for adjustment assistance with respect to any firm or group of workers, he shall promptly certify that such firm or group of workers is eligible to apply for adjustment assistance. This certification permits the firm to apply to the Secretary of Commerce and individual workers to apply to the Secretary of Labor to seek the types and amounts of adjustment assistance provided for in chapters 2 and 3, respectively, of title III of the Trade Expansion Act of 1962. Certifications of groups of workers specify the workers' firm or appropriate subdivision and, under section 302(d) of the Trade Expansion Act, the date on which the unemployment or underemployment began or threatens to begin.

Section 302(e) of the Trade Expansion Act provides that the President shall terminate the effect of any certification of eligibility of a group of workers whenever he determines that separations from the firm or subdivision thereof are no longer attributable to the conditions specified in section 301(c)(2) or section 302(b)(2). Such termination applies only with respect to separations occurring after the termination date specified by the President.

H.R. 18970 specifically authorizes the President to delegate any of his functions with regard to determinations and certifications of eligibility to apply for adjustment assistance.

Section 302(a) is amended to deal with Presidential actions after receiving a Tariff Commission report containing an affirmative injury determination for an industry. If the President provides tariff adjustment for an industry, he may also provide that its firms or workers, or both, may request the Secretaries of Commerce and Labor, respectively, for certifications of eligibility to apply for adjustment assistance. If the President does not provide tariff adjustment for the industry, he shall provide that both firms and workers may request the respective Secretaries for certifications. Notice must be published in the Federal Register of each such action taken by the President. As amended, section 302(a) also requires that any request for such a certification must be made to the Secretary concerned within the 1-year period—or such longer period as may be specified by the President—after the date on which the notice is published.

Under section 302(a) a firm or group of workers is not automatically certified as eligible to apply for adjustment assistance. Following Presidential action upon request by a firm in the industry found to be seriously injured or threatened with such injury, the Secretary of Commerce, in effect, must conclude whether the increased imports found by the Tariff Commission to have caused or threatened serious injury to the industry as a whole have also caused serious injury to the individual firm in question. Similarly, upon request by a group of workers in a firm in such industry, the Secretary of Labor must conclude whether the increased imports have caused or threatened unemployment or underemployment to a significant number or proportion of the workers of the firm or an appropriate subdivision thereof. In both situations, under existing provisions of 302(b), the increased imports must have been the major factor in causing or threatening to cause injury or unemployment. Your committee has amended these provisions to conform to the liberalized criteria in amended section 301(c).

This function given to the Secretaries of Commerce and Labor reflects the intention that adjustment assistance is not to be extended to a firm or group of workers which has not satisfied the conditions of eligibility.

The committee has added a requirement with respect to certifications made by the Secretary of Labor under section 302(b). Such certifications shall only apply with respect to individuals who are or who have been employed regularly in the firm involved within 1 year before the date of the institution of the Tariff Commission investigation relating to the industry. This refers to industry investigations instituted by the Commission whether by petition on behalf of the industry or by request, resolution, or motion, as the case may be, as provided in section 301(b). It is not intended that these certifications be limited to those individuals who are or who have been employed in the firm involved within the 1-year period antedating the institution of the Tariff Commission investigation. Individuals who become or will become unemployed or underemployed—or threatened therewith—after the date of the institution of the investigation or after the date of the filing of the request with the Secretary of Labor may be eligible to apply under the certification if they are members of the group described therein.

Several changes are made in the adjustment assistance program for workers directed at helping adversely affected workers adjust to the loss of employment and reenter the labor force as rapidly and efficiently as possible. Section 326 of the act would now expressly provide that workers are to be afforded, where appropriate, testing, counseling, training, and placement services available under any Federal law.

The level of weekly trade adjustment allowances is now inadequate in view of increases in benefit levels under other programs. The bill would increase the basic formula to a level of 75 percent of the worker's average weekly wage or 75 percent of the average weekly manufacturing wage, whichever is less, reduced by 50 percent of the amount of his remuneration for services performed during the week. If this provision had been in effect in the summer of 1970, the maximum payment would have been $98 per week.

This increase is based on the policy inherent in the Trade Expansion Act of 1962 that readjustment allowances are intended to do more for adversely affected workers than the compensation provided by unemployment insurance. The level of benefits available under State unemployment insurance has in-

creased appreciably since 1962, and some States now provide unemployment compensation higher than the readjustment allowances established in the Trade Expansion Act of 1962.

QUOTAS ON TEXTILES AND FOOTWEAR

Title II provides temporary measures to restrict imports and avoid the threat of serious injury to the textile and footwear industries and further deterioration in the domestic market for textiles and apparel and nonrubber footwear.

This is to be accomplished by—

First, the establishment of annual quotas, based on imports during 1967–69, by category and by foreign country of production for all categories of textile articles and footwear articles which may be imported during each calendar year beginning after December 31, 1970;

Second, authorizing exemptions from such quotas when the President determines that exemption will not disrupt the domestic market or that exemption is in the national interest; and

Third, authorizing negotiation of agreements with foreign countries which would result in the regulation of imports into the United States of textile articles or footwear articles or both and would supersede the statutory quotas for the articles covered by the agreements.

Within this general framework, title II authorizes increased imports where the supply of articles subject to limitation is inadequate to meet domestic demand at reasonable prices; provides for certain exclusions with respect to noncommercial entries and to articles already subject to international agreement; and establishes the applicability of the rulemaking provisions of the Administrative Procedure Act to various actions under title II of the bill. Title II terminates at the close of July 1, 1976, unless extended in whole or in part by the President following his determination that such extension is in the national interest.

These provisions are designed to provide a mechanism for establishing a reasonable and effective limitation on U.S. imports of textile products and of nonrubber footwear products for the broad purpose of remedying market disruption in those cases in which it now exists, and of preventiing the spread of market disruption to other categories of articles. It is intended that, insofar as may be possible, the limitation of these imports will be accomplished through the negotiation of voluntary agreements provided for under section 202 and that the quota provisions of section 201 will assist in the negotiation of such agreements as well as to provide protection for the domestic market and workers in cases where such agreements are not concluded.

The quota, exemption, and agreement provisions of title II are intended to assure that all textile articles and all footwear articles, as defined, come within the scope of such provisions and may, at any point in time, be subject to quota or agreement if they are not at such time exempted.

Annual quotas are established by statute on the total quantity of each category of textile articles, and of footwear articles produced in any foreign country which may be imported during 1971 and in each subsequent year. The limit for 1971 for each category of articles produced in each country is the average annual quantity of such articles from such country which was imported during the years 1967, 1968, and 1969.

U.S. imports of footwear—nonrubber—have also increased in recent years, from a 1961 level of 40 million pairs to a 1969 level of 202 million pairs. Each recent year has seen a sharp and substantial rise in these imports, from 133 million pairs in 1967, to 181 million in 1968 and to more than 200 million in 1969. 1970 imports are expected to exceed 260 million pairs.

Accordingly, to relieve the market disruption and the dislocation to firms and workers in these industries, and to restore to them the possibilities for full and equitable participation in future market growth, the 1967–69 average annual level base formula has been adopted as the base for the statutory quotas.

The quantities provided for under the base level—1967–69—formula may be increased annually beginning January 1, 1972, by not more than 5 percent of the amount authorized for the preceding calendar year if the President determines that an increase is consistent with the purposes of section 201—section 201(b)(1) and (b)(2)(A). Any percentage increase granted for a category of articles is to be the same for such category from all countries.

Section 201 also provides—subsection (b)(2) that a yearly determination be made of the quotas which would apply for each category of articles from each country throughout the life of this title II, notwithstanding that such limitations may not, in fact, be in effect as a result of the operation of other provisions of this title—for example, the exemption authority, section 201(d) or the agreements negotiated, section 202. This requirement will assure that a continuing reference point is maintained enabling the comparison of statutory quotas with negotiated agreements and with actual trade which has been permitted to occur as a result of use of the exemption authority by the President.

Section 201(b)(3) provides that when a quota under this section begins or resumes after a period in which the article produced in a foreign country was exempted from quota as a result of a Presidential decision, or an agreement under section 202, and the President determines that imports of such article from such country during the 1967–69 period were insignificant, a more recent base period shall be used with respect to such article from such country if he finds that use of such more recent base period is consistent with the purpose of this section. In that event, the quota for such articles shall be an amount equal to the average annual imports of such article from such country during the three calendar years preceding the year in which the quota goes into effect. Under this provision, the President will have flexibility in a case in which a given country's base period trade—that is, U.S. imports from that country in the 1967–69 period—was insignificant and the article has been the subject of an exemption by the President under section 201(d) or was exempted under an agreement provided for in section 202 or 204(b).

Section 201(c) further provides for the spacing of allowable annual quotas over the course of a calendar year as appropriate to carry out the purposes of section 201.

Title II provides three mechanisms through which textile or footwear articles may be exempted from the quotas imposed under subsections 201 (a), (b), and (c), in the absence of an international agreement concluded under section 202 (or the arrangement or agreement referred to in subsection 204(b)).

NONDISRUPTIVE IMPORTS

The President is authorized by section 201(d)(1) to exempt articles produced in any foreign country if he determines that imports of such article produced in such country are not contributing to, causing, or threatening to cause market disruption in the United States. These exemptions, which may be made for an initial 1 year period, and which may be extended for additional periods not to exceed 1 year each, and may be terminated by the President at any time upon his finding that the article in question is contributing to, causing, or threatening to cause market disruption in the United States.

In making the determinations under section 201(d)(1) and in making similar determinations under other provisions of title II, the President is to consider market conditions in the United States for articles similar to the imported articles in question, taking particular account of the relevant market disruption standards set forth in annex C of the long-term arrangement regarding international trade in cotton textiles.

Disruptive conditions in the market for any product cannot in all cases be precisely measured. Thus, while the conditions referred to in the long-term arrangement are generally found in a circumstance of market disruption, it is not always the case and in other situations different elements may be considered in determining the state of the domestic market for the articles concerned.

THE NATIONAL INTEREST AND SUPPLY AT REASONABLE PRICE

Title II also provides that the President may exempt articles from the quotas when he determines that such action would be "in the national interest." However, it is understood that it might not always be appropriate or possible for the President to indicate what particular reasons may have motivated his determination to act on the basis of the national interest criteria.

The President is also authorized to provide for additional imports in excess of established quotas or in addition to the limitations provided in agreements whenever he finds that the total supply from domestic and foreign sources, of textile articles or footwear articles similar to those subject to limitations under such quotas or agreements will be inadequate to meet demands at reasonable prices.

NEGOTIATION OF AGREEMENTS

Section 202 provides an alternative to the statutory quota provision of section 201. It authorizes the negotiation of voluntary agreements with the countries exporting textile articles, footwear articles, or both. These agreements would provide for the quantitative limitation by category of the textile articles and/or the footwear articles which these countries may export to the United States during each year of the agreement. Such agreements may be administered on the basis of either import controls by the United States or export controls by the country concerned or a combination thereof. Whenever such agreements are in effect, the articles which are included under them are exempted from the quota provision of section 201. Both multilateral agreements and bilateral agreements and arrangements are provided for under section 202 and the President is authorized to issue regulations necessary to carry out such agreements.

Section 202(b) authorizes the President to issue regulations limiting the quantity of articles which may be imported from countries not participating in a multilateral agreement whenever such an agreement is in effect among countries, including the United States, accounting for a significant part of world trade in the article concerned, and such agreement contemplates the establishment of limitations on trade in such articles which are produced in countries which are not participating in such agreement. It is intended in this context that a "significant part of world trade" would be in excess of 50 percent of such world trade in the article concerned. The regulations issued by the President under section 202(b) may not provide for lesser quantities from such countries than would be applicable if the quota provision of section 201 applied to such articles.

A multilateral agreement or arrangement covering wool and/or manmade fiber textile products or footwear products could be implemented under this section with respect to imports from countries which did not participate in such an arrangement. The authority provided in section 202(b) is patterned after that provided under section 204 of the Agricultural Act of 1956, as amended in 1962. Any agreement, whether bilateral or multilateral, would be concluded under the authority of section 202(a); section 202(b) authorizes only the issuance of regulations governing imports from countries not participating in multilateral agreements. Section 202(a) authorizes the issuance of regulations covering imports of articles from countries participating in bilateral or multilateral agreements concluded thereunder.

In determining which articles are exempted from quotas as a result of the conclusion of an agreement under section 202, any article falling under the purview of such agreement, whether or not a specific ceiling or limitation has been established for such article in that agreement, is to be exempted from the quota provision provided that under the agreement a mechanism is established whereby the entry of such article into the United States can be limited. This applies with respect to multilateral as well as bilateral agreements or arrangements. In many U.S. bilateral agreements on cotton textiles, some articles are subject to specific limitation while others are subject to consultation provisions. These latter articles—in a similarly structured agreement pursuant to which limitation can be established—could be exempted from section 201 quotas.

The bill provides that negotiated agreements with foreign countries will supersede the quotas that otherwise would be imposed. The existing multilateral cotton textile agreement is specifically given this same treatment by the exclusion of articles subject to it for such time as the United States remains a part to that agreement.

ADMINISTRATIVE PROVISION

Section 205 provides generally for the administration of title II. It incorporates by reference the rulemaking provisions of the Administrative Procedure Act—which has been codified in title V of the United States Code—with respect to all actions taken under certain specified provisions. Actions brought under these rulemaking procedures concern increases in the quotas, use of the more recent base quotas for countries whose exports were insignificant during the 1967–69 base, exemptions and terminations of exemptions on the grounds of market disruption or the lack thereof in accordance with section 201(d)(1), the issuance of regulations affecting trade of nonparticipating countries (sec. 202(b)), and increases in imports authorized under section 203. Also subject to such rulemaking provisions are the issuance of regulations by the Secretary of Commerce, with respect to the exclusion of certain noncommercial articles, the issuance of determinations by the Secretary of Commerce that certain articles should be included in the definition of textile articles under section 206 notwithstanding that they have been classified elsewhere in the Tariff Schedules, and the determination by the Secretary of Commerce of the category systems for textile articles or footwear articles to be established for the purpose of the administration of title II.

Application of the rulemaking procedures of these actions is intended to provide assurance of opportunity for public comment and notice of actions intended to be taken as well as of those which have been taken, and to provide for public hearings where that is deemed appropriate under the circumstances in accordance with that act—subchapter II of chapter 5 of title 5, United States Code.

In addition, the bill requires that all quantitative limitations established under title II whether by statute or by agreement, all exemptions and terminations of exemptions, and all regulations issued to carry out title II be published in the Federal Register. Furthermore, to assure an additional comprehensive source of information regarding the state of quota limitations, exemptions, and limitations established under agreements, all of such information is to be included on a continuing basis as a part of the appendix to the Tariff Schedules of the United States. This publication will also include actions taken pursuant to the long-term cotton textile arrangement.

Use of these rulemaking and notice procedures are intended to provide a sound basis for the development of an effective public information program regarding the operation of this title II. Public hearings should be held in connection with the establishment of the administrative machinery for the quota provisions of title II.

The President has been given full flexibility and latitude to develop regulations providing for efficient and fair administration of the quotas. It is expected that the President will, consistent with efficient administration and to the extent practical, use this authority to provide for administration of these provisions to insure against inequitable sharing of imports by a relatively small number of the larger importers. If on the basis of the experience with administering these provisions, it is determined that additional legislative authority is required to provide for an efficient and fair administration, it is expected that legislative recommendations will be promptly made to the Congress.

EXCLUSIONS

Importation of personal belongings of persons who have lived overseas, articles brought back to the United States by returning tourists, and similar situations are not to be subject to the quota limitations.

The Secretary of Commerce would be authorized to issue regulations prescribing the circumstances under which articles imported in noncommercial quantities for noncommercial purposes may be entered free of quota restrictions. Section 204(b) excludes from title II all articles subject to the long-term cotton textiles arrangement so long as the United States is a party thereto. In addition, certain cordage which is subject to a quantitative limitation in the bilateral agreement with the Philippines—the Laurel-Langley agreement—is exempted for such time as that agreement remains in effect.

Section 204(c) provides that section 22 of the Agricultural Adjustment Act, as amended is not affected by title II.

DEFINITIONS

Section 206 of the bill defines the terms "textile article" and "footwear article" by reference to the applicable provisions of the TSUS.

Except as indicated below, the term "textile article" is limited to any article classified in schedule 3 of the TSUS, if such article is wholly or in part of cotton, wool or other animal hair, human hair, manmade fiber, or any combination or blend thereof, or cordage of hard—leaf—fibers.

Specifically excepted from the term, are: raw cotton, cotton wastes and ad-

vanced wastes, and cotton processed but not spun; raw wool or hair, wastes and advanced wastes of wool or hair; wastes and advanced wastes of manmade fiber; and scrap cordage and rags. In addition to articles classified under schedule 3, the term includes certain headwear and gloves provided for in schedule 7, parts 1B and 1C of the TSUS, if wholly or in chief value of cotton, wool, or manmade fiber.

In addition, the Secretary of Commerce would be authorized to control under title II of the bill an article which would have been classified under one of the provisions of the Tariff Schedules referred to in section 206(1) but for the inclusion of some substance or because of processing which caused it to be classified elsewhere, in a provision of the Tariff Schedules designed to embrace nontextile articles. The purpose of this provision is to prevent or remedy the abuse of the quotas or agreements by avoidance practices which, because of the requirements of customs laws and interpretations, result in the article being classified as other than a textile article, even though it is fundamentally a textile article in use, purpose and design.

Any article included in the definition, "textile article," which is admitted under item 807.00 of the Tariff Schedules or under the appendix to the Tariff Schedules, is also included. Thus, an article which, if wholly manufactured in a foreign country of foreign materials would be under quota, but which has been manufactured or assembled in part of American fabricated components and which is admitted under item 807.00, is covered by title II.

Also excluded by the definition of "textile article" are certain woven fabrics for use only in the manufacture of portions of neckties "other than the linings thereof."

The term "category" is defined as a group of textile articles or of footwear articles as defined by the Secretary of Commerce using the applicable five- and seven-digit item numbers of the Tariff Schedules of the United States, Annotated. It is recognized that the development of such a category system can affect trade levels provided for in this title and it is intended that any changes in such a system will be carefully considered and that the public will have an opportunity to comment on them prior to their adoption. Under this definition, the Secretary of Commerce may revise the category system adopted initially for purposes of title II. Such revisions should be made as infrequently as practicable in light of trade conditions, recognizing the value of a continuing and consistent system.

The term "produced" is defined to mean produced or manufactured, and as such incorporates the standard used in determining the country of origin of an imported article for U.S. customs purposes. Thus, in setting base levels, exemptions, or other controls "by country," title II relies on the existing U.S. customs determinations of country of origin of the articles in question.

TERMINATION

Chapter 2 of title II provides that the title will expire at the close of July 1, 1976, unless the President extends it in whole or in part prior to such time.

The President is authorized to make such an extension for additional periods not to exceed more than 5 years at any one time if he determines that such extension is in the national interest. In making such determination, the President shall seek the advice of the Tariff Commission and of the Secretary of Commerce and the Secretary of Labor in addition to such other advice as he may wish to seek. The President is required to report to the Congress with respect to any action taken by him under this provision. Section 211(d) provides that arrangements or agreements included prior to the termination of title II shall remain in effect beyond such termination date if their terms so provide, and that any regulations issued under section 202 in connection with such agreements would similarly remain in effect.

TARIFF COMMISSION

The Tariff Commission, which was established in 1916, is a permanent independent nonpartisan body whose principal function is to provide technical and fact-finding assistance to the Congress and the President upon the basis of which trade policies may be determined. The bill strengthens the Commission by amending section 330 of the Tariff Act of 1930 by increasing the number of Commissioners from six to seven and to change their terms from 6 to 7 years. This amendment and the amendments to the tariff adjustment provisions of the Trade Expansion Act would render unnecessary the "tie vote" provisions in section 330(d) which in practice have not proved entirely satisfactory. In conformity with this change in the size of the Commission, the bill also would provide that not more than four of the Commissioners should be of the same political party, rather than three as at present. It is not intended by this change to transform the Commission into a partisan body. The Commission and its staff must be selected on the basis of merit if the Commission is to effectively assist the Congress and the Executive in their determinations with respect to foreign trade policy.

U.S. CONTRIBUTIONS TO THE GATT

Pursuant to the request by the administration, the bill would provide a section in title II of the Trade Expansion Act which would authorize the appropriations annually of such sums as may be necessary for the payment by the United States of its share of expenses of the contracting parties to the General Agreement on Tariffs and Trade. The U.S. contribution to the GATT in the past has been funded out of the International Conferences and Contingencies Appropriation of the Department of State budget under general provisional authority—see section 5 of Public Law 84–885, approved August 1, 1956. This provision in no way changes the U.S. rights and obligations under the GATT which is in the nature of an executive agreement which the United States and other contracting parties are applying only provisionally.

ANTIDUMPING AND COUNTERVAILING DUTY PROVISIONS

ANTIDUMPING PROCEDURES

Section 301 of the bill would amend procedures under the Antidumping Act to require the Secretary of the Treasury to decide, within 4 months after a question of dumping is properly raised by or presented to him, whether withholding or appraisement of affected merchandise should be ordered. The significance of withholding of appraisement is that, if there is later a finding of dumping, the assessment of dumping duties is effective as of the date of withholding.

If the Secretary's decision is affirmative, it will be published in the Federal Register. A negative decision in this respect will be accomplished by a tentative determination that the merchandise is not being or likely to be sold below its fair value. The bill provides that, within a period of up to 3 months after the tentative negative determination is published, the Treasury Department may order the withholding of appraisement if it has reason to believe or suspect that sales below fair value are taking place. Alternatively, the Treasury Department will publish a final negative determination of sales at less than fair value. Under the Treasury's present practice and that contemplated in the future, interested persons are given an opportunity to request an informal hearing on the merits of a withholding of appraisement or a tentative negative determination.

It is believed that the abbreviated procedures provided for in the bill represent a reasonable compromise of all of the interests involved, and would emphasize the desire by Congress that American industry be protected from injuries resulting from unfair pricing practices as contemplated in the Antidumping Act.

Section 301(b) would adopt in the law the substance of the existing Treasury Department practice, as reflected in section 153.3(b) of the Treasury regulations (19 CFR 153.5(b)), under which decisions regarding dumping are made with respect to merchandise from state-controlled economy countries.

COUNTERVAILING DUTY PROCEDURES

Section 302 of the bill would amend section 303 of the Tariff Act of 1930 in a number of important respects. Section 303 is the statute under which the Secretary of the Treasury determines whether imported foreign articles receive a bounty or grant. The Secretary is required to ascertain and determine, or estimate the net amount of any bounty or grant, and is required to declare the net amounts so determined and order the imposition of countervailing duties.

Although the present statute is mandatory in terms, it does not compel the Secretary to act within any specified period of time. The bill would impose on the Secretary of the Treasury the responsibility to make his determinations as to whether a bounty or grant exists

within 12 months after the question is presented to him.

Existing Treasury regulations call for certain types of information to be presented by a person who alleges that an imported article is receiving a bounty or grant. It is understood that the Treasury Department will amend its regulations to require the Commissioner of Customs to determine, within 30 days after the information is first received, whether the information submitted is adequate under the regulations to enable Customs to proceed with the matter. The new regulations will also provide that the person submitting the information will be advised in writing within the 30 days whether or not Customs will proceed with the inquiry. If the information submitted is inadequate, Customs' advice to the person furnishing it will include a statement of the reasons why. The date of affirmative advice would be "the date on which the question is presented" for purposes of triggering the commencement of the 12-month period within which your committee's amendment would require the Secretary to act.

The 12-month limitation would be applicable only with respect to questions presented on and after the date of enactment of the bill. Any inquiries relating to the application of countervailing duties which are already pending in the Treasury Department on the date of the enactment of the bill will not be affected by the 12-month limitation for action. However, the Treasury Department has agreed to make all reasonable efforts to proceed with such inquiries as promptly as possible.

The present statute is mandatory, in that the Secretary is required to apply countervailing duties to "dutiable" merchandise which benefits from a bounty or grant. Section 302(a) would extend the provisions of the statute to nondutiable items. However, in the case of nondutiable items, there will be an additional requirement of a determination by the Tariff Commission that an industry in the United States is being, or is likely to be, injured, or is prevented from being established, as a result of the importations benefiting from the bounty or grant. The Tariff Commission is required under the bill to make an injury determination with respect to nondutiable imports within 3 months after the initial determination by the Secretary of the Treasury that a bounty or grant is being paid or bestowed. This language conferring jurisdiction on the Tariff Commission was derived verbatim from the Antidumping Act, 1921, and is intended to have the same meaning.

There is no requirement in the existing statute that a U.S. industry be injured as a result of imported foreign merchandise benefiting from a bounty or grant before countervailing duties are to be imposed, and there shall continue to be no such requirement at this time with respect to "dutiable" imports.

The bill also provides for suspension of liquidation in the event the Secretary of the Treasury determines a bounty or grant exists with respect to nondutiable imports. The suspension would take effect with respect to merchandise entered, or withdrawn from warehouse for consumption, on or after the 30th day after publication in the Federal Register of the Secretary's determination of the existence of a bounty or grant. The significance of this suspension is that if there is later a determination of injury by the Tariff Commission, the subsequent countervailing duty order, requiring the assessment of duties equivalent to the amount of the bounty or grant, issued by the Secretary of the Treasury following the Tariff Commission's determination of injury, would be effective as of the date of suspension of liquidation.

Section 302 of the bill also provides that all determinations by the Secretary with respect to the existence of a bounty or grant and all determinations by the Tariff Commission with respect to injury will be published in the Federal Register. Under the current Treasury practice, countervailing duty orders become effective 30 days after publication in the Customs Bulletin. Accordingly, this new provision will advance by 2 or 3 weeks the date orders become effective by avoiding present printing leadtime lags in publication of the Customs Bulletin.

Under the bill, the Secretary of the Treasury will have some discretion in applying the countervailing duty law to an article whose exportation to the United States is limited by an arrangement or agreement entered by the Government of the United States. The bill provides that no countervailing duty shall be imposed on such an article unless the Secretary determines, after seeking information and advice from such agencies as he may deem appropriate, that such quantitative limitation is not an adequate substitute for the imposition of the countervailing duty.

The effective date of the provisions of the bill amending the countervailing duty procedures is to be the date of enactment of the bill.

AMERICAN SELLING PRICE SYSTEM OF VALUATION

The administration had proposed that the Congress approve the elimination of the American selling price—ASP—system of customs valuation in return for tariff and nontariff concessions by other countries. The products now subject to the ASP system are benzenoid chemicals, canned clams, wool-knit gloves, and rubber-soled footwear. The administration proposal would have been effected by having the Congress authorize the President to proclaim such modifications of the Tariff Schedules of the United States—TSUS—necessary to carry out two agreements concluded as part of the Kennedy Round of tariff negotiations: First, the multilateral agreement relating principally to chemicals, supplementary to the Geneva—1967—protocol to the General Agreement on Tariffs and Trade; and, second, bilateral agreement with Japan relating to canned clams and wool-knit gloves.

Rubber-soled footwear was not included in any Kennedy round agreement. Accordingly the administration proposed that Congress authorize the President to proclaim such changes in the TSUS as might be necessary to carry out an agreement he might enter into provided that the rates of duty to be substituted for the ASP rates for rubber-soled footwear were not less than a specified minimum.

The Committee on Ways and Means deemed it preferable to authorize the President to proclaim the TSUS changes needed to eliminate ASP as are required or necessary to carry out any agreement he may have negotiated with one or more countries which relate primarily to ASP, if he determines that the agreement is fully reciprocal as to benefits and obligations. Thus, the bill provides such authority. A proclamation or proclamations providing for the elimination of ASP on chemicals, canned clams, and wool-knit gloves must be submitted to each of the Houses of Congress and can only take effect 60 calendar days later, provided that both Houses of Congress do not adopt a concurrent resolution stating that Congress disapproves of the agreement.

This provision in the bill can only be used for the elimination of ASP on chemicals, canned clams, and wool-knit gloves. Elimination of ASP on the remaining item, rubber-soled footwear, can only be achieved by submitting for Congressional approval any ad referendum agreement the President may negotiate.

The administration should continue to seek a fully reciprocal agreement with the foreign countries exporting rubber-soled footwear to the United States. If such an arrangement can be reached it should be forwarded to the Congress for its approval and provide for the final elimination of the American selling price from the U.S. customs law.

The bill recognizes the desirability of maintaining a continuing surveillance for a period of 5 years on the results of the elimination of ASP as regards chemicals. It therefore provided that annual detailed reports on the production and sales of synthetic organic chemicals and imports thereof be provided by the Tariff Commission to the President for this purpose.

MISCELLANEOUS AMENDMENTS

1. AMENDMENTS TO THE AUTOMOTIVE PRODUCTS TRADE ACT OF 1965

Your committee has also amended the special adjustment assistance provisions of section 302 of the Automotive Products Trade Act of 1965. The time for filing petitions under these provisions expired at the close of June 30, 1968. The amendment, in effect, restores, without a specific termination date, the authority for filing petitions by firms and groups of workers for a determination of eligibility to apply for adjustment assistance.

The bill would also change the existing standard of "the primary factor" as the required causal link between dislocation and the operation of the agreement to conform to the more liberal standard contained in the Trade Expansion Act as amended by H.R. 18970. The bill would substitute "a substantial factor" in place of "the primary factor" in sections 302 (a), (d), and (g) of the Automotive Products Trade Act of 1965. This new standard will apply to all pe-

titions filed after the date of enactment of this act including peitions with respect to dislocations which began after June 30, 1968. A requirement is included that petitions with respect to dislocations which began after June 30, 1968, and before July 1, 1970, must be filed on or before the 90th day after the date of enactment of this act.

CERTAIN CLASSIFICATIONS BY THE SECRETARY OF AGRICULTURE

Section 342 of the bill provides that the Secretary of Agriculture rather than the Secretary of the Treasury shall have the final administrative responsibility for determinations as to whether or not any article or class of articles falls within one of the article descriptions under part 3 of the Appendix to the Tariff Schedules which contain the import restrictions proclaimed pursuant to section 22 of the Agricultural Adjustment Act, as amended (7 U.S.C. 624).

RATES OF DUTY ON MINK FURSKINS; REPEAL OF EMBARGO ON CERTAIN FURS

Section 343 of the bill establishes separate provisions under which a tariff-rate quota system is imposed on furskins of mink whether or not dressed.

The serious decline in the domestic industry is a cause for real concern.

Imports of mink furskins within the quota quantity will continue to be dutiable at existing rates of duty except that such skins raw or undressed the product of Communist countries will become dutiable at the rate of 30 percent ad valorem.

In each calendar year when the quota has been filled, mink furskins would become dutiable for the rest of that calendar year at the rate of 25 percent ad valorem if imported from non-Communist countries and at the rate of 40 percent if imported from Communist countries. The bill would make the current rates of duty on certain wearing apparel of mink in schedule 7, part 13, subpart B, of the TSUS permanent rates of duty. Thus, the rates of duty on dressed mink furskins—dyed and not dyed—and on wearing apparel of mink, scheduled to be further reduced during the next 2 years under the Kennedy round trade agreement, would be frozen at their present levels.

The bill would also repeal headnote 4 of subpart B of part 5 of schedule 1 of the TSUS. This headnote contains a provision, originally enacted as section 11 of the Trade Agreements Extension Act of 1951, under which ermine, fox, kolinsky, marten, mink, muskrat, and weasel furs and skins, dressed or undressed, the product of the USSR or of Communist China, are prohibited importation into the United States. Furskins, the product of Communist China, however, will continue to be subject to the Foreign Assets Control Regulations, which currently prohibit importation.

RATE OF DUTY ON GLYCINE AND CERTAIN RELATED PRODUCTS

Section 344 of the bill establishes separate provisions under which a tariff-rate quota system would be imposed on aminoacetic acid—glycine—and salts thereof and certain mixtures of such acid or its salts.

Under the tariff-rate quota system, importers would still be allowed to import at the existing level with no increase in the current rate of duty. Imports in excess of this quantity, however, would be subject to an additional duty of 25 cents per pound. It is expected that this provision would allow domestic producers to recover from the damage caused by the dumped imports because of the advantage it would give them in producing to meet the increasing demand in the United States for this product.

The rates of duty on both the imports which are within the quota and those which are over-quota would become permanent statutory rates. Thus, they would not be subject to further reductions under the Kennedy Round trade agreement.

INVOICE INFORMATION

The enforcement of the statistical requirements for imports, as set forth in the statistical headnotes and seven-digit classifications of the TSUSA, is a primary responsibility of customs officers and should be given attention by them accordingly. Such enforcement would be facilitated by the enactment of section 345 of the bill which would amend section 481(a) of the Tariff Act of 1930 to require invoices to provide a product description which would enable customs officers to classify imports for statistical as well as for duty purposes.

This new statistical requirement is in no way intended to be an impediment to trade. Rather, it is intended to provide necessary information as to trade that is taking place, to the long run interest of foreign exporting and domestic business, both importer and producer.

TRADE WITH FOREIGN COUNTRIES PERMITTING UNCONTROLLED PRODUCTION OF OR TRAFFICKING IN CERTAIN DRUGS

Under section 346 the President would be authorized to impose an embargo or suspension of trade with a nation which permits uncontrolled or unregulated production or trafficking in opium, heroin, or other poppy derivatives in a manner to permit these drug items to fall into illicit commerce for ultimate disposition and use in this country.

DOMESTIC INTERNATIONAL SALES CORPORATION

As I previously mentioned, the committee concluded that a tax deferral provision should be provided to encourage U.S. export sales and the location of plants in the United States.

The bill provides a system of tax deferral for a new type of U.S. corporation known as a domestic international sales corporation, or a "DISC." Under this tax system, the profits of a DISC are not to be taxed to the DISC but, instead, are to be taxed to the shareholders when distributed to them.

The basic idea of the proposal is to encourage a domestic corporation, which either is engaged in exporting or which hopes to enter into exporting, to set up a new corporation, a DISC, to carry on its export sales. The parent corporation, pursuant to a special pricing rule, would be allowed to sell its export products to the DISC at less than the arm's-length price generally required in the case of sales to a foreign subsidiary. According to this special pricing rule, a DISC would be permitted to earn up to the greater of 4 percent on sales or 50 percent of the combined income of the DISC and the related person arising from the sale of the property—plus, in either case, an amount equal to the 10 percent of the DISC's export promotion expenses. The DISC would then sell these export products for use abroad. The profits from these sales, determined according to the special pricing rule, would not be subject to U.S. tax so long as the profits were not distributed and were invested in specified types of "export assets."

The profits earned by a DISC are taxed to the shareholder—usually the parent corporation—when these profits are distributed to a DISC's shareholders and also when the DISC fails to continue qualifying as a DISC—in this case the profits are taxed to the shareholders as "deemed" distributions. Generally, however, a loan by a DISC of its profits to its parent company is not considered a distribution which ends the tax deferral.

When a DISC's profits are distributed to a corporate shareholder, the shareholder is treated in most respects as if it were the initial recipient of the profits. As a result, no intercorporate dividends received deduction is available for these profits. Instead, the profits are to be treated as foreign source income, and the shareholder is to be allowed a credit against its tax liability on these profits for any income taxes paid to a foreign country.

To qualify as a DISC, at least 95 percent of a corporation's gross receipts must arise from export sale or lease transactions and other export-related investments or activities. In addition, at least 95 percent of the corporation's assets must be export related. Included in export-related assets are "producer's loans" which are loans—subject to certain restrictions—made to the U.S. parent producer—or any other U.S. exporter—to the extent of the borrower's assets used for export business. These loans by a DISC do not give rise to taxation of the DISC or to the parent on the amounts loaned.

Although generally the income of a DISC is not to be subject to current taxation, each year a DISC is to be deemed to have distributed to its shareholders certain types of income, thus subjecting that income to current taxation in the hands of the shareholder. The principal type of income falling in this category is the interest realized by the DISC on its "producer's loans."

The bill provides a 3-year phase-in period during which only a portion of a DISC's profits are relieved of current taxation. In the first year—1971—50 percent of a DISC's profits are not currently subject to taxation, and in the second and third years, 75 percent are not currently subject to taxation. After that time, the proposal becomes fully effective.

The CHAIRMAN. The time of the gentleman has again expired.

The gentleman from Arkansas has consumed 47 minutes.

Mr. BYRNES of Wisconsin. Mr. Chairman, I yield 10 minutes to the gentleman from Ohio (Mr. BETTS).

Mr. BETTS. Mr. Chairman, I do not particularly relish the idea of following the distinguished chairman because he is always so clear, complete, and concise in his statement, I find it difficult for me to add anything to the arguments that he has already made in favor of the bill.

I simply want to associate myself with his position and urge the membership to go along with him in supporting this bill.

In addition to that, I would like to make some observations that are pertinent to consider along with the technical and complicated provisions of the bill.

The first observation I would make is this. The Constitution of the United States gives the Congress the authority to regulate trade with foreign countries and to fix tariffs and duties. Along the line somewhere, and I suspect it goes back even beyond the Reciprocal Trade Agreements Act, we assumed the philosophy it was too complicated for the Congress to handle so it had to be delegated to the President and to the President's negotiators.

Here are some of the things that happen when the Congress delegates too much to somebody else to perform the duties which constitutionally are part of the duties of the Congress.

Take the case where some industry or some company has been harmed by imports and there has been some injury. The Tariff Commission makes a finding that there is an injury and the case goes to the White House. The State Department gets into it. Immediately the prime purpose of the bill to correct an injury to some industry becomes of secondary importance. The prime importance apparently seems to be some political considerations that enter into the case—diplomatic considerations—where ambassadors call at the White House or the State Department, we are told, and urge that consideration be given to the fact that if relief is granted to this particular company or to this industry it will cause unfriendly and complicated relations with some foreign government.

So really the prime purpose of the Tariff Commission and of tariff relief and quota relief or any kind of relief for injury caused by imports becomes of secondary importance.

As the chairman pointed out, one of the things this bill does is to bring this back into the concept that Congress or its agent, the Tariff Commission, has something to say.

Even so, a great deal of discretion is left to the President. He appoints the Tariff Commission. I think it is well to point out at this juncture that this bill increases the membership of the Tariff Commission. Whereas at present it is a six-man commission, one member has been added so we have done away with the complications of a tie vote. Any recommendation made to the President for tariff or a quota or other relief has to be done by a majority of the Commission.

Second, and I would like to be corrected if I am wrong. I believe that even if there is an injury determination made by the Tariff Commission with recommendations for relief, that we have amended section 352 of the Trade Expansion Act—and I will ask the chairman if I am not correct—even after the Tariff Commission has made a finding in the majority of cases the President has the right to negotiate agreements in addition to or supplemental to the findings of the Tariff Commission. Is that not correct?

Mr. MILLS. The gentleman is eminently correct. The President still under this legislation would not have to do what the Tariff Commission recommends.

Mr. BETTS. I think that is important. Even though we try to restore some of the power back to the Congress in the Tariff Commission, the President still has the right to go beyond any relief recommended and negotiate with our trading partners on any basis he sees fit.

The second observation I would like to make is with relation to the ancient and age-old issue between what is popularly known as protectionists and free-traders. I think this is sort of deplorable. I find a growing tendency to attach some sort of stigma to anybody who wants to stand up and protect American industry. Such a person is immediately pegged as a protectionist, and that is supposed to be something wrong. Personally I do not know why, for practically every country in the world except the United States is protectionist.

Let me read from the report of the committee into the record, language which states this much better than I can. The quotation appears on page 9:

> The United States remains the most accessible market to the effort of foreign producers. Despite the claims of our trade partners, United States duties, subject to continued reductions under the trade agreements program, are at the lowest average level of any major industrialized country.

I believe in free trade. I see nothing particularly wrong with the concept of free trade. The problem is that the concept of free trade has to be based upon complete and mutual cooperation on the part of every country in the world. And that simply does not take place, as the statement I read from the report proves. Practically every other country in the world has higher tariffs and more strict import restrictions than the United States. Free trade is a concept like disarmament. It looks good on paper, but it will not work unless every country in the world follows it. So as long as our trading partners are committed to the restrictions which they have, it seems to me we are justified in trying to balance these restrictions with restrictions of our own.

Mr. FRELINGHUYSEN. Mr. Chairman, will the gentleman yield?

Mr. BETTS. I am glad to yield to the gentleman from New Jersey.

Mr. FRELINGHUYSEN. If the gentleman's point is correct, I wonder if the best way to get our trading partners to reduce the discrimination that presently exists is to provide discriminations on our own part. I would think we do not have to accept the basic principle of free trade, but we could be for freer trade. I gather from what the gentleman is saying that he would like to see restrictions on trade reduced, but it is because our trading partners have these restrictions, the gentleman feels it is justifiable for us to have restrictions of our own. But is this in our national interest? Is that not basically what we are asking ourselves in this bill?

Mr. BETTS. I think it has to be. That gets into a field that I am going into a little later. I will quote the statement the chairman made in the committee, and he can say whether or not I am right or wrong. He mentioned that whenever our negotiators go to GATT—and we have some sort of tariff-reduction agreement with our trading partners, our negotiators are hardly back in Washington before our trading partners have dreamed up some non-tariff barrier. This question of how nice we are going to treat somebody else is something that I think has to be changed and altered to fit the situation. We have tried to be nice ever since we have had reciprocal trade agreements. We have tried to be nice ever since the 1962 Trade Expansion Act. I am not saying our trading partners have not been nice, but they have not responded to the purpose of our trade agreements and our trade acts to bring the whole thing into balance.

I ask the chairman if that is not correct.

Mr. MILLS. I agree with the gentleman completely. Let me add this, if I may, in respect to the question asked by the gentleman from New Jersey. Is the gentleman aware of the fact that we have not on one occasion, in all the years we have participated in GATT, ever seriously pressed a case where we had complete right to press it?

That is all the proof necessary. In the case of Japan, about 87 instances have occurred where they have been in violation of something, 100 or more restrictions they have had over the years, and they have not allowed an article made in a textile plant to be shipped to Japan. Does my friend know that? They will not allow an American car to come in unless it is brought in at about $25,000—or something like that. I use Japan only as an example.

Does the gentleman know that our great friend Greece—which through the generosity of his committee has been built up—takes pleasure in devising safety regulations for highway use that are just about 3 inches shorter than the shortest made American car—so the American-made car cannot go in because of the violation of the Highway Safety Act. They do all these things.

If the gentleman can name to me one instance where the United States discriminates in some situation—and, yes, it does with respect to agricultural commodities, because we have imposed quotas on those in response to the price support program—but for every one the gentleman can name to me, I can name

two dozen for any of the countries in Europe or for Japan.

Mr. BETTS. I want to make this statement, and this is a prediction, that if this bill passes, there will be all sorts of offers on the part of our trading partners to negotiate.

Mr. MILLS. Yes, of course. I appreciate the gentleman's point, but some discussion was made earlier, during the discussion of the rule, that we do not need this bill now, because Japan and others are perfectly willing to negotiate. Just let this bill fail to pass and I wonder how long they are willing to stay at the negotiating table.

Mr. FRELINGHUYSEN. Mr. Chairman, will the gentleman yield?

Mr. BETTS. I yield to the gentleman from New Jersey.

Mr. FRELINGHUYSEN. I think both the gentleman from Arkansas and the gentleman from Ohio have misconstrued what I am saying. I am not saying we should be nice and let the others walk all over us. What I am saying is if we start putting barriers to trade, in cases where it is to our advantage to encourage world trade, we are going to encourage additional barriers.

The way to get rid of some of the barriers the gentleman from Arkansas referred to, in both Greece and Japan, is not to put up quotas and barriers to trade ourselves. I think the only thing that makes sense, if we want to encourage world trade, is to do everything we can to negotiate our position.

I do not see how the committee handles this point. All we are going to do is to kick off a real trade war. We have seen signs of retaliation already, even among our trading partners. It is easy to scoff at the dangers that this represents, because if we do this they have their own justification, pointing to us as a major trading partner, and we should be doing more, not less, to reduce those trade barriers.

Mr. BETTS. I have understood the gentleman's position, but I would like to make one statement. The gentleman refers to retaliations. That boils down to this. Other countries say, "Yes, you pass this bill, and we are going to do something." But they have already done it, with all sorts of nontariff barriers. If we listen to that, then we are in a passing legislation for other countries rather than for our own industries.

The gentleman says this is not to the advantage of the United States. But the question on what is to the advantage of the United States that we have in the last analysis delegated to the President giving him the authority to make this very determination?

Mr. MILLS. If the gentleman from Ohio will yield, I will ask the gentleman this question: As a result of our hearings and everything else, is the gentleman from Ohio not now convinced that ours is the only open market in the world? None of the other countries permit commodities of other countries to come in without some limitations. Most of them do not allow commodities to come in without the value-added tax, which they developed in lieu of duties. We have reduced our duties down to 12.5 percent on the average, and they have reduced theirs somewhat but nothing like that low, and then they built back the reduction through the device of the value-added tax or something else, or they put on some limitations, for instance, on shipments from Korea, from South Korea to Japan, or from Taiwan to Japan, or from Hong Kong.

Ask these people how Japan reacts to their exports.

Mr. BETTS. In answer to the question the chairman asked me, I will say I believe we listened to more than 300 witnesses, and I do not see how anybody could sit there and listen to the complaints of the many industries which came before us and not be impressed with the facts the chairman has related.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. BYRNES of Wisconsin. Mr. Chairman, I yield the gentleman 10 additional minutes.

Mr. BETTS. As the chairman pointed out in the committee, it looks like the rest of the countries are making a dumping ground of the United States.

Mr. MILLS. There is no question about it.

Mr. BYRNES of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. BETTS. I yield to the gentleman from Wisconsin.

Mr. BYRNES of Wisconsin. There is an issue raised of retaliation, and also a question as to whether this is a 180 degree turn and a really bad proposition.

I should like to call attention to the comments in an editorial in the London Times which I believe puts this in a better perspective than our own papers have done.

In the first place, they point out, and it is certainly a fact, that in any trade war Europe and Japan have much more to lose than the United States, because they are dependent to a much greater degree on world trade than we are. Because of our market we do not have the same dependence.

Let me point out a statement contained in this editorial. The editorial says:

> The United States has a much stronger case against Japanese quantitative restrictions on manufactured imports and against the Common Market's common agricultural policy than anyone has against the present United States trade bill.

That is how they put this bill before us in a proper context in terms of our situation as against the European situation and as against the Japanese situation.

Let me go on a bit further, because I believe it might be well to clear the air on this early in the debate. They point out:

> It is certainly open to European and Japanese authorities to adopt realistic exchange rates against the dollar through the mechanism of more flexible adjustments—

Here is the point—

> Until Europe and Japan show themselves willing to act on exchange rate policy on Japanese import quotas and on agricultural trade with Europe, the United States Congress is going to look with a jaundiced eye on shrill threats from junior trading partners to immolate themselves unless the United States forbears from—

And mark this; this is how they describe our bill—

> its marginally deplorable trade bill.

The point is it is just unrealistic to suggest that the passage of this kind of legislation is going to encourage retaliation or is going to encourage a trade war.

What we have to do is look after our own interest. Then, when these other countries recognize that is being done, they will start getting into a more rational attitude toward freer trade and restrictions they impose not only on us but on everybody else.

Mr. BETTS. I thank the gentleman.

Mr. JONAS. Mr. Chairman, will the gentleman yield for an observation on that point?

Mr. BETTS. I yield to the gentleman from North Carolina.

Mr. JONAS. Some countries are threatening retaliation which proclaim to be such advocates of free trade, but the Department of Commerce advises me that eight European countries and Canada today have agreements with Japan—and some of them with Korea, Taiwan and Hong Kong—restrict imports of wool and manmade fibers, textiles and apparel into those countries.

To prove that is so, I quote from the testimony of Secretary Stans before the Ways and Means Committee as follows:

> United Nations figures in addition to our own import figures show that in 1968, while the United States was taking 20 percent of Japan's textile production exports, the EEC imported only 3 percent.

Why do they not take some of Japan's textile imports instead of having the United States assume the burden of assimilating all their exports in textiles?

I quote one other portion.

> We imported 51 percent of Japan's apparel exports and EEC took only 5 percent.

Mr. BETTS. I think the gentleman is making a good point. It was brought out in our committee that much of the opposition from some of our trading partners to our restricting imports is that if we do, then they will become dumping grounds for these particular products and they will have to do something. I think the gentleman is making a very good point.

Mr. STRATTON. Mr. Chairman, will the gentleman yield to me?

Mr. BETTS. I will be glad to yield to the gentleman from New York.

Mr. STRATTON. Mr. Chairman, I want to express my commendation to the gentleman from Ohio for the fine statement he is making. I would like to ask a technical question of either the gentleman or the chairman of the committee.

As the gentleman knows, I have joined in cosponsoring the basic bill and was particularly instrumental in and pleased that the basic bill included a reference to cordage products manufactured in my particular district. What I wanted to ask the gentleman particularly is this question:

I noticed in section 206 of the bill, which covers the definition of textile articles, that fibers of cotton, wool, and certain scrap materials have been spe-

cifically excluded from the coverage of the definition. However, the fibers from which cordage products are manufactured and which are all imported by producers have not been similarly excluded.

It is my understanding that due to the wording of section 206 concerning cordage products, the committee did not believe it necessary specifically to exclude the fibers from which cordage products are made. So my question is simply this: Am I correct in my understanding that the materials for the making of hard fiber cordage products are excluded from the quotas established by the bill?

Mr. BETTS. That is my understanding of it.

Mr. MILLS. Will the gentleman yield to me?

Mr. BETTS. I am glad to yield to the distinguished chairman.

Mr. MILLS. The gentleman is eminently correct. The answer is emphatically yes.

Mr. STRATTON. I thank both the chairman and the gentleman from Ohio.

Mr. DENT. Mr. Chairman, will the gentleman yield to me?

Mr. BETTS. I do not have much time, but I will be glad to yield to the gentleman.

Mr. DENT. I wanted to ask a question here, because I believe if everybody's cards are on the table we will understand this better. Let us take the imports by one of the largest manufacturers of automobiles in the United States. This import is a car called the Pinto. It comes into the United States absolutely tariff duty free of any kind because of an automobile free trade arrangement with Canada. However, parts that go into it come from Germany and France, which are dutiable in the United States. By going to Canada, however, these parts are put into the Pinto and they are swung across our U.S. borders tax exempt, duty free, and everything else. What answer is it to the import problem if you bring in an import car because it has an American manufacturer's name on it, and how does that help the worker in the automobile industry?

Mr. VANIK. Mr. Chairman, will the gentleman yield to me?

Mr. BETTS. I will be glad to yield to the gentleman if I have any time left.

Mr. VANIK. I would like to inquire of my distinguished colleague from Ohio as to whether or not he is in a position to give the committee the President's position on the total package. I know that the President is apparently for some sections and opposed to others. I would appreciate having either the gentleman or the ranking Republican member give some statement or idea as to what the President's position is on this. Is the President for the bill in this combined conglomerate package or is he opposed to it? It would be a help to the committee to have this information.

Mr. BETTS. I think it has been stated in the press that the President is for the textile restrictions and DISC. I suspect when it is all over he will have to make his judgment on what is passed by both Houses and agreed to in conference. I do not think that this is a decision anyone can make right now as to whether he, or anyone else, is for the whole bill in its entirety.

I do not pretend to speak for the President and, actually, I cannot answer the gentleman's question any better than that.

Mr. VANIK. I would hope before this discussion is over with we might have some expression as to that.

Mr. BYRNES of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. BETTS. I yield to the gentleman from Wisconsin.

Mr. BYRNES of Wisconsin. I think it is no secret that the President is opposed to the basket provision that we put in and which I sponsored. They would prefer to have that out. They would prefer to have the shoe quotas eliminated. They would prefer that we come as close to the President's bill, the bill that the President requested, as we can. That is their position.

I think it would be rather pointless to suggest that they make a determination as to what the President's position would be or would not be to this, because he has to look at what he gets at the time he gets it at the White House desk and weigh it at that time. But there is no question about what his attitude is about this bill. He would like to see it considerably changed from what it is.

The CHAIRMAN. The time of the gentleman from Ohio has again expired.

Mr. BYRNES of Wisconsin. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. BETTS. I yield to the gentleman from Iowa.

Mr. GROSS. The point is that Members of the House must vote this up or down, must take it or leave it at the end of this debate. We are going to go on record for this bill one way or the other, for or against it. It would be helpful to us to know. In other words, we have no alternative.

Mr. MILLS. Mr. Chairman, will the gentleman yield?

Mr. BETTS. I yield to the chairman of the committee.

Mr. MILLS. I do not suppose I should get into this. I have no business getting into this, but let me say that I have dealt with more than just this one President and I do not find him to be any different from any of the others. I have had them to call me into the White House, Democratic Presidents, and pressure me and twist my arm and do everything they could to get me to do something just like they wanted it done, and they kept up the pressure all the way through even to the conference. I am satisfied in my own mind that the President will focus his attention upon what we are doing and if he does so he will find there is an awfully lot more good in this bill than there is bad in it.

The only two things he can find in it that he thinks are bad are the things to which the gentleman from Wisconsin referred. But there are a dozen things that he wanted and they direct themsleves in the direction that he wants trade to go, on a freer basis. So I would think he would reach the conclusion which the gentleman from Ohio and all the rest of us have reached, all of us having a responsibility of our own to discharge. We either vote for something because we think it is in the national interest and is good or we vote against it because we think it is not, regardless of the position of the President.

Mr. BETTS. I think the chairman's comments are pertinent because there are some things in this bill that I do not agree with. However, I think it is a good overall bill and I shall support it.

Mr. FRELINGHUYSEN. Mr. Chairman, will the gentleman yield?

Mr. BETTS. I yield to the gentleman from New Jersey.

Mr. FRELINGHUYSEN. I appreciate the gentleman yielding again.

What disturbs me about the discussion that has been had with the members of the Ways and Means Committee is the strong protectionist flavor that I detect, and I can only call it "protectionist" because certainly we should not have been on the course we have been operating for a decade. The gentleman from Ohio referred to the fact that the United States is a dumping ground. Well, if there is really dumping practiced by foreign countries, legislation is already on the books to prevent that and to take retaliatory measures.

The gentleman from Arkansas referred to the fact that the United States is the only open market in the world. Well, it is open, with qualification. However, that begs the question about whether it is wise for us to be a restrictive market ourselves because our trading partners are not as open as we would like. Is this not going to be a turning back to nationalism in the trade field which has been disadvantaged as practiced in the late twenties and early thirties? Is it not a reversal of the course which has been of great benefit to us because of the substantial exports we have been able to make on the basis of a reasonably free trade policy between countries and the fact that there are imports of automobiles into this country has not led the automotive industry to this protectionism or to back this bill?

We understand they are not in favor of this, and you have of course some good and bad things to say about the various provisions, and of course we have to weigh one thing against the other, but this way that the gentleman from Ohio points out that we have got to go up or down with no possibility of taking out anything, and certainly no possibility of adding anything, this is what worries me. Basically, the arguments that have been presented here have been strongly protectionist—the poor, weak, defenseless United States has to retaliate against its trading partners because they have been unfair, and this you say will lead them to be more fair, but I would guess that it is going to lead us into more trouble.

Mr. BETTS. The gentleman in stating his case was sound, and I have tried to point out before that I do not see anything particularly wrong with being a protectionist. I mean, after all, it is simply a method of looking toward the bet-

terment of our whole industrial-labor conditions, and even after we have said that I am not so sure this is a strong protectionist bill. I do not think there has been a single statement made here that it is a strong protectionist bill. I think what we are trying to do is we are trying to bring it into balance and have the same sort of restrictions in our trade laws that other countries have in theirs.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BETTS. Mr. Chairman, I would like to talk some more if I can secure some more time.

Mr. BYRNES of Wisconsin. I yield 5 additional minutes to the gentleman from Ohio.

Mr. BETTS. I thank the gentleman for the additional time, and I will yield to the gentleman if I can, but I think this ought to be said: there have been a lot of statements about the United States being a dumping ground, an open market, and about what our trading partners do, and I want to say that no one on the Committee on Ways and Means has any thought of trying to infringe upon the friendship of any country or any of our trading partners. This is the least thought in our minds. I think we cherish the friendship we have with each of our trading partners, from Japan, Taiwan, and even into Europe.

All we are trying to do is bring this thing into balance, and hope they will realize that we have the same interests in our trade policies that they have in their trade policies. It is not precisely a protectionist bill in the sense of a Hoot-Smawley bill, or some of the other famous tariff bills of the past. All this is is a bill to bring our trading provisions into balance with the rest of the world, and in doing so we have no intention of hurting our friendship with anybody.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. BETTS. I yield to the gentleman from North Carolina.

Mr. JONAS. Mr. Chairman, this is with reference to the comment of my friend, the gentleman from New Jersey (Mr. FRELINGHUYSEN), about our great export surplus. I would remind the gentleman that in 1961 we were net exporters of textile and apparel products, and in 1970 the trade deficit of exports and imports of textiles and apparel will be $1 billion.

Mr. FRELINGHUYSEN. If the gentleman will yield further——

Mr. BETTS. I think that is pretty obvious.

Mr. JONAS. Is that not correct? Does the gentleman not agree that this is not making much progress in building surplus?

Mr. BETTS. I agree, and that is one of the reasons for the pressure that the committee had to pass this bill.

Mr. FRELINGHUYSEN. If the gentleman will yield further, in view of the fact that the gentleman from North Carolina (Mr. JONAS) says the textile picture is bad in the past decade, granted; everybody knows this, but this bill is not going to prevent Japan from exporting substantial textiles; but what it is going to do is discriminate against countries like Korea and Taiwan at the expense of Japan. Japan is actually going to have its segment of the market protected.

I think this develops further inequities, and it is not really going to protect our domestic market, but there is going to be a substantial Japanese share.

Mr. BETTS. I think that what the gentleman from New Jersey is saying should probably be said on his own time.

Mr. MILLS. Mr. Chairman, will the gentleman yield?

Mr. BETTS. I yield to the gentleman from Arkansas.

Mr. MILLS. There is no discrimination against anybody. This applies to quotas, the quota applies across the board to all titles, every title, and that any country that wants to can get out from under it by entering into a voluntary agreement, and the President is given the authority to do that.

Mr. BETTS. And he can place it on a country-by-country or product-by-product basis.

Mr. MILLS. Exactly.

Mr. BETTS. I want to make a comment, if I could, about the American selling price, and that is a very controversial section. I think it should be borne in mind that the American selling price is supposed to be a symbol of American nontariff barriers.

Well, we have entered into agreements with some other countries and the agreement is this—and this is important—we will repeal the American selling price and then the agreement goes into effect. Then other countries will try to repeal some of the tariff barriers mentioned in the agreement.

I think that is a lopsided agreement. I am not particularly for or against the Amercan selling price, but I do think before repealing it or before we take any steps to eliminate it from our tariff laws, there ought to be another agreement entered into in which we are on an equal basis with our trading partners so far as the terms of the agreement are concerned.

I am not satisfied with what is in the bill so far as the American selling price is concerned—but I hope when and if this bill becomes law, the President or the White House or whoever is going to be charged with carrying out the terms of this agreement and insofar as the American selling price is concerned—will make an honest and conscientious effort to see that before the American selling price is removed that there is a really fair agreement between us and our trading partners on this subject.

These are the observations I had in mind, and I think this is worth repeating at the end. This is a moderate bill. In many respects it does not go as far as I would go. It is one which recognizes, I think, both the liberal hope that in the future there will be trade expansion without restrictions and on either side, and the protectionist hope that there is going to be some help for those industries and workers who are harmed by imports from other countries.

Mr. BYRNES of Wisconsin. Mr. Chairman, I yield 10 minutes to the gentleman from North Carolina (Mr. BROYHILL).

Mr. BROYHILL of North Carolina. Mr. Chairman, I rise in support of H.R. 18970, the Trade Act of 1970. Although I believe this legislation with its several broad provisions should be passed without change, I want to direct my remarks particularly toward the textile import quota provisions of the bill.

Today, the American textile and apparel industry faces a critical challenge caused by the enormous increases in imports of textile and apparel products manufactured from synthetic fibers and wool. The picture is gloomy and the future for the American textile industry is bleak, indeed, if corrective steps are not taken now. The action proposed in the trade bill relating to textile and apparel imports is essential for the future, orderly development of our domestic market. It is equally essential for maintaining the jobs of tens of thousands of Americans who earn their livings in textile mills.

As the discussion of this bill has gone on, there has been an obvious attempt by those opposed to it to insist that it is a narrow and regional attempt to secure unjustified protection for an industry which is, after all, expendable. Certainly, such arguments are false. Those succumbing to them are, in my opinion, undermining the American economy which can ill afford to lose one of its major industries. The debate here today climaxes months of effort to move this legislation to the floor of the House. I am glad that in this process, there has been a broad recognition of the seriousness of the problem demonstrated by the fact that over 250 Members of the House of Representatives have joined as cosponsors of the so-called Mills bill. The formula for textile import quotas in the absence of voluntary agreements has been included in this legislation.

Textile and apparel production in this country is a major industry which employs one out of every eight Americans involved in manufacturing. During the past 12 months, 100,000 jobs have been lost in this industry and thousands who remain on the payrolls are on short workweeks. Investments in new plants and equipment have declined from $820 million in 1966 to an estimated $580 million for 1970. And net profits on sales in the second quarter of 1970 were at an annual rate of 1.8 percent, as compared with the all-manufacturing average of 4.4 percent. In the State of North Carolina alone, 20 textile plants have been forced to close down since January of last year. The same pattern is nationwide.

The problems in the textile and apparel industry have especially serious consequences for the State of North Carolina and for the 10th Congressional District which I represent here. In the eight counties of my district, this industry provides 67,000 jobs, representing 55 percent of the factory work force. An annual payroll of $300 million provided by these jobs is the economic backbone for many of the towns and cities in my area.

But this vital industry is by no means only a regional concern. Although the textile industry is concentrated in States in the South and on the east coast, there

are textile or apparel facilities in every State in the Union. On a nationwide basis, the textile and apparel industry accounts for 2.4 million jobs with a payroll of $10.8 billion. Federal, State, and local taxes generated from this industry amount to $2.5 billion per year. The widespread effects of an unhealthy textile industry are obvious from these figures.

There is also a human side to the textile problem that cannot be expressed in cold statistics. More than any other major industry, textile plants are located in small communities; about 60 percent of textile industry workers are employed in nonmetropolitan areas. The textile industry and the industries which service it are the backbone of many small towns.

In addition, the textile industry is a large employer of semiskilled workers for whom job opportunities in more complex manufacturing industries are foreclosed. It is a gateway industry from unskilled to skilled labor. Surely we do not need increases in migration to the large cities and the seemingly insoluble problems which accompany urban growth which would undoubtedly occur if these people are denied honorable and decent jobs in their hometowns. The textile industry has done much to accomplish the preservation of small towns and communities, and this is a part of American life which should not be sacrificed.

At the same time that conditions have been growing worse for the textile industry, the level of textile and apparel imports into the United States has increased tremendously. From 1965 to the present, imports have increased from 2 billion to approximately 4.4 billion square yards.

In 1967, imports of textiles and apparel from Japan stood at 352 million yards. Two years later, they had grown to 585 million yards and the increases are continuing in 1970. Between 1967 and 1969, imports of manmade fibers and apparel from Korea grew from 64 million yards to 137 million yards. Hong Kong exports to the United States jumped from 75 million yards in 1967 to 145 million yards in 1969. Taiwan in 1967 sent 59 million yards to American markets. By 1969, the figure had grown to 238 million yards.

This drastic increase in imports, coupled with the decline in our domestic textile industry, caused President Nixon to seek agreements with textile-producing countries to limit further import increases of synthetic fibers and wool similar to agreements already in effect for cotton textile imports. Negotiations, principally with Japan, have gone on for nearly 2 years without result.

What is occurring is a tremendous trade "blitz" by Japan, organized and promoted by all the resources available to the Japanese Government. The economic progress made by Japan in the past decade is fabulous and, as a friend of Japan, the American people congratulate them. However, we must understand that our congratulations must not allow a permissiveness for Japanese imports to destroy our own productive capacity in a major industry. Japan must understand this, too. We have a sovereign obligation to the American people to assure that unfairness does not occur and that our major industries, including textiles, are not systematically reduced to impotence by tactics which would be illegal if they were formulated in this country.

The remedy proposed in the Trade Act of 1970 is mild medicine for such a serious affliction. The textile industry does not ask that future textile imports be drastically limited or cut back from present levels. It asks only that future increases be planned and held to a fixed percentage of our domestic production.

The bill proposes to establish basically the same import plan for wool and manmade fiber products which has existed for cotton textiles since 1961. Under this long-term cotton agreement, imports have not been reduced but have increased from less than 400,000 bale equivalents in 1961 to more than a million last year.

A point that has not been emphasized enough is that this bill would first and foremost encourage voluntary, negotiated agreements, and only after attempts to achieve such agreements had failed would import quotas be imposed. Although Japanese trade negotiators have for 2 years failed to reach agreement on voluntary import quotas with our Government, Japan presently has voluntary agreements with nine importing countries to restrict trade in wool and man-made fiber textiles. Department of Commerce statistics show that in 1968 the United States took 20 percent of Japan's textile mill product exports and 51 percent of apparel exports, while the European Economic Community imported only 3 percent of textile mill products and 5 percent of apparel.

Those opposed to import quotas on Japanese textiles feel that they would lead to retaliation by the Japanese against our exports to that country, mainly of agricultural products. Upon closer scrutiny, however, this argument holds little merit. Japan's purchases of foreign goods are based, sensibly enough, on where the best values can be obtained. Any retaliation by the Japanese against our exports would be economically reckless for them, especially considering the fact that the United States presently receives nearly one-third of Japan's entire export trade. Surely the Japanese would not risk their best foreign market by such retaliatory action.

Opponents of this measure also argue that restricting imports will cause increased prices to consumers of textile and apparel products. There is no basis for this distorted supposition. Textile products have been among the least inflation-prone of any manufactured item during the past 2 years of rapidly rising prices. This is true both of cotton textiles, which are already under an import quota system, and of other textiles, which are not.

In addition, nothing in the bill would substantially alter existing relationships between the supply of foreign and domestic textile products. In fact, the proposal specifically provides for exempting from its provisions imports that are not disrupting the U.S. market and for increasing imports if the supply of any textile article is inadequate to meet consumer demand at reasonable prices.

I would emphasize again the need to preserve and improve the present position of our domestic products in the U.S. market and to plan future growth so that our industries can keep a favorable share of the market with foreign competitors. It is high time that we updated our trade policies to face the realities of international trade in the decade of the 1970's. I believe that the Trade Act of 1970 is a fair and reasonable means to achieve this goal.

Mr. TUNNEY. Mr. Chairman, the importance of California as an economic unit cannot be easily overstated. In the aggregate production of goods and services—gross product—California is exceeded by only seven entire nations—the United States as a whole, the Soviet Union, Japan, West Germany, the United Kingdom, and France. The emergence of this State as one of the world's leading manufacturing centers, combined with its dominance in agricultural output within our 50 States and its strategic geographic location, all contribute to make California currently a contender for the United States ranking position among all States for export trade.

California's growing export sales are expected to top an estimated $3 billion mark in 1970. Last year booming exports provided a direct income to Californians of an estimated $2,908 million. Should services related to the export trade be considered, that sum would be vastly larger.

Export trade from California flows mainly through five commercial ports and several airports. The largest tonnage of exports in 1967 was handled in San Francisco while Los Angeles harbor almost equaled the same tonnage—over five million each. Long Beach handled almost five million tons, while Stockton and San Diego followed with one million and half-a-million tons, respectively. The growth of export trade through these ports—not all originating from California—has averaged at about 16 percent annually for the last 3 years.

SIGNIFICANCE OF THE INDUSTRIAL SECTOR TO CALIFORNIA'S EXPORTS

Foreign sales of transportation equipment at an estimated $836 million, among which aircraft is dominant, have been soaring and constitute the largest industrial sector contributing to exports. Nonelectric and electric machinery bought by foreigners amounted to $293 million and $269 million respectively; while sales of processed food yielded $183 million and those of chemicals $146 million. The State also exported an estimated $77 million of fabricated metal products, $74 million of petroleum and coal products, and $66 million of instruments. Substantial quantities of primary metals, lumber and wood products, rubber and plastic products were also sold abroad. More details can be found in the appended table.

Notable industrial centers contribut-

ing to California's export trade are Los Angeles-Long Beach, San Jose, and San Francisco-Oakland. Important centers of manufactured products sold abroad are Anaheim, San Bernardino, San Diego, Sacramento, Stockton, Fresno, Vallejo and Bakersfield.

CALIFORNIA'S AGRICULTURAL EXPORTS

Although California continued to be the Nation's number one farm State in 1969 for the 22d consecutive year in total value of cash receipts from farm marketings, it ranked third in farm exports, following Illinois and Texas. At a downward revised annual rate of $400 million of export sales for 1969, the current year export-position is believed to have recovered by about 4 percent increase to a level of $415 million.

The strength of California's agriculture lies in the primacy of this State in the production of specialized crops while remaining strong in all fields except tobacco and soybeans. According to the State's Department of Agriculture there are 46 commercial crop and livestock commodities in which California ranks first nationally. The diversified balance of agriculture in this State is also reflected in the export experience of farm products. These consist principally of three categories: fruits and vegetables which are exported fresh and frozen; livestock, poultry and dairy products; and field crops among which cotton, rice and feed grains hold strong positions.

The substantial stake in exports by California's farmers is underscored by the State's cash receipts from foreign sales of agricultural commodities which historically have been just under one-tenth of total receipts from farm marketings.

CALIFORNIA'S CUSTOMERS ABROAD AND THE CHANGING PATTERN OF TRADE

Although California faces the Pacific Ocean, and the U.S. trade with Asia and Oceania has been increasing in general, while trade with Japan has been climbing in particular, the principal customers of California's products remain the countries of Western Europe. This situation underscores dramatically the high mobility of goods in international commerce.

Californian exports of a variety of industrial and farm products go not only to Canada and Mexico overland, but overseas to Belgium, France, Germany, Holland, Italy, and the United Kingdom among others in Europe. California's best customers in the Pacific are Hong Kong, Japan, Korea, Taiwan, and Australia. Similarly California imports from many of these countries textiles, shoes, bicycles, office machines, electronics, cars, steel and a variety of other products.

It should be noted that the United States is far less in a position to dictate its conditions and terms of trade with its trading partners than it may have been a decade or more ago. It is a fact that the U.S. merchandise export trade has been steadily growing nearly every year since 1948 in absolute terms—from $12,577 million in 1948 to $16,434 million in 1959; and to $37,274 million in 1969. But it is also a fact that the United States relative share of global export trade has fallen sharply from 21.9 percent in 1948 to 14.9 percent in 1953. Since then it has been shrinking to 14.2 percent in 1959 and 13.7 percent last year.

Thus the U.S. dominance in world trade has been tempered by the current presence of two notable major trading areas—the European markets and the Japan-Asian markets. To this pattern one must add the growing importance of the Soviet Union—with whom most industrial nations except the United States trade at significant levels—in the international flow of goods and services and the emergence of Mainland China as the fifth aspiring area of consequential world traders.

It is clear then that California's stake in international trade results not only from its strong position in industrial and agricultural exports produced in the State, but also from being at the crossroads of export and import activities by sea, air and land, servicing the increasing flow of world trade. The preservation of this favorable combination is vital to California's economic health.

To underscore this view and all its implications, in August 1970, the Bank of America has announced the formation of a new unit to be known as the "International Business Development California Market." The express intent of this move by the largest banking institution in the United States is to promote the growth of California's foreign trade and especially its exports. The new unit will assist California bank branches in handling international services so that California firms can gain accelerated access to international banking consultations and general services connected with trade, anywhere in the worldwide system of the bank. This approach should greatly enhance the ability of willing California companies to engage in or increase their participation in foreign trade, regardless of size, location, or past experience, and successfully compete in international business.

IMPACT OF THE PROPOSED "TRADE ACT OF 1970" ON CALIFORNIA EXPORTS

The new foreign trade bill cannot be categorized simply as either "protectionist" or "free trade" legislation. Most issues remain unclear. Much depends on the interpretation and implementation of the new provisions by the occupant of the White House. Some voices have already been raised, suggesting that the nimble footwork of any President could set foreign trade policy direction not in terms of economic impact and well-being of the Nation's interest, but of partisan domestic political ends, this on the heels of a concerted effort in Congress to trim presidential authority in foreign affairs generally.

Whatever the outcome, however, the "Trade Act of 1970," H.R. 18970, in its present form is extremely important. Its departure from overall policy prevailing for more than three decades could be momentous. To the extent that it advocates restrictive measures to the free flow of goods across international borders, it will hurt our national economy in the aggregate more than it may aid any segment of it. There is no doubt that the bill contains potentially adverse effects to California's economy and exports. On the other hand, the bill proposes remedies to U.S. industries, firms and groups of workers with significant amendments to existing laws for bringing fast and substantial relief to domestic producers adversely affected by foreign competition. Although the new proposed processes are not simple and would be partly based on a revamped Tariff Commission, they could become the most significant aspect of the whole trade legislation. They have the potential of achieving a practical solution to economic dislocation originating from international competition by viewing this problem as a temporary and transitional period of adjustment rather than a permanent injury requiring major surgery by instituting full-fledged protectionist quotas on imported goods. It would seem thus, that the current difficulties with international trade appear to be placed where they properly belong—within the province of a national adjustment process through domestic policies aimed at correcting the economic difficulties of sectoral producers.

The historical preponderance of the U.S. trade balance in international trade, and the current evidence of its resurgence from the lows of the past 2 years on the one side and the general protectionist provisions of the Trade Act of 1970 on the other, illustrate the ambivalence of the U.S. policy on the whole matter of foreign trade. Thus a reliable analysis of the new trade bill in terms of total impact and areas of impact is impossible at this stage. Should this bill become law, it will certainly lead to "new" import restrictions by the biggest trading nation in the world; yet it is impossible to foresee where and how because of the host of variables both inside and outside of the U.S. Government jurisdiction.

On balance, considering the basket of goods produced in California and those exported and imported with their relative importance to the State's economy, any new restrictions imposed to foreign imports in those fields explicitly mentioned by the new bill—textiles and shoes—and those potentially within the provisions of the bill—from chemicals to metal products, from nonmetallic products to a host of consumer goods—would adversely affect the well-being of all Californians in their role of consumer, because there is general agreement that prices of domestic goods will tend to rise. It may well be that some isolated and personal indirect benefits will accrue to workers in the textile and footwear industries, perhaps even to some in petroleum and the steel industries, and some branches of electronics. But the mainstay of Californian big producers and successful businesses domestically and internationally—aircraft, farming, transportation and port facilities, food processing and other industries of many specialties—would be net losers.

ESTIMATED FOREIGN TRADE EXPORTS FROM CALIFORNIA, BY SELECTED INDUSTRIES, 1960-69

[In millions of dollars]

Industry	Exports[1] 1960[2]	1966[2]	1969[3]	1970[3]	Percent change, 1960-69
Total exports	1,778	2,200	2,908	+	+64
Total manufacturing	1,386	1,785	2,508	+	+81
Food products	163.	224	183	−	+14
Lumber and wood products	14	22	42	+	+200
Chemicals	79	95	146	+	+85
Petroleum and coal products	84	64	74	−	−12
Rubber and plastic products	9	24	25	+	+178
Primary metals	47	43	46	+	−2
Fabricated metals	34	72	77	+	+126
Nonelectrical machinery	101	227	293	+	+190
Electrical machinery	78	190	269	+	+249
Transportation equipment	513	476	836	+	+63
Instruments	[4] 27	52	66	+	+144
Other manufactured products[5]	237	296	451	+	+90
Farm products[6]	392	415	400	+	+2

[1] All exports excluding shipments to the U.S. Armed Forces and supplies for vessels and planes engaged in foreign trade. Agricultural commodities are generally estimated at world prices to more accurately reflect the State's stake in the Nation's export market. This tends to understate the value of agricultural exports to the State's economy.

[2] From the "Survey of the Origin of Exports of Manufactured Products 1966," Bureau of the Census, series MA-161(66)-1 (rev.) and from "U.S. Agricultural Export Shares by Region and State," USDA, ERS—foreign Nos. 174 and 241.

[3] 1969 estimates are based on annual projections of 1966 data by industry. Assumptions made in correlating the U.S. economy with the State economy reflect more trends than absolute changes in trade direction. While estimates are of course subject to revision this table will permit a reasonably accurate perspective of the current level and trends of exports from this State. For 1970 we have indicated expected growth (+) or decline (−) of exports.

[4] Assigned estimate, no absolute figure available.

[5] Includes ordnance, tobacco, textiles, apparel, furniture, paper, printing, leather, stone and clay, and miscellaneous manufacturing.

[6] Data reflect substantial downward adjustments of 1960 and 1966 figures estimated in 1966 as revised in 1968 by the Economic Research Service of USDA.

Therefore, in the interest of California, I must vote against the Trade Act of 1970 since it represents a radical departure from traditional U.S. trade policies.

I share the concern of Congress that in many areas foreign nations have set up illegal and unjustified nontariff trade barriers thus denying certain U.S. products access to their markets.

There is presently authority, under the Trade Expansion Act, to negotiate away many of these restrictions if exercised in a vigorous manner. The President must exercise his present authority to the fullest extent possible.

More effort must be made by the Treasury Department to detect and restrict imports dumped on the U.S. market in violation of the Anti-Dumping Act.

The U.S. Tariff Commission must double its investigatory efforts under the "escape clause" mechanism to grant relief to products injured by imports.

Programs must be formulated to provide needed assistance to those industries being adversely affected by imports, rather than endangering the jobs of the employees of other industries, particularly in States such as California, as the enactment of H.R. 18970 would do.

Mr. COHELAN. Mr. Chairman, I rise in opposition to H.R. 18970, the Trade Act of 1970.

I voted against the previous question and for the Gibbons amendment to assure that each Member would be given the opportunity to amend this bill. Unfortunately, a closed rule, which I voted against, was adopted and I cannot support this bill as a whole for some of the major provisions of this measure will result in higher costs for the consumer and, possibly, an extensive trade war.

I am not unsympathetic to the plight of industries that are subject to unfair import practices. For this reason I support full and active enforcement of the Anti-Dumping Act of 1921. However, I cannot subscribe to the imposition of quotas to assure a certain level of profit for favored industries. After a careful study of the figures, some facts stand out; after the "onslaught" of textile imports, U.S. industry increased textile product employees by 57,600 and apparel employees by 180,000. In addition, aftertax profits in textile mills increased from $329 million in 1960 to $621 million in 1969, and from $152 million in 1960 profits in finish products and apparel to $523 million in profits in 1969. Faced with this data, it is hard to justify industrywide textile import quotas as required in this bill. A more reasonable approach partially covered in this bill would be to stress adjustment assistance to help firms and workers in noncompetitive plants to move into more competitive businesses.

I am fearful that even the temporary imposition of quotas will lead to a wave of protectionism throughout the world. The cost to the average American consumer should be kept in perspective, and it is well to note that Andrew Brimmer, the noted economist and member of the Federal Reserve Board, has estimated that the cost of textiles and shoes could increase by $3.7 billion for American consumers.

There is another aspect to the consumer problem. In title I of this bill, the oil import quotas are given legislative authority. This means that the oil import quotas are frozen into mandatory legislative authority and removed from the discretionary authority of the President. It has been reliably reported that the oil import quotas now cost the American consumer between $5 and $7 billion annually. The enactment of such provisions would further remove the possibility of ending these unconscionable quotas.

Also there is another provision to this bill that is highly questionable; that is, the establishment of the Domestic International Sales Corporation (DISC) which has been justified as an incentive to increase U.S. exports. This argument should be subject to the most extreme skepticism since there is little information to suggest that an increase in promotional activity or small cuts in the price per unit will greatly upgrade U.S. exports. Indeed, based on information from the Joint Committee on Internal Revenue Taxation and the Treasury Department, for each increase of $1 of exports under DISC, we are asked to lose between 42 cents to 50 cents of revenue. At a time in our Nation's history when there are many urban problems in such areas as education, housing, environmental deterioration, and hunger, we can ill afford to speculate on the possibility that $630 million in tax revenues will be lost in an effort to increase U.S. exports.

It is for these reasons, Mr. Speaker, that I cannot support the Trade Act of 1970. I am hopeful that realistic voluntary trade quotas will be established and that our trade position will improve. I strongly feel that a retreat into quotas and tax incentives is the wrong approach to this problem.

I urge my colleagues in the House to also vote against this measure.

Mr. FLOOD. Mr. Chairman, as my colleagues well know, my State of Pennsylvania is the leading shoe manufacturing State in the Nation.

Last year, we shipped 25 percent by value of all the footwear produced in the United States and our 24,000 shoe manufacturing workers earned and spent $103.7 million in Pennsylvania last year. The footwear industry is vitally important to my State and my congressional district and yet I see it seriously threatened by low-wage imports. In my judgment the legislation we have before us today is literally the only thing that can save the footwear industry in this country.

The tragic history of the American shoe industry over the past 10 years is illustrated by the unbelievable record of imports since 1960. A few statistics, all too uncomfortably familiar to those in the industry, may be helpful.

In 1960, U.S. imports of leather and vinyl footwear were 26.6 million pairs. That represented 4 percent of our domestic footwear supply. Our production that year was 600 million pairs. The 1960's generally, was a decade of unparalleled growth for the U.S. economy.

So at the end of 1969 we take another look at the shoe industry, and what do we see? Imports hit 195 million pairs, 7½ times the 1960 figure. They accounted for over 25 percent of our domestic supply. Meanwhile our American industry produce only 581 million pairs in 1969, 19 million less than in 1960. And for the first 3 months of 1970 imports captured 32 percent of our market. Nearly one-third of all the shoes sold in America are made abroad.

Now there is not any doubt as to why this fantastic growth has occurred. Anybody who can compare the $2.79 average hourly wage, including fringes, which

shoe workers earn in the United States with the $1.07 they earn in Japan, or the 50 cents they earn in Spain can understand this readily.

I have examined a study prepared for the American Footwear Manufacturers Association in October 1968 by Dr. Alfred J. Kana, associate professor of statistics and management science at Seton Hall University. Dr. Kana's forecasts show a steady increase in imports to 468 million pairs by 1975 and a steady decline in domestic production to 519 million pairs in that same year, when imports will be an incredible 48 percent of our domestic market.

Unfortunately, Dr. Kana's study has already proven to be optimistic about the ability of the U.S. footwear industry to fight a delaying action. The study forecasts 1970 imports at 220 million pairs, a figure which will be far exceeded this year on the basis of first-quarter figures. The study also shows production declining to 600 million pairs by 1971, whereas we did not even make that pairage in 1969.

Last year, I joined with two-thirds of the House and two-thirds of the Senate in signing a petition asking the President to do something about this critical import problem. The only thing that happened was the industry got studied some more. I do not know what more you can learn about the industry after you know the facts which have been set before the Ways and Means Committee and before the public.

I introduced H.R. 17100 and testified before the Ways and Means Committee on June 2, 1970.

There are people who will tell you that the reason for the import surge is that U.S. producers lag behind foreign manufacturers in style. That is a lot of baloney. Now, most people agree today that style has become internationalized by jet transportation. Shoes shown in Paris or Florence today are in our footwear factories in Pennsylvania a day or so later, while footwear shown in New York can be produced in Europe next week. One of the biggest imported men's shoes today is the wing tip which has been a staple in the American market for many years. Another very popular import style is the hand-sewn moccasin, which is copied abroad and sent into this country at much lower prices, due to the tremendous amount of hand work. Now, where do you think the hand-sewn moccasin style came from?

During the midthirties, we ran our factories in this country on sandalized shoes that are now being imported in large numbers. The platform shoe, which originated in America in the late thirties, is a big rage today out of Italy and Spain.

It must be obvious that if there were no differential in price and the import advantage was style alone, American industry could copy any new fashion that looked promising and make an excellent profit. But the fact remains that these shoes cannot be produced here at anywhere near their cost abroad.

It is also said that the American footwear industry is operating at capacity as far as labor is concerned, that we cannot supply the footwear needed, and that retailers must go abroad to get merchandise. This just simply is not the situation. Even though the labor situation may be tight in some areas, that with shoe imports increasing between 30 and 40 percent a year domestic manufacturers are certainly not going to make capital expenditures in building new factories or modernizing their old ones, or spend money in employing and training additional people.

Many people outside of the industry state that the answer to the industry's problem is to increase exports of footwear from the United States. This has been tried time and time again. Even if prices were competitive, American manufacturers could not export to any important extent. Most shoe producing countries of the world have high tariffs or protect their domestic footwear industries through border taxes, exchange restrictions, or licensing. At the same time, these countries encourage footwear exports to the United States through export subsidies, credits on domestic taxes paid on footwear exports, and concessions on freight. No wonder foreign footwear manufacturers think our great market is inviting. U.S. tariffs on footwear prior to the Kennedy round reductions averaged about 12 percent on imported footwear. When the Kennedy round reductions are completed in 1972, they will average about 8 percent, and there are few, if any, hidden barriers.

Another question which is often asked: Why do manufacturers import footwear? Wholesalers without manufacturing facilities first recognized the great profit possibilities in the wide price differential existing between the American footwear and footwear produced in Italy, Spain, and Japan. Then a number of domestic manufacturers who could not compete closed their factories and became importers.

With increase in competition, pressure from importers and manufacturers' own customers it was esential for self-preservation for aggressive domestic shoe producers to add importing to their manufacturing activities. They had established channels of distribution and they knew the footwear market. They saw the great inroads being made by imports, the effect on domestic growth, and, most importantly, knew that for 10 years the industry had been seeking help from the Government without success. Under these circumstances, why should successful manufacturers allow others to build up a large import business?

A substantial part of the 195 million pairs imported in 1969 were brought in by domestic manufacturers. As imports continue to rise, more and more footwear manufacturers must follow the same practice, and more and more jobs will be exported. Small communities over the entire country will have less employment which will cause a migration of workers to the ghettos of the larger cities. This, in turn, will cause more relief and more problems of other kinds. There will be less taxes paid by the American footwear manufacturers and allied industries; the balance of payments will become worse. It is estimated that the importing of footwear contributed a deficit to the balance of trade payments in 1968 of $320 million and it will undoubtedly be close to $432 million in 1969.

Though I have dwelt at some length on the domestic shoe manufacturing aspects of this issue, I certainly strongly support the protection of other *domestic* industries in the apparel field including neckwear products.

I believe they should receive whatever protection is required to keep them viable and in a healthy economic condition.

We must not lose sight of the fact that this Nation is presently in the throes of an economic recession and we must bolster our economy with all the aids that are required. If we do not do it, who else will?

Mr. HANNA. Mr. Chairman, the November 1, 1970, issue of Forbes observes:

> The World's lasting fortunes and its great lasting business successes have almost always gone . . . to those who recognize and capitalize on vast sweeping changes in technology, sociology or economics. Such an opportunity today, unquestionably, is the emergence of the Pacific Basin as a major economic force in the world.

Trade flows among the United States, Japan, Canada, Australia, and New Zealand now total well over $50 billion. It has doubled in the last 5 years. Bankers and industrialists in my home State of California see Los Angeles, the largest west coast port, becoming a hub of finance in the West, like New York in the East. The ports of Seattle and Portland will be, as Boston, ancillary ports. San Francisco and San Diego will blossom with the Pacific trade, as Baltimore and Charleston have done on the Atlantic.

The potential for trade, travel, industry and all kinds of business is easily recognizable by all. The question remains whether the United States is prepared to aggressively take advantage of these opportunities or whether it will retreat in the face of competition from Japan and other emerging economic powers in the Pacific.

This is the principal question contained in the quota bill before this Congress. It raises a challenge for all commerce and industry in general, but a most critical and particular one for California and the West. We are the ones that stand to gain from a successful, aggressive participation in the boom of the Pacific. We of the West stand to lose the most by a negative and retreating posture in the face of challenges from imports abroad. Granted that Japan is a fierce and, to some extent, even a favored competitor, that is not to say that given some necessary adjusting to the toughness of the challenge the United States could not hold its own.

Instead of trade barriers we should move with tough negotiations, better financing for exports, market assistance, and a totally aggressive posture in the tradition of the Yankee traders of an earlier era. What we cannot afford is a

stance suggested in the bill before Congress on trade quotas.

Mr. VANIK. Mr. Chairman, the trade bill which we consider today should be defeated. The policies established in this conglomerate proposal will be very difficult to change after they have been "frozen" into the law. Every Member will be held to account for the total package.

How can we explain support for the oil-quota provisions which allocate the quota to a privileged few who enjoy windfall profits based on the differential between the domestic price and the import price of oil. A tariff based on this differential would bring into the Treasury an additional $1.5 billion each year with no increase in consumers' prices.

Today's action guarantees this windfall to a handful of oil producers for the indefinite future.

The oil quotas combined with the system of domestic production controls provides a completely controlled pricing of oil which creates increased consumer costs estimated between $5 billion to $7 billion each year.

If we are to fight inflation, we must begin with oil. Tax-free profits have given oil the financial power to invest heavily in coal and uranium. The energy resource monopoly exercised by oil today is a national scandal. Coal prices have doubled for almost everyone in the last 6 months.

Last week, two major oil companies announced a 25-cent-per-barrel hike in prices. Motorists will soon be assessed another cent per gallon on motor fuel. Every motorist will be compelled to pay more tribute to oil.

The oil-quota system is one of the most costly instruments of inflation. It deserves to be repealed rather than enshrined. For this provision alone, this trade bill should be defeated.

Mr. MILLS. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. FLYNT, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 18970) to amend the tariff and trade laws of the United States, and for other purposes, had come to no resolution thereon.

GENERAL LEAVE

Mr. MILLS. Mr. Speaker, I ask unanimous consent that all Members desiring to do so may extend their remarks on the bill H.R. 18970 in the body of the RECORD today.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

REQUEST FOR ADJOURNMENT TO 11 A.M. TOMORROW

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 11 o'clock tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

Mr. GROSS. Mr. Speaker, I object.

ECONOMIC AND MILITARY ASSISTANCE TO FREE NATIONS—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 91-419)

The SPEAKER laid before the House the following message from the President of the United States; which was read and referred to the Committee on Appropriations and ordered to be printed:

To the Congress of the United States:

In today's world, peace is synonymous with the strength of America and her friends.

Economic and military assistance to free nations willing to defend themselves is central to our new conception of American leadership for the 1970s and is crucial to America's hope of working with other nations to bring about the preconditions for peace in the world.

In my February 1970 Foreign Policy Message, I reported that it was our goal to reduce the level of our direct involvements abroad as the capability of friendly nations to provide for defense of our mutual interests increases. At that time I sought the cooperation of the Congress in this task. The provision of support for our friends is a key element in our national security policy. Such support is essential if our policy is to succeed. This is why I ask today for a supplemental appropriation of economic and military assistance funds.

The first six decades of the Twentieth Century taught us that a stable and tranquil world requires American participation in keeping the peace. For us to abdicate that responsibility would be to magnify the world's instability and turmoil for us as well as for our friends, and American strength remains one pillar of our foreign policy.

The United States is not going to withdraw from the world. But times are changing; for us to fulfill our responsibility now, we must link our efforts more closely with those of our friends to build the foundations of peace.

The decade of the 1960s taught us that it is neither necessary, nor even possible, for the United States to bear the principal burden for the defense or economic progress of all our allies and friends. They are now ready and willing to assume an increasing share of the burden for their own defense, and are developing the strength to do so—but they will continue to need our help as they move toward ultimate self-reliance.

The free world looks to this kind of American leadership in the 1970s. It is an American contribution which will encourage and enable other nations to do their part. It is a role for the United States in the world which will enlist the support of the American people, and which America can—and must—sustain.

It is in America's national interest to support the growing efforts of our friends. The overwhelming evidence of the last 25 years—from the Marshall Plan to Vietnamization—is that a systematic program that helps other nations harness their own resources for defense and development enables them to take on the primary burden of their own defense.

Helping countries that demonstrate the capability to help themselves enables us to reduce our direct overseas involvement; it eases our budgetary and balance of payments burdens; and it lessens the likelihood of the engagement of American forces.

We are already carrying out this policy. Since I took office, we have already lowered our military presence abroad:

—Already, 68 installations abroad have been closed, and 44 more have been reduced.

—By next spring, under present plans, the total number of American military personnel overseas will be at least 300,000 below the number that were abroad in January of 1969.

But our national security requires that we provide friendly nations the military and economic assistance they need to defend themselves.

The change that the Nixon Doctrine calls for—from bearing the primary responsibility ourselves to enabling our friends to shoulder it much more themselves—is not a simple one to carry out. We must make this change in a way that permits our friends to adjust materially and psychologically to the new form and content of American support.

If we were to shift too quickly, without offsetting with assistance what we are taking away in direct American involvement, we would risk undermining their self-confidence. If we were to change too slowly, bearing too much of the burden ourselves too long, we would risk eroding their incentives for self-reliance.

In either case, we would fail to provide our friends with the means and confidence to help themselves, and we might ultimately face the dilemma of either letting them down or asserting a direct presence ourselves.

In the Middle East, we see how crucial it is to preserve the military balance so that those who are already willing and able to defend themselves can continue to do so. The interest of all nations would be best served by limiting the shipment of arms to that explosive region, but until this objective can be achieved, we must help prevent a shift in the military balance that would undermine the chances for peace.

In the Middle East and elsewhere, we must strike a careful balance. While we must understand the limitations of our assistance, we must never underestimate its critical value in achieving and preserving such balance.

The supplemental program which I submit today will help achieve this balance, by responding to critical needs that have arisen since my original request for 1971 foreign assistance funds.

1. MIDDLE EAST

Nowhere is our support more necessary or more closely linked with our efforts to achieve peaceful solutions than in the Middle East. Peace will come to the Middle East when all parties feel secure from the threat of military dominance and recognize that the only permanent way to resolve deepseated differences is by negotiation and never by war.

We must now act to preserve the delicate military balance in this area, which will encourage those negotiations leading to peace.

A. ISRAEL

Israel has demonstrated a strong will to survive in freedom. We had hoped that recent agreements and arrangements in the Middle East would lead toward peace and make it unnecessary to provide large amounts of military assistance to any of the belligerents in the area. This hope has not yet been realized.

Continued large scale shipments of military equipment by the Soviet Union are a fact that cannot be denied. The buildup of the surface-to-air missile complex in the cease-fire zone west of the Suez Canal, in disregard of the cease-fire-standstill agreement, requires us to redress the imbalance it has caused.

As authorized by the Defense Procurement Act, *I request that the Congress appropriate $500 million to provide Israel with the credits that will assist her in the financing of purchases of equipment that have been necessary to maintain her defense capability, and to ease the economic strain caused by her expanded military requirements.*

B. JORDAN

A stable and viable Jordan is essential if that nation is to make a positive contribution toward working out an enduring peace settlement which would serve the interests of all nations in the Middle East. The Jordanian government has recently demonstrated its determination and capacity to resist aggression by forces which oppose a peace settlement and threaten to weaken the stability of that country. But Jordan, which has previously paid for its military equipment, cannot afford to meet this new defense burden, and has asked us for assistance. *I request that the Congress provide $30 million toward meeting Jordan's request.*

C. LEBANON

Lebanon, which has also been threatened, has taken a moderate stance and a positive approach in the search for peace. To assist Lebanon to maintain a stable domestic base for responsible engagement in the search for peace, *I request the Congress to appropriate $5 million toward meeting Lebanon's request.*

2. EAST ASIA

In July 1969, on my trip through Asia, I reaffirmed our determination to provide security support, while calling upon countries which receive our assistance to assume the primary responsibility for their own defense. Equally important, I emphasized the need to provide the help essential for such nations to assume this responsibility quickly. While reducing the direct participation of our forces we must help these other countries develop the capability to carry out the increased responsibilities they are assuming.

In Asia, this approach has provided the basis for a major reduction in our military presence as well as major long term budgetary and balance of payments savings. Authorized troop levels have been reduced by:

—165,000 in Vietnam; further reductions of 100,000 will be accomplished by next spring;

—20,000 in Korea;

—6,000 in Thailand; further reductions of 9,800 are in process;

—6,000 in the Philippines.

Let us look at the countries in Asia where our help is required as nations move toward greater self-reliance.

A. VIETNAM

United States troop withdrawals in Vietnam mean a reduction in the amount of dollars spent by the Department of Defense, and by our soldiers in Vietnam; and these dollars have been an essential factor in that country's economic stability.

Anticipating that Vietnam would require additional funds this year, my budget message suggested that an extra $100 million might be required. *I am now requesting an amount smaller than that—$65 million—but I regard this smaller sum as most important in insuring the success of our Vietnamization program.* It is important because:

—The Vietnamese, with United States encouragement, have recently begun a significant set of economic reforms which can be effective only if the stability of the Vietnamese economy is maintained.

—The Vietnamese economy will bear an increasing burden of defense as United States troops are removed. That burden could create economic disruption to the point that it would jeopardize that nation's stability, thereby threatening the progress of Vietnamization and future troop withdrawals.

B. CAMBODIA

The operations in the Cambodian border sanctuaries in May and June helped assure the continued success of Vietnamization and of our troop withdrawal programs. As we knew at the time would be the case, the operations seriously impaired the enemy's ability to operate in South Vietnam, and contributed to the progress which has reduced our casualties there to the lowest level since 1965. Continuing operations by South Vietnamese and Cambodian forces in the border areas will make possible continued progress.

Cambodia itself has mobilized its own manpower and resources in defense of its independence and neutrality. The Cambodian armed forces have grown from some 40,000 before North Vietnam's invasion in April to more than 150,000 today. It is essential that we supplement Cambodia's own efforts by providing resources which are critically needed to enable it to continue to defend itself. Its ability to do so is a vital element in the continued success of Vietnamization.

Cambodia's needs have been urgent, and as Congress has been informed, I have directed that funds be transferred from other already severely limited programs to meet these critical needs. *I am requesting $100 million to restore funds to such vital programs as those for Taiwan, Greece and Turkey.*

The need for these programs—to support our NATO allies and to assure stability in the Mediterranean and in East Asia—are no less urgent today than when I originally requested the funds to implement them; it was only because of the extraordinary urgency of Cambodia's needs that I directed this temporary transfer.

To meet Cambodia's urgent needs for the remainder of this fiscal year, *I request that the Congress provide $155 million in new funds to be directly allocated to the Cambodian program ($70 million for economic support; and $85 million for military assistance).* Seventy percent of the military assistance will be for ammunition.

C. KOREA

I have announced our intentions to reduce by 20,000 the authorized level of United States forces in the Republic of Korea. This has placed a greater defense burden on the Koreans.

Our present assistance to Korea is mostly in the form of operation and maintenance items for their military forces. These items do not help to modernize the Korean force structure as we must do if we are to help Korea improve its own defense capability. *I therefore request authority to transfer to Korea equipment currently being utilized by United States forces scheduled to be withdrawn.*

Additional assistance is required this year as part of Korea's major five-year program to modernize its defense forces and to enable it to effectively meet outside threats as we reduce the level of direct U.S. involvement. These funds are needed now to insure that the needed equipment will be delivered in good time. *I request that the Congress provide $150 million in support of this modernization of South Korea's defense.*

3. OTHER PROGRAMS

There are two additional needs for the military assistance program that have arisen since the Congress considered my request earlier in the year.

First, I directed that the Indonesian program be increased by $13 million from the previous level of $5 million for fiscal year 1971. Indonesia—with its population of over 110 million—occupies a key position for the future peace of Southeast Asia, and has shown a strong determination to resist threats to its security and stability. It is in our interest to support such encouraging developments in a nation which can play a key role in the stability of its entire region.

Second, anticipated recoveries of funds from past years' programs in various parts of the world are not materializing; a shortage of $17 million in these resources is now expected. These funds are needed to continue our assistance

programs at necessary levels, and have been recognized as such by the Congress. Any shortfalls in these recoveries therefore would require reductions in already severely limited programs, and must be offset.

I request that this $30 million be restored to the military assistance program.

* * * * *

The funds requested represent a considerable sum. But the growing strength of our friends and their willingness to accept a greater responsibility for their own defense will mean increased effectiveness of our own efforts, and a lessened possibility that our men will have to risk their lives in future conflicts.

At this time, in light of certain extraordinary needs and in order to continue the success of the approach outlined in the Nixon Doctrine, we must provide additional resources to those of our friends whose security is threatened. The expenditures are essential to the support of our national security goals and our foreign policy interests, as we reduce our direct involvement abroad.

We must signal clearly to the world, to those who threaten freedom as well as those who uphold freedom, that where our interests are involved the United States will help those who demonstrate their determination to defend themselves. Our foreign policy cannot succeed without clear evidence that we will provide such help.

I believe the American people deeply understand the need for secure friends and allies to provide the foundation for a stable peace.

I believe the American people are prepared to accept the costs of assistance to these nations, to reduce the political and economic costs of maintaining a direct United States presence overseas—and thereby to avoid a possible cost of American lives.

RICHARD NIXON.

THE WHITE HOUSE, *November 18, 1970.*

ROGERS CALLS FOR RUSSIAN-AMERICAN AGREEMENTS OVER CUBA TO BE MADE PUBLIC

(Mr. ROGERS of Florida asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROGERS of Florida. Mr. Speaker, in light of events over the past 4 months in Cuba, I feel it is time that agreements or commitments between the United States and Russia concerning Cuba be made public.

I have for some time now been concerned over the activity of Russian ships in the Caribbean, especially concerned with the possible establishment of a submarine base in Cuba.

Apparently the administration also became concerned when Russian ships, including a submarine, a subtender, and ocean-going tugs docked in the port city of Cienfuegos and construction of personnel facilities was reported. That was in September.

But then the administration, after issuing statements which warned Russia of building a base for missile-firing submarines, said that the movement of the subtender and tugs out of Cienfuegos indicated things were all right again. Facts developed that the subtender and tug simply moved from the south coast of Cuba to the north coast of Cuba to the city of Mariel. This did not stay my concern.

All that is needed for a submarine base is the tenders and the tugs and barracks for supporting personnel. But on November 1, a statement was released that the ships had left Mariel and that they were no longer in Cuban waters.

This proved to be misleading again, for the ships simply circled the island and again pulled into Cienfuegos. Two days ago a Defense Department spokesman offered a "no comment" when asked about construction at Cienfuegos.

Mr. Speaker, it is time that the Congress and the American people are informed as to the agreements which are in force between the United States and Russia concerning the military use of Cuba.

In September the administration expressed alarm over the construction at Cienfuegos, leading one to believe that this was in violation of the so-called 1962 agreement. Then there was silence.

Today we read of a verbal agreement or commitment made between Russia and the United States this year.

The Congress and the people of the United States have a right to know what agreements or commitments we do have with Russia concerning Cuba.

The neglect which had been shown to Cuban affairs and for that matter to the entire of South America is not, I feel, in the best interest of the United States. We should be vitally interested in what is happening just to the south of us, yet we have for the most part not given proper priority to the southern portion of our own hemisphere.

I am today calling on the President to make public any and all agreements which concern Cuba. They have remained secret for too long. And at the same time, I would suggest that the President and his advisers give more serious attention to consideration of the military, economic and political state of our hemisphere.

TRADE ACT OF 1970

(Mr. BURKE of Massachusetts asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. BURKE of Massachusetts. Mr. Speaker, may I take this opportunity to call attention of the Members of Congress a letter I have sent to all my colleagues in the House from New England? This letter clearly outlines the problems of industries in my area of the country. I might also point out at this time that the issue that confronts our Nation at this time is the ever growing problem of unemployment. In my home State of Massachusetts the unemployment figures have risen to over 160,000. At the present rate of plant closings and cut down of employee roles this figure could reach 200,000 by the end of 1971 and if no relief is given to these troubled industries by the passing of the trade bill of 1970 then unemployment in my home State could very well reach the staggering figure of a quarter of a million.

Those who are taking the reckless step to oppose this legislation will be held accountable by the electorate in 1972. The issue is clearly drawn—unemployment and its causes will be the No. 1 priority—jobs-jobs-jobs.

The letter referred to is as follows:

DEAR COLLEAGUE: On Wednesday, November 18, the House will debate and vote on the rule for the consideration of H.R. 18970, the "Trade Act of 1970," one of the most important bills which the 91st Congress will consider. If the previous question is agreed to, and the rule is adopted, the House will then begin consideration of the trade bill.

I strongly urge all of you to support the closed rule as reported by the Rules Committee for the consideration of this bill and to vote for the bill itself. *Passage of this legislation is of vital interest to all of New England.* I do not know of any legislative enactment in recent years which is so important to our section of the country. For the first time the many industries which are threatened by runaway import competition are given a ray of hope for the future. The bill contains procedures making it possible for those industries which can make a good case to show they are suffering serious injury or are threatened with serious injury to receive some relief.

Based upon information submitted to us during the lengthy public hearings conducted by the Committee on Ways and Means on this legislation, it is clear that at least the following industries in New England have an important stake in the passage of this legislation: textiles and apparel, with 177,000 jobs spread throughout New England; shoe plants, with 70,000 jobs located throughout New England; rubber footwear; leather goods; brass mill products; stainless steel flatware; flex yarns and thread; fishnets; card clothing; pulp and paper machinery; machine tools; scissors and shears; handbag frames and purse frames; fine and specialty wire; stainless steel sinks; Christmas decorations; electronics; mink for skins; clothespins and veneer products; miniature precision bearings; anti-friction bearings; sprocket chains; builders hardware; wood screws and related fasteners; bicycles and cycle parts; slide fasteners; safety pins and straight pins; fishery products; marble; granite; confectionery products; and green olives.

Much has appeared in the press about the possible effect on New England of the modification contained in the bill on the national security amendment. While I opposed the amendment, it should be made clear that *this in no way affects the President's authority to eliminate the oil quotas which we oppose.* He has that authority today and will have it after this bill becomes law and can exercise it if he so chooses.

On the other hand, for House Members to use the oil quota amendment as an excuse for voting against the bill will in effect amount to a vote against providing reasonable avenues of relief from unreasonable import competition for the types of New England industries which I have mentioned above. In my opinion, this is not a justifiable position because I believe our obligation in the House is to provide relief for the above New England industries rather than risk the writing of another Smoot-Hawley bill on the House Floor which could very well happen.

It is my feeling that the Senate with its flexible rules should be the body where the attempt should be made to strike out the so called oil amendment. If the oil amendment is deleted from the bill in the Senate

then the entire New England Congressional delegation in the House can then call upon the House Conferees for favorable action. I realize that we in New England are faced with a difficult decision. However, courage and common sense are very much needed at this time of high unemployment. If New England is going to survive economically, if we are to prevent the further closing of textile, footwear and tannery plants, if we are to stop further layoffs in the electronic industries and all the other thousands of job losses, we must act wisely.

Considering the whole bill, which includes all of the provisions which the President asked for, one could quite justifiably say that it is an expansionist trade bill. At the same time, it includes reasonable provisions for relief for American industries seriously injured or threatened with serious injury from import competition.

I have attached an analysis of the oral and written testimony presented in the hearings of the Committee on Ways and Means by domestic producers located in New England. As you review this list, note the location of these industries and consider how important they are to the individual communities.

I strongly urge that you vote to support the closed rule, including a vote for the previous question on the rule, and that you vote for the bill.

Sincerely,

JAMES A. BURKE,
Member of Congress.

[From *Hearing on Tariff and Trade Proposals* Before the Committee on Ways and Means, May and June 1970]

DOMESTIC PRODUCING INTERESTS LOCATED IN NEW ENGLAND WHICH HAVE EXPRESSED CONCERN WITH INCREASING COMPETITION FROM IMPORTS

PRODUCT; INDUSTRY, COMPANY, AND LOCATION; COMMENT AND HEARING PAGE REFERENCE

Textiles and Apparel: Textile and apparel plants spread throughout New England: Approx. 177,000 jobs—Supported H.R. 16920. See pages 1240–42 for statement by Northern Textile Association.

Card Clothing: Card clothing manufacturers in Mass. and Conn.—Favors import quotas on textiles, p. 1589.

Fish Nets: Fish netting manufacturers: East Haddam, Conn.; Hope, R.I., East Hampton, Conn.—Favors liberalized escape clause and H.R. 16920, p. 1599.

Flax yarns and thread: Ludlow Corp., Needham Heights, Mass.—Favors import quota or increased duties, p. 1611.

Stainless Steel flatware: Gorham Corp., Providence, R.I.; International Silver Co., Meriden, Conn.; Hobson & Botts Co., Danbury, Conn.; Reed and Barton Corp., Taunton, Mass.; and Majestic Silver Co., New Haven, Conn.—Favors resolution calling for negotiation of increased tariff, p. 1808.

Brass mill products: Copper and Brass Fabricators Council Brass mills located in Conn., Mass., R.I.; *Connecticut:* Ansonia, Bridgeport, Bristol, Meriden, Newtown, New Haven, New Milford, Norwalk, Seymour, Stratford, Thomaston, Waterbury; *Massachusetts:* Attleboro, New Bedford, South Hadley Falls, Taunton; and *Rhode Island:* Cranston, East Providence, Lincoln—Favors liberalized escape clause, p. 1830.

Stainless steel sink: Stainless Steel Sink Corp., New Bedford, Mass.—Favors increased tariff on fabricated stainless products, p. 1914.

Fine and specialty wire. Fine and Specialty Wire Manufacturers Association located in Conn. and Mass.—Favors import quotas, p. 1954.

Footwear: Shoe plants located throughout New England: Approx. 70,000 jobs—Supports H.R. 16920, p. 1984.

Rubber footwear: Cambridge Rubber Co., Cambridge, Mass., Converse Rubber Co., Malden, Mass., Goodyear Rubber Co., Boston, Mass.—Continuation of existing levels of tariffs, if ASP is to be eliminated, p. 2103.

Leather goods: Plants in Mass., New Hampshire, and Rhode Island—Favor import quotas, p. 2147.

Pulp and paper machinery: Pulp and Paper Machinery Association Plant in New England—Favors liberalized escape clause, p. 2486.

Machine tools: Machine Tool Builders Association, specifically Brown and Sharp, Kingstown, Rhode Island—Favors liberalized escape clause, p. 2493.

Scissors and shears: Acme Shear Co., Bridgeport, Conn.; John Ahlbin & Sons, Bridgeport, Conn.; W. H. Compton Shear Co., New Bedford, Mass.; A. Lincoln Co., Bridgeport, Conn.; and Miller Forge Manufacturing Corp., Keen, New Hampshire—Favors import quota, opposes further tariff reductions, p. 2758.

Handbag frames and purse frames: Empire State Novelty Corp., Connecticut—Requested tax relief.

Christmas decorations: Manufacturers of Christmas decorations: Bradford Novelty, Boston, Mass.; Mystic Novelty, Wakefield, Mass.; Paper Novelty, Stamford, Conn.; and Mr. Christmas, Providence, R.I.—Favor reduction of imports, p. 2782.

Electronics: Electronics Industry, Association and various divisions. Plants located throughout New England.—Position varies, but all expressed concern with rising imports, particularly with dumping practices, p. 2787.

Unions in the Electronics Industry.—Favors repeal of TSUS items 807.00 and 806.30 on U.S. products assembled abroad.

Mink fur skins: National Board of Fur Farm Organizations; Mink farmers located in Conn. and Mass., in particular.—Favors tariff quota, p. 3051.

Associations of Fur Farm Suppliers: In Boston, Mass., New Bedford, Mass., Glouster, Mass., and Stoughton, Mass., Andover, Conn.—Supports import control, p. 3180.

Clothespins and veneer products: Wooden clothespins and other woodenware products plants in *Maine* and *Vermont*.—Favors liberalized escape clause, p. 3332.

Miniature precision bearings: Miniature precision Bearing Co., Keene, New Hampshire; New Hampshire Ball Bearings, Inc., Peterborough, New Hampshire.—Favors tightening of national security provisions of Trade Expansion Act, p. 3345.

Anti-friction bearings: Anti-Friction Bearing Manufacturers Association; Abbott Ball Co., West Hartford, Conn.; The Barden Co., Danbury, Conn.; The Fafnir Bearing Co., New Britain, Conn.; Hartford-Universal Co., Rocky Hill, Conn.; MPB Corp, Keene, New Hampshire; New Hampshire Ball Bearings, Inc., Peterborough, New Hampshire; Norma FAG Bearings Corp., Stamford, Conn.; Pioneer Steel Ball Co., Inc., Unionville, Conn.; Superior Steel Ball Co., New Britain, Conn.; The Torrington Co., Torrington, Conn.; and Winsted Precision Ball Corp., Winsted, Conn.—Favors import quota, p. 3740.

Sprocket Chain: American Sprocket Chain Manufacturers, Association and Acme Chain Division, North American Rockwell, Holyoke, Mass.—Favors liberalized escape clause and omnibus quota legislation, p. 3756.

Builders Hardware: Builders Hardware Manufacturers Assn.—Favors liberalized escape clause, p. 3811.

Wood screws and related fasteners: United States Wood Screw Service Bureau, Various plants in Conn., Mass., Rhode Island and New Hampshire—Supports import quotas, p. 3822.

Bicycles and cycle parts: Bicycle Manufacturers Association; Columbia Manufacturing Co., Westfield, Mass.; Androck, Inc., Worcester, Mass.; Hartford Precision Products, Rocky Hill, Conn.; Kilian Steel Ball Corp., Hartford, Conn.; The Mattatuck Mfg. Co., Waterbury, Conn.; Mesinger Mfg. Co., Inc., Bethel, Conn.; Persons-Majestic Mfg. Co., Worcester, Mass.—Favor import quotas, pp. 3850, 3860.

Slide Fasteners: Slide Fasteners Association; Pilling Chain Co., West Barrington, Rhode Island; Prentice Corp., Kensington, Conn.; and Scouill Manufacturing Co., Waterburg, Conn.—Favors liberalized escape clause, p. 3871.

Safety pins and straight pins: Pin, Clip and Fastener Association; Scovill Mfg. Co., Oakville, Conn., Star Pin Company, Shelton, Conn., The Risdon Mfg. Co., Nagatuck, Conn., The Risdon Mfg. Co., Waterbury, Conn., Union Pin Co., Winsted, Conn., William Prym Inc., Dayville, Conn.—Favors liberalization of escape clause, page 3878.

Fishery products: *Maine* Sardine Packers Association.—Favors import quotas and liberalized escape clause, p. 3892. Groundfish, Massachusetts and other states.—Favors import quota.

Marble: Marble Institute of America and Laborers International Union of North America; *Vermont* and *Massachusetts*.—Favor import quotas on manufactured marble, p. 4121.

Granite: National Building Granite Quarries Association, Inc., Concord, New Hampshire. Also quarries located in *Maine* and *Vermont*.—Request help with import problem, p. 4152.

Confectionery: National Confectioners Association.—Favors import quotas, p. 4232.

Green Olives: Green Olive Trade Association Plant in Boston, Massachusetts.—Favors higher tariff on green olives in consumer packages.

[From the Patriot Ledger, Nov. 13, 1970]

NIXON CONSIDERS DROPPING QUOTAS FOR OIL IMPORTS

WASHINGTON.—The Nixon administration is considering temporary abandonment of oil import quotas and the freeing of oil production on federal off-shore leases from state control.

RADICAL CHANGE

Administration sources today said the moves are being considered in the wake of recent crude oil price increases. If these steps are taken, they would represent a radical change in Washington's present oil policies.

The Office of Emergency Preparedness (OEP) yesterday announced that it plans to investigate the reasons for and consequences of the price increases.

George A. Lincoln, director of the OEP, said the agency will undertake the investigation with the help of the Justice and Interior departments and other branches of government, as required by the basic oil Import Proclamation of 1959.

Any OEP recommendation to the President would concern the national security effect of the increases, Mr. Lincoln observed.

HOME HEATING OIL

Administration officials said while there are no import quotas on crude oil, their investigation may prove that dropping the import quotas on number two home heating fuel may stimulate the market and help bring oil prices down.

Concerning the freeing of oil production on federal off-shore leases from state controls, the administration sources said this would allow oil producers to increase their output above the state regulated limits, thus increasing the supply and decreasing the price.

The OEP investigation will begin next week when the agency will ask all interested parties to submit their comments on the reasons for and solutions to the present oil shortage.

The agency expects the New England Congressional delegation to submit comments again urging the end of the oil import quotas.

Thomas Eastley, executive secretary to the New England Council, said a temporary abandonment of the quotas "will not solve the problem we've been facing for ten years." He said a series of stopgap measures have been taken "after every fuel crisis," and that a "sensible new national oil policy" is *needed for long*-range fuel needs.

PERSONAL EXPLANATION

(Mr. ADAMS asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. ADAMS. Mr. Speaker, because of official committee business, I returned to Washington only late yesterday and was thus unable to vote on the Comprehensive Manpower Act which passed the House Tuesday. Had I been here, I would have voted for the bill and against the motion to recommit.

Mr. Speaker, in addition, had I been here on Monday I would have voted for the bill authorizing additional appropriations for the Civil Rights Commission, and the bills authorizing the Family Planning Services and Population Research Act, and the benefits bill for families of servicemen missing in action, captured, or interned.

Resolution 1355 concerning the war powers of the Congress and the President seems to do nothing to restate the constitutional powers of the Congress and the President with a reporting requirement added. I do not believe it will solve the problem of the Presidential use or war powers but it seems to do no harm so I would have voted aye on the resolution.

TAKE PRIDE IN AMERICA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. MILLER) is recognized for 5 minutes.

Mr. MILLER of Ohio. Mr. Speaker, some noteworthy remarks in the November issue of the Buckeye Farm News are pertinent and worth repeating in an effort to accentuate the positive side of America. The editorial comment states that if the world population were condensed into an imaginary town of 1,000 persons, some interesting observations could be made on how we Americans, by comparison, measure up to the rest of the world.

Sixty persons out of the 1,000 would represent the total U.S. population, with the rest of the world represented by 940.

The 60 Americans would be receiving half of the total income of the entire community; the 940 other persons would share the remaining half. Of the 60 Americans, the lowest income groups would be better off than the average in much of the rest of the town.

The 60 Americans would possess nearly 16 times as much goods, per person, as all the rest of the people. On an average they would produce 16 percent of the town's total food supply.

Few will dispute the fact that we have problems. But then again, we have the resources, the determination and the ability to alleviate them.

THE CONTINUING CALLOUSNESS OF PRISON OFFICIALS

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, the brutality of our penal system goes on and today's headlines are reminiscent of those of yesterday and of so many prior years. Little has changed. In today's New York Times there is a report on the findings of the New York City Corrections Board on the suicide of a man who was being detained in the Tombs. The board stated that the young man—found hanging in his cell last month—was a victim of an "inhuman" system of criminal justice and detention procedures that had deranged him and permitted his suicide. This superb report, prepared under the chairmanship of William J. vanden Heuval, should be read by everyone interested in the conditions prevailing in the Tombs.

I have had extensive correspondence with the corrections department of both the city and State of New York on their policies, particularly as they apply to prisoner correspondence and visitation privileges. I have brought my correspondence on this subject to the attention of this House because it reflects the callousness of the prison officials toward their prisoners. In the instance of one prisoner, Nathan Wright, who has been denied both correspondence and visitation privileges with his common law wife of 4 years, my correspondence goes back to May 30, 1970, and the situation has yet to be corrected. And recently, I was advised that yet another prisoner, Theodore Webb, who is also incarcerated in the same New York State Napanoch correction facility, has been denied correspondence and visitation privileges with his common law wife and child.

Mr. Speaker it is evident that it is time for this Congress to consider the legislation that has been introduced by our distinguished colleague (Mr. MIKVA), H.R. 16794, of which I am proud to be a cosponsor, to establish minimum standards for correctional institutions and to provide Federal funds to assist State and local prisons in meeting these standards. It is my hope that this legislation will be considered early next year by the Judiciary Committee.

I would like to set forth for printing in the RECORD the correspondence I have had with the corrections department since my last report to this House on September 29, 1970, as well as excerpts from the board of correction's report to the mayor of the city of New York.

STATE OF NEW YORK,
DEPARTMENT OF CORRECTIONS,
Albany, N.Y., October 1, 1970.

Hon. EDWARD I. KOCH,
House of Representatives,
Longworth Office Building,
Washington, D.C.

DEAR CONGRESSMAN KOCH: Receipt is acknowledged of your letter of September 28, 1970, addressed to Mr. Manuel T. Murica, Counsel to this Department, advising that you have received word from Commissioner McGrath that he has authorized this Department to permit common-law wives to visit City prisoners held in State facilities.

I am attaching copy of my letter of September 29, 1970, addressed to Commissioner McGrath which, I believe, is fully self-explanatory.

Yours very truly,

JOHN R. CAIN,
Acting Commissioner.

SEPTEMBER 29, 1970.

Hon. GEORGE F. MCGRATH,
Commissioner, Department of Correction,
New York, N.Y.

DEAR COMMISSIONER MCGRATH: Receipt is acknowledged of your letter of September 21, addressed to Mr. Manuel T. Murcia, Counsel to this Department. It has been our understanding when you transfer your inmates to one of the State facilities, such as Clinton or Eastern, that you should furnish those institutions with a considerable amount of information, including the visiting and correspondence lists approved by your people for the inmate concerned.

Failing to receive such information from you, we must apply our regulations which are certainly very, very liberal, but which do not mention "common-law" as there is no such status in New York State. Generally speaking, an inmate may correspond with one girl friend and receive visits from her, provided that neither the inmate nor the girl friend involved is otherwise legally married.

Even in those cases exceptions can be made wherein the whereabouts of the girl friend's former husband has been unknown for a period of years, or wherein the whereabouts of the inmate's legal wife has been unknown for a number of years, and wherein it appears that granting this permission would not be detrimental to the sanctity of marriage, and would not be encouraging promiscuity.

Yours very truly,

JOHN R. CAIN,
Acting Commissioner.

Mr. EDWARD I. KOCH,
U.S. House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN KOCH: Please be advised that I am in receipt of letters from you dated September 28, 1970 and October 3, 1970. Upon receiving your letter dated September 28, I was left quite puzzled, because of the fact, that affixed to it, was the following notification by this institutions administration:

"This has been the policy, as long as there is not a legal wife.

"If there is a legal wife, common-law wives are still not allowed."

Then when I received the Congressional Record House Résumé from you on October 7, 1970 I was even further bewildered, when I read certain of the letters that you had sent to various different State and Correctional officials, which you had been in contact with during the recent months, concerning the issue of my still being legally married although separated from my wife for five years, as being the reason why I cannot now write to my present common-law-wife, with whom I have lived with for the same amount of time. Please allow me to refer you to your correspondence to Commissioner McGinnis on the date of August 25, 1970.

You stated to him, that you had been told by Commissioner George F. McGrath that in New York City Correctional facilities, "Inmates are permitted to write to and receive mail from anyone." Did your letter to me dated September 28, 1970, in effect, mean that we city prisoners located here at Napanoch, N.Y., are entitled to the same writing and visiting privileges that we had formerly enjoyed at Rikers Island; and this being the case that we are able to now write to our common-law wives regardless of whether or not if we are still considered legally married,

in view of the extenuating circumstances aforementioned? If this is so, would you kindly write and notify me and this institution's administration of the change made in its correspondence practices.

Thanking you, for all that you have done thus far, I remain,

Sincerely,

NATHAN WRIGHT No. 309.

OCTOBER 9, 1970.

JOHN R. CAIN,
Acting Commissioner, Department of Correction, Albany, N.Y.

DEAR MR. CAIN: I have your letter of October 1 with the copy of your letter of September 29 sent to Commissioner George McGrath.

Your letter of September 29 does not reflect the substance of the statement which you made to me in your letter of September 9. You will recall that at that time you stated ". . . we advised Commissioner George F. McGrath that if he will authorize such females to be placed on the City Inmates' Visiting List, we will honor his designation." The commitment which you made then is considerably reduced by your letter of September 29 where instead of carrying out Commissioner George McGrath's authorization you hedge his authorization with restrictions that evidently do not apply to New York City prisoners held in New York City detention facilities.

Once again I am calling upon you to provide to all prisoners in your custody and sent to you by the New York City Department of Corrections the visitation privileges authorized by Commissioner George F. McGrath. I also believe that you should extend the same visitation privilege to all state prisoners as well.

I would like to close my file on this particular matter and cannot do so until I receive your verification that this has been done. I therefore would appreciate your prompt response.

Sincerely,

EDWARD I. KOCH.

STATE OF NEW YORK,
DEPARTMENT OF CORRECTION,
Albany, N.Y., October 14, 1970.

Hon. EDWARD I. KOCH,
House of Representatives,
Longworth Office Building,
Washington, D.C.

DEAR CONGRESSMAN KOCH: Receipt is acknowledged of your letter of October 9, 1970. I find that my letter of September 29, 1970, addressed to Commissioner George F. McGrath of the New York City Department of Correction, a copy of which was sent to you under date of October 1, is fully self-explanatory, and reflects positively the policy of this Department.

Your contention that this does not reflect the substance of the statement which was made to you in our letter of September 9 is merely one of interpretation, and you must note that this letter was signed by the counsel of this Department. The Counsel does not make policy.

I note the third paragraph of your letter where you are calling upon us to provide to all prisoners in our custody sent to us by New York City the visitation privileges authorized by Commissioner George F. McGrath. Again I must reiterate that our policy is outlined in my letter of September 29, addressed to Commissioner McGrath.

I note also your statement that you believe that we should extend the same visitation privileges to our State prisoners as well. While we appreciate your recommendations, we reserve the right to make the policy on these matters for the State Department of Correction.

Yours very truly,

JOHN R. CAIN,
Deputy Commissioner.

HOUSE OF REPRESENTATIVES,
Washington, D.C., October 19, 1970.

Mr. JOHN R. CAIN,
Deputy Commissioner, State Department of Correction, Albany, N.Y.

DEAR MR. CAIN: I have your letter of October 14th—and it would seem that you are determined to put up every obstacle possible so as to prevent prisoners from seeing their common-law wives.

Your counsel, Mr. Murcia said in his letter of September 9th to me that "we advised Commissioner George F. McGrath that if he will authorize such females (common-law wives) to be placed on the City Inmates' Visiting list, we will honor his designation." It seems to me that he was clearly talking about the category of "common-law wives," but now you say that you have to receive a separate authorization for each individual City prisoner, knowing full well that this means a burdensome—and therefore probably often forgotten—amount of paperwork on the part of the City. In your letter of October 14th you also seem to find it necessary to make an excuse for Mr. Murcia and his statement of September 9th—you note that he is the Counsel of the Department and that the Counsel does not make policy. This may be true, but I would submit that he probably is in the best position to know what rights a City prisoner has, and legally how authorizations can be made by the City. The simple problem is, Mr. Cain, that you do not want to honor Commissioner McGrath's authorization and so you are finding an excuse not to.

It seems to me that it is really ridiculous that your Department should put up such a struggle to block these correspondence and visitation privileges which surely can mean so little to the institution, and the purpose of the institution—"to correct" (I assume I am right in choosing the verb in that in one of your previous letters you took such care to note that you no longer use the words "prison" and "reformatory" in referring to your institutions and instead call them "correctional facilities."). But, these privileges can mean so much in terms of the morale and disposition of the prisoner in the institution and then his ability to rejoin society when he is released. Naturally we assume that it is best for a man to have a family to go back to—but we have to recognize that this is often not the case, and it seems to me that a common-law wife situation provides a more affirmative milieu than none at all. This is to put the argument in terms of what is good for the prisoner and for society—but beyond this, I would suggest that whether a man has a legal or common-law wife is really not the concern of the State Corrections Department.

I would urge that you reconsider your position, particularly with regard to the City's prisoners, but also with respect to the state's prisoners.

Sincerely,

EDWARD I. KOCH.

HOUSE OF REPRESENTATIVES,
Washington, D.C., October 19, 1970.

Hon. LOUIS J. LEFKOWITZ,
Attorney General, Capitol,
Albany, N.Y.

DEAR LOUIS: Since May I have been in communication with the State Department of Corrections on the matter of prisoners' correspondence and visitation privileges with common-law wives. This matter was raised by a City prisoner, Nathan Wright, who is being held at Napanoch where he is not allowed to either write or visit with his common-law wife of four years, whereas these privileges were enjoyed at Rikers Island.

Enclosed is the correspondence on this matter. You will note that on September 9th, the Department of Corrections' Counsel, Manuel T. Murcia advised me that if Commissioner George McGrath "will authorize such females (common-law wives) to be placed on the City's Inmates' Visiting List, we will honor his designation." On September 21, Commissioner McGrath complied with this request and sent the Department the authorization.

But, on October 1st, Commissioner John Cain of the Department demurred and said no, the privileges still could not be extended to the City's prisoners unless an individual authorization, by name, was given for each prisoner. Obviously, this is just one more effort to place an obstacle before us.

I would appreciate your help in obtaining the Department's cooperation so that the privileges can be instated. Surely, the present proscription can be contributing nothing toward realizing the purpose of the correctional institution.

Sincerely,

EDWARD I. KOCH.

HOUSE OF REPRESENTATIVES,
Washington, D.C., October 19, 1970.

Mr. ROBERT DOUGLASS,
Counsel, Office of the Governor,
State of New York,
Albany, N.Y.

DEAR BOB: I would like to bring to your attention once again the matter of prisoner visitations by common-law wives.

The State Corrections Department has yet to allow the New York City prisoners held in its facilities to correspond and visit with their common-law wives. The Department continues to refuse these privileges even though on September 21st City Corrections Commissioner George F. McGrath wrote to the Department authorizing common-law wives to visit City prisoners held in State facilities.

While the Department's Counsel, Mr. Murcia had previously told me by letter of September 9th that if Commissioner McGrath "will authorize such females to be placed on the City's Inmates' Visiting List, we will honor his designation," Commissioner Cain now tells me that an individual authorization for each prisoner must be made by the City. This is an obvious effort to make the City's task more difficult and to put up another obstacle so as to avoid giving the prisoners these very meager privileges.

I am enclosing the most recent correspondence I have had with the Department on this matter. It is evident that this is just a subjective decision on the part of Commissioners McGinnis and his colleagues—Commissioner Cain unintentionally made this clear by his efforts in his letter of October 14th to diminish the importance of Mr. Murcia's statement by saying that the letter of September 9th "was signed by the Counsel of this Department. The Counsel does not make policy."

I would urge your immediate intervention in this matter so that this senseless proscription demanded by just a few persons in the Department, but affecting a number of prisoners, can be overcome.

I trust that the Governor shares my feelings on this matter—and I hope that action can be forthcoming from your office in the very near future.

Sincerely,

EDWARD I. KOCH.

HOUSE OF REPRESENTATIVES,
Washington, D.C., November 16, 1970.

GEORGE MCGRATH,
Commissioner, Department of Correction,
New York City.

DEAR GEORGE: I have been advised that Theodore Webb (Rikers Island #770-483, state #1822), a City prisoner currently serving at Napanoch, has been denied visitation and correspondence privileges from his common-law wife. Mr. Webb has been married before and divorced, and his first wife has remarried. While he was incarcerated at the Tombs from November 1969 to January 1970 and at Rikers Island from January to October 1970, he received visits and extensive cor-

respondence from his common-law wife. But these privileges are currently being denied him in the State facility because he does not have the divorce papers from his first marriage. There is a further tragic aspect to this case in that Mr. Webb and his common-law wife are the parents of a child.

Pursuant to the correspondence I have had with the State authorities, it would appear *that a letter from* you authorizing visitation and mail privileges would be honored. Would you kindly send such a letter to John R. Cain, Deputy Commissioner of the Department of Correction, and send me a copy for my files.

I would also appreciate your issuing a blanket authorization covering all City prisoners in state custody, granting the same visitation and mail privileges which those prisoners would have were they incarcerated in City penal institutions. I would also appreciate receiving a copy of that letter.

Sincerely,

EDWARD I. KOCH.

HOUSE OF REPRESENTATIVES,
Washington, D.C., November 17, 1970.

JOHN R. CAIN,
Deputy Commissioner, State Department of Correction, State Office Building, Albany, N.Y.

DEAR MR. CAIN: I am enclosing a copy of a letter sent to George McGrath, Commissioner of the New York City Department of Correction.

I would hope that you would establish a policy for all City prisoners transferred to State institutions so they would have the same privileges which they have in the City prison system. This would also eliminate individual letters for different prisoners' requests.

I would appreciate your advising me as to what that policy would be.

Sincerely,

EDWARD I. KOCH.

HOUSE OF REPRESENTATIVES,
Washington, D.C., November 17, 1970.

WILLIAM VANDEM HEUVAL,
Chairman, New York City Board of Corrections, New York, N.Y.

DEAR BILL: I am enclosing more correspondence on visitation privileges, or lack of them, in State institutions. I would appreciate your looking into the two cases of Nathan Wright (correspondence which I sent you previously) and Theodore Webb, and doing what you can to have the State authorize those same privileges enjoyed by prisoners in the City penal system when they are transferred to State facilities.

Please keep me advised.

Sincerely,

EDWARD I. KOCH.

[From the New York Times, Nov. 18, 1970]

EXCERPTS FROM CORRECTION BOARD'S REPORT ON THE "DEATH OF A CITIZEN, JULIO ROLDAN"

I. JULIO ROLDAN: PERSONAL DATA AND INFORMATION

Julio Roldan was born in Aquadilla, P.R., on Oct. 27, 1936. He came to the United States for the first time as a teen-ager. He attended Morris High School, a predominantly black and Puerto Rican low academic high school in the South Bronx. Roldan dropped out of school after his 10th grade, and returned to Puerto Rico. Like many other Puerto Ricans, he returned to the United States several times, before finally entering the Army in 1961. He served two years, as a medical corpsman. He was honorably discharged on Aug. 29, 1963. His service to the United States Army is without blemish.

Roldan had never married. He lived for several years with his brother, Israel [a Protestant minister in the Bronx]. During that time he was studying to become a member of the clergy. He stopped these studies when he decided that the life of a clergyman was irrelevant to many of the problems facing the Puerto Rican people.

The testimony of his friends and family reveal that he was deeply affected by the inequities he saw, both here and in Puerto Rico. Beginning in 1966, Roldan traveled frequently between New York and Puerto Rico, never settling in any one place and often living out of a knapsack. He became interested in the Puerto Rican Independence movement at that time, and be began to view social injustice in political terms.

His interest in the independence movement led to an arrest in Puerto Rico. He was tried and convicted of flag-burning in Aquadilla, and fined $25 in 1969.

Roldan joined the Young Lords party in August, 1970. He was a Young-Lord-in-Training, and the chief cook of the mess hall at 75 East 110th Street, where he also was living at the time of his death.

Roldan earned his living selling leather items which he made himself. He was also a poet:

City of Strangers

City of strangers
And I don't think they know me
Nor care about my woes
I'm just they say at heart a bum
An earth rejected skum . . .

Let's Get Together Because I Love You

So you see
Oh What's the name
Democracy
I sooner say
Beaureaucracy
But what the hell
If I can spell
I'm just a spick to you
But I love you
Together
We can save
The world for our kids . . .

II. JULIO ROLDAN: CIRCUMSTANCES OF HIS ARREST AND ARRAIGNMENT

On the evening of Oct. 13, 1970, the Young Lords had organized a demonstration to complain of poor garbage collection. The demonstration took place in the vicinity of 112th Street and Lexington Avenue, and extended throughout the surrounding area. Julio Roldan and Roberto Lemus [a member of the Young Lords] were participants in it.

As Lemus described the scene, he and Roldan were walking down 110th Street, between Madison and Park Avenue. They observed some burning papers inside the entranceway to the premises at 55 East 110th Street. Both men walked inside the building in an effort to extinguish the blaze. At that moment a car (identified by Lemus as a Bonneville with New Jersey license plates) came to an abrupt halt in front of the entrance to 55 East 110th Street. Three men emerged from the vehicle with guns drawn.

The police officers were dressed in plain clothes and were subsequently identified as members of the Narcotics Squad. Lemus says that he tried to explain to them that he and Roldan were merely attempting to extinguish the fire, which had apparently resulted when some of the debris in the street was blown inside the entranceway to the apartment building. The police interrupted his explanation, and frisked and handcuffed both Lemus and Roldan.

The arresting officer, Hubert Erwin, of the Narcotics Squad, stated that he was accompanied by two other patrolmen, Donald McCarthy and James Murphy and were in Murphy's Rambler station wagon which had New York license plates.

Erwin related that Lemus had picked up a wad of newspaper, and Roldan had set it on fire, and had walked into the building at 55 East 110th Street to set afire more papers which were lying in the hallway. They had just managed to set these papers afire when the officers arrived and arrested them.

REPORTS INSULTS

Lemus says that he and Roldan were placed in the car and taken to the precinct house, during which time they were continuously insulted and "picked on." Roldan received the brunt of the insults, and according to Lemus, was visibly agitated by them. The arresting officers referred to Roldan as "Cookie" (because he was a cook), and repeatedly asked him why he did not go back to Puerto Rico from where he had come.

At the 25th Precinct, Erwin filled out some papers and at approximately 1 A.M., on Wednesday, Oct. 14th, he asked the arrestees if they wanted him (Erwin) to make any telephone calls for them. They asked Erwin to call the office of the Young Lords, tell whoever answered that they had been arrested, indicate the charge, and ask the office to arrange for attorneys to represent them. As a matter of policy, Erwin would not let the arrestees make their own telephone call.

At approximately 3:30 A.M., Barbara Handschu, an attorney, and Carol Goodman, a law clerk, arrived at the precinct house. Handschu and Goodman identified themselves and asked to speak with the arrestees. Erwin refused to permit them to see Lemus and Roldan in private, and instead made certain that either he or one of the other arresting officers was present at all times during their conferences with the two arrested men.

Officer Erwin says that while the arrestees were at the 25th Precinct, he "read off the sheet of constitutional rights" to them. Roldan refused to answer any questions, and instead asserted that he was a prisoner of war and was not obliged to answer any questions. Edwin related that Roldan was more difficult to deal with than Lemus ...id that Roldan kept "spouting Mao."

Again, according to Lemus, at about 7:30 A.M., on the morning of October 14, Officers Erwin and Murphy took the arrestees to 100 Centre Street. While Erwin drew the complaint, he questioned the arrestees and was even more insulting to Roldan than he had been previously. Roldan was getting progressively madder and more agitated. During the morning the arrestees were placed in the bullpen on the third floor at 100 Centre Street. Counsel for the arrestees, Dan Pochoda for Roldan and Miss Handschu for Lemus, were not permitted access to the arrestees.

At approximately 2:30 P.M., the case was called [before Criminal Court Judge Hyman Solniker] and Mr. Pochoda had not yet conferred with his client, Mr. Pochoda asked the judge for an opportunity to speak with Mr. Roldan before the case was heard, but the judge said that there was not sufficient time, they could see how crowded the courtroom was, and that the case must proceed. Roldan yelled that "There is no justice in this court. There is no one here to represent us. Our lawyers have not had a chance to speak with us. This is only happening because I'm Puerto Rican."

The judge resented the interruption, said he would give them a second call and would place their names at the bottom of the list. Officer Erwin took the arrestees from in front of the judge, and returned them to the court pen. Officer Erwin then handcuffed the arrestees together and permitted them to speak with their attorneys.

EXCHANGE IN COURT

Judge Solniker called the case again at approximately 4 P.M. Mr. Pochoda argued that it made no sense for the Young Lords to attempt to burn down a building which contained Puerto Rican inhabitants, many of whom were their own friends. The judge and the district attorney interrupted the attorney and then Mr. Roldan interrupted

them, shouting that he had set no fire. The judge told him to be quiet and threatened him with contempt of court, at which time, Mr. Roldan shouted some epithets at the Court. The judge then said "Take him out."

Bail was set by Judge Solniker at $1,500, a reduction from the $2,500 bail requested by the district attorney.

On Oct. 14, 1970, the day on which Roldan was arraigned (and apparently a rather average day in terms of arraignment statistics), Judge Solniker had 283 cases appear before him. Thus, on the average, in an eight-hour day (and Judge Solniker works at least that many hours in the courtroom, with hardly time for lunch, and leaving decisions and other research for his home hours), the judge could give only 1.7 minutes or 102 seconds to each matter.

The courtroom is crowded and noisy. The judges who preside are themselves offended by the lack of decorum and the practical necessities of moving the calendar of cases. Moreover, if a defendant exhibits evidence of psychiatric problems, the courts have been advised that Bellevue Hospital is unable to accept the defendant because of its present caseload.

Factors Considered

Judge Solniker was asked by the Board of Correction interviewers what factors he considered when setting bail. He cited the kind of crime—"if burglary is in a residential apartment, I tighten up because of the narcotics probability and the tendency of violence to innocent people." He stated he also considers the "yellow sheet" of the defendant, a police record that reflects prior arrests and convictions. If the defendant is represented by Legal Aid, an ROR (Release on Recognizance) report is prepared which indicates whether the defendant is married, employed, etc., and gives information which the judge can consider in determining the likelihood of the defendant jumping bail and leaving the jurisdiction.

If a defendant is privately represented (as Mr. Roldan was), the irony is that an ROR report is not prepared. The defendant's attorney is expected to make the argument that his client should be released on his own recognizance. The transcript in the Roldan arraignment shows that his attorney never had a chance to make an argument for his immediate release pending trial.

The people of New York were represented at the arraignment by Assistant District Attorney Alan Frazer. Mr. Frazer, who has been with the District Attorney's office since 1968, has had considerable experience in arraignments, alternating on a monthly basis between arraignments and jury trials. He pointed out that a normal caseload consists of some 300 cases per day. During a one-hour period in which Mr. Frazer was present on Oct. 14, 1970, he handled some 30 cases.

The appearance of the defendant before the judge for araignment is the first time that a District Attorney has general knowledge of the case before him. He relies heavily on the complaining witness or the arresting officer, who stands at his side during the arraignment.

During the arraignment, Mr. Frazer requested that bail be set at $2,500 for each defendant. He based this on (1) the nature of the charge [attempted arson] (2) the fact that the police told him that the defendants had given a false address (neither the police nor the District Attorney verified this charge. In fact, the address given was the Young Lord's Headquarters), (3) the arresting officer confirmed that the defendants were "Young Lords," and (4) the building was an occupied apartment house. Mr. Frazer concluded that this was a "heavy case" from the unfriendly tone of the police officers.

III. ROLDAN'S IMPRISONMENT AND THE CIRCUMSTANCES OF HIS DEATH

Wednesday, Oct. 14, 1970

At approximately 5:30 P.M. Julio Roldan was brought into the Manhattan House of Detention for Men the "MHD".

The captain in charge of the receiving room when Roldan was processed considers an outbreak by a person in the courtroom to be behavior abnormal enough to require the person to be put under special observation, even if the prisoner is quite calm and relaxed in the receiving room. However, neither the captain nor any other officer remembers being informed of any such behavior on the part of any prisoner brought into the receiving room on that day. Therefore, rather than being assigned to a special observation section on the eighth floor, Roldan was routinely assigned to a general detention area on that same floor.

He proceeded to the medical examination room where a brief medical history was taken. Unless a prisoner complains about some ailment, he is pushed through without any further attention from the doctors. The reasons given are that there are not facilities available to give a medical examination to every inmate, and that there are not adequate facilities to give a thorough examination to even a single inmate.

Roldan was taken from the receiving room in a group of 12 and led to the elevator. When the elevator reached the eighth floor, six prisoners were taken to the central control area of the floor which is referred to as the "Bridge." The A man, the officer who stays on the Bridge at all times and is in charge of the floor, then assigned the men to cells. The officer who took Roldan and the other man to their cells remembers Roldan being extremely quiet throughout the entire time he was on the Bridge and being taken to his cell.

At approximately 7:30 P.M. Roldan was put into cell Lower E–4.

According to his cellmate and other prisoners, Roldan was upset when he arrived in his cell. He was alternately frustrated, angry, crying, laughing and occasionally gave hostile looks to his cellmate. That evening Roldan rambled at great length in both Spanish and English about many subjects, including the oppression of minority groups, starving babies, killing of blacks, revolution, that the Establishment was trying to kill minority groups and him, corruption and poison in the air. At times he would hang on the bars with his hands or bang his fists on the cell wall. He shouted "more power to the people."

Thursday, Oct. 15, 1970

During the course of the morning Roldan appeared quite upset. His cellmate has stated that Roldan would jump on his bunk and after five minutes would jump down, take off his belt, stretch it, put the belt back on and then jump back onto the bunk. He did this repeatedly. The belt was described as a thick leather strap.

According to the prisoners, at approximately 11 A.M., Roldan's cellmate was reading at the stool and table when Roldan jumped down off of his bed and told his cellmate "I will prove to you that I am a man." Roldan swung at him and a fight ensued with the two prisoners rolling on the floor and on the lower bunk. The other prisoners sent up a howl and officers came and broke it up by standing outside of the cell and ordering the prisoners to separate. At approximately 11:30 A.M. Roldan's cellmate was moved to Lower E–6. Roldan was not particularly loud in the time immediately following his segregation.

Late that evennig, as he had done during that afternoon, and the preceding evening, Roldan again talked at length about revolution, the poor, the Young Lords, and people in the street. He was again described as being coherent but repetitious. Other inmates chanted "you're right brother, you're right" as Roldan preached revolution.

Friday, Oct. 16, 1970

At approximately 6:50 A.M. on the sixth floor of the MHD, Roldan's name was called two or three times over the loudspeaker. This was because a telegram had been delivered to that floor addressed to Roldan. It was evidently misdirected. The floor log for the sixth floor shows that Roldan's co-defendant was assigned to that floor but that Roldan was never on the floor.

The sixth-floor A officer at that time stated that he looked up the name on the telegram in his floor book and found that Roldan was not on his floor. However, since there may have been a mistake, he read the telegram, which is standard procedure, and called out Roldan's name several times over the sixth floor loudspeaker. He then put the telegram back into the envelope and, as is procedure, left it in the gate by the elevator for the elevator operator to take it to the proper floor. The sixth-floor A officer remembers the gist of the telegram to be "Sit tight, we are trying to get bail money up." Representatives of the Young Lords reported sending such a telegram.

The officer assigned to operate the elevator at that time does not remember picking up a telegram on the sixth floor, and the A officer on the eighth floor does not remember receiving a telegram for Roldan.

At about 7:30 A.M. breakfast was served by Help [the nickname of a sentenced prisoner doing janitorial work on the floor.] Help remembers saying "Hi, brother" to Roldan and Roldan taking his tray to the table. Help then swept the area around the cell at about 7:50 A.M., and left the area. Several of the prisoners went to sleep or dozed after eating (which is usual). No prisoner remembers hearing anything out of the ordinary. No prisoner remembers seeing any officer near the E tier at this time. One prisoner in a cell next to Roldan and another prisoner in a cell on the Upper E tier remembers hearing a noise coming from Roldan's cell. One prisoner described it as "sounding like someone beating on bars" and the other did not know what it was but thought perhaps Roldan was making bongo-like drummings on his table or stool.

At approximately 8:30 A.M. a correction officer who had been assigned to count the number of prisoners was walking in front of the cells when he discovered Roldan hanging from the rear bars of his cell.

There are several stories about how the body was discovered. The confusion is partially explained by the fact that of seven officers on duty that morning, five, including the officer who discovered Roldan's body, had been with the department less than three weeks.

At the entrance to the cell the officers saw a completely limp body hanging by a belt from the rear cell bars. The belt was tied around the top horizontal bar in a position approximately over the center of the shelf-like stool. Three officers remember seeing Roldan's feet extending beyond the top of the stool and stated that in their opinion he could have, at any time, stepped up onto the stool. The inmate helper who saw the body stated that Roldan's feet were a few inches above the seat, but he also stated that the bars at which the belt was tied to the top of the seat is 66½ inches and Roldan was 63 inches tall.

The doctor stated that as he was nearing the cell he heard someone say, "I think he is gone," and he entered the cell, he took one look at Roldan and knew that he was dead. Still, he listened for the heart beat and made certain tests. The doctor pro-

nounced his D.O.A. at a few minutes past 8:30 A.M. and left the cell. After the doctor stated that Roldan was dead, the house captain ordered the cell locked.

The cell was examined by a captain and an officer to determine if a suicide note had been written, but nothing at all was found. The cell was later opened to permit a Catholic chaplain to administer last rites.

The autopsy began sometime after 4:00 on the afternoon of Oct. 15.

We conclude that the report of the Medical Examiner should be accepted.

William vanden Heuvel, Chairman; William H. Dribben, Vice Chairman; Miss Nyrka Torrado Alum; Mr. Joseph T. DeMonte; Mr. Geraldo Rivers; Mr. William H. Satterfield; Mr. David Schulte; Mrs. Rose Singer; Rev. Manny Lee Wilson.

EFFECTS OF IMPORT QUOTAS ON DOMESTIC PRICES

(Mr. MONAGAN asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MONAGAN. Mr. Speaker, O. R. Strackbein, president of the Nationwide Committee on Import-Export Policy, has written two significant papers relating to the effects of import quotas on domestic prices. In view of the prospective consideration of trade legislation and the contention of certain free trade supporters that quotas increase prices to domestic consumers, Mr. Strackbein's review of the actual record is most illuminating.

For the information of my colleagues I am happy to append Mr. Strackbein's studies to these remarks:

IMPORT QUOTAS AND PRICES: A REVIEW—I

(By O. R. Strackbein, president, the Nationwide Committee on Import-Export Policy, July 6, 1970)

A constant patter of comment tells us that import quotas will raise domestic prices of the products that are the subject of such quotas.

It should be possible to test the soundness of this unsubstantiated theory. To do so we should trace the wholesale price trends of products that are "protected" by import quotas compared with the price trend in general and the price on particular products that are not so "protected."

PETROLEUM

A favorite whipping boy is oil, or petroleum. An import quota was established in 1958, first on a voluntary basis, followed by a mandatory quota, effective March 1959.

The wholesale price of refined petroleum products expressed in an index form, where 1957–59 equals 100 had risen to only 100.3 in 1968 and 101.8 in 1969. A very recent rise carried the level to 104.2 in May 1970.

This compared with an index for all commodities, where 1957–59 again is 100, of 108.8 in 1968, 113.0 in 1969 and 116.8 for May 1970.

"All commodities," of course, include those on which we have import quotas. Therefore it will be desirable to compare the refined petroleum price level with that of other products that are not subject to an import quota. If we select another fuel, namely, coal, which has no import quota and should therefore not be free to move upward in price because it is not "protected," we find a sharp contrast. The wholesale price index had reached 107.1 in 1968, rose to 116.2 in 1969 and zoomed to 146.9 in May 1970.

Surely if there were an import quota on coal, the quota would be blamed for this runaway price. Obviously other factors were at work.

We find, in other words, that the wholesale price of refined petroleum increased distinctly less than wholesale prices of all commodities and very much less than the price of its competing energy fuel, namely, coal. (For confirmation, see Survey of Current Business, U.S. Department of Commerce, June 1970, p. S–8.)

COTTON TEXTILES

Another product that is the subject of an import quota or its equivalent is cotton textiles. An arrangement was made with Japan alone, effective January 1, 1957, whereby that country restricted its cotton textile exports to this country. This arrangement was superseded October 1, 1961 with the so-called Long-Term Arrangement negotiated under GATT. This arrangement covered some 30 countries and about 90% of our total cotton textile imports.

The wholesale price of cotton products (1957–59 equaling 100) was 105.2 in 1968. In 1969 it remained at 105.2 and in May 1970 stood at 105.8.

Once more we encounter a very moderate price rise compared with the general commodity wholesale price-level, which, as we saw, had risen to 116.8 in May 1970. (Reference: same, p. S–9).

Wool products, which are *not* under quota restrictions, had an index level of 103.7 in 1968, compared with 105.2 for cotton products or only 1.5 below cotton products. The index rose to 104.6 in 1969 but fell to 103.8 by May 1970. It thus stood only 0.1 higher in May 1970 than in 1968. In the case of cotton products the increase from 1968 to May 1970 was only 0.6. Thus there was little to choose between the wholesale price movement in cotton and woolen products. Yet the one was under an import quota or its equivalent while the other was not.

In the case of man-made fiber textile products there was a decline in wholesale prices since 1957–59, accounted for by increased productivity. The index stood at 90.8 in 1968 and moved lower to 89.5 in May 1970.

The downward trend of man-made fiber textile products has been of longstanding. Measured on the 1947–59 base, as compared with 1957–59 base as used here, the wholesale price in 1959 had already declined to 81.1. This was before imports reached a significant volume. Thus the further price decline on the 1957–59 base to 89.5 in 1970 merely represented a continuation of the cost reduction process that had already dropped prices in the decade of 1949–59 by merely 20%. (Survey of Current Business, October 1961, p. S–8.)

There is nothing in this record to show that the price of cotton textiles rose as a result of the import limitation. In any event the price increase through May 1970 was comparatively modest, lagging distinctly behind the general commodity wholesale price index.

In a pamphlet recently issued by the United States-Japan Trade Council it is asserted (p. 10) that "Textile Quotas Would Have Slight Benefit but Very High Cost."

"In sum," it says, "proposed textile quotas would be enormously costly to the United States.

"Quotas would accelerate inflation, raising clothing prices to consumers.

"They would boomerang against U.S. export sales and harm the economies of port cities."

Against this cry of alarm, the wholesale price trend of cotton textiles of the past ten years while these products have been under import limitation, stands as a complete rebuttal.

SUGAR

Yet another product that is under import quota control is sugar. This quota has been in effect antedating World War II.

In 1955 the retail price of sugar was 10.4¢ per lb. Ten years later (1965) the price was 11.8¢. In 1968 the price was 12.5¢. In 1969 it was 12.7¢ and in April 1970 it was 13.4¢. In 15 years the retail price increased only 28.8%. (Statistical Abstract of the U.S., 1969, Table 512, p. 350; and Survey of Current Business, June 1970, p. S–29.) Compare this increase in retail sugar prices since 1955 with the all-consumer price increase of 34.6% on the 1957–59 base, a period during which all food prices rose 32.4%—also a period during which public transportation cost rose 66.6%, medical care 63.6%. Keeping in mind that 1955, the base of our retail sugar price, antedated the index base of 1957–59 by several years, it is clear that the consumer paid distinctly less for sugar in terms of price increase than he paid for consumer goods in general, or for food in general, and much less than for transportation and medical care which were not pinched in point of supply by an import quota.

It follows that the sugar quota also cannot be used to demonstrate that import quotas raise prices unreasonably, or even as much as the rise in other prices.

WHEAT

Wheat is under a severe import restriction that permits less than 1% of domestic production to be imported, in pursuance of a limitation imposed under Sec. 22 of the Agricultural Adjustment Act in 1941.

The price of wheat (hard winter, No. 2, Kansas City) has fallen quite sharply in recent years. The price per bushel was $2.22 in 1950. In 1955 the price was $2.25. By 1960 the price had dropped to $2.00. In 1968 it had sunk to $1.46 per bushel, and in May 1970 it was $1.53.

Corn is not the subject of an import quota. The 1950 price (yellow, No. 2, Chicago), was $1.50 per bushel. In 1955 the price was down to $1.41. The decline, as in the case of wheat, continued. In 1960 it stood at $1.15; in 1968 it was $1.14 and in May 1970 it was $1.30 (yellow, No. 3, Chicago. The difference from No. 2 is very slight, as note, that in 1968 the price of No. 2 in Chicago was $1.14 while that of No. 3 was $1.11). (See Statistical Abstract of the U.S., 1969, Table 504, p. 343; and Survey of Current Business, June 1970, p. S–27.)

Comparing the price trend in wheat with that in corn we find that from 1950 to May 1970 the price of wheat dropped 31% while that of corn dropped only 13%. Yet it was wheat and not corn that was "protected" by an import quota. The wheat price dropped over twice as much in the 20 years as the price of corn.

Since 1960 the price of wheat dropped from $2.00 per bushel to $1.53 in May 1970, a decline of 23%. The price of corn, by contrast, rose from $1.15 per bushel in 1960 to $1.30 in May 1970. This was an increase of 13%. Thus while the price of the "protected" wheat dropped 23%, that of corn which was not under an import quota, rose 13%.

In comparison with other commodities the price of both wheat and corn has dropped while the other prices rose rather sharply, especially in recent years.

RAW COTTON

The price of raw cotton has also declined. The decline was greater than that of wheat and corn, dropping from some 36¢ per lb. to some 22¢, or by more than 36%. Yet raw cotton imports are limited under Sec. 22 of the Agricultural Adjustment Act to a quantity less than 5% of domestic production. (Statistical Abstract of the U.S., 1969, Table 505, p. 344.) (There is some difficulty in reconciling the Statistical Abstract prices with those in the Survey of Current Business, but the discrepancy is not sufficient to destroy the value of the comparisons.)

DAIRY PRODUCTS

With a base of 1957–59 equaling 100, the wholesale price index of dairy products stood at 94.0 in 1955, at 105.0 in 1960. In recent years the price rose to 118.5 in 1966, to 127.7 in 1968 and on to 135.4 in May 1970. This was an increase of 29% since 1960, and compares with an increase since 1960 of 18.6% in wholesale price of "Farm Products, Foods and Feeds," which, of course, includes grains, on which the price, as we have seen, dropped considerably.

Dairy products enjoy an import limitation under Sec. 22 of the Agricultural Adjustment Act, and the price increase has outpaced that of other farm products, as mentioned, but did not outpace wholesale prices of many other products. Dairying has declined quite sharply per capita. Milk produced on farms was less than 1% higher in 1968 than in 1950, despite the considerable increase in population. The number of cows and heifers kept for milk declined by more than 40%. Unquestionably these factors have influenced the price of dairy products much more than the import quota.

The wholesale price of agricultural machinery and equipment on an index base of 100 for 1957–59 rose to 137.4 by May 1970. There is no import quota on this machinery and equipment. Moreover, agricultural implements are duty free! If imports exert such a salutary effect on prices the effect must have failed in this instance.

CONCLUSION

The foregoing recitation can leave little doubt that import quotas have not led to higher prices; indeed, quite the opposite. With the exception of dairy products, with respect to which other powerful factors, such as the public acceptance of oleomargarine, played a large part, the prices on products that are "protected" by import quotas, have lagged distinctly behind average prices and far behind prices on some other products that were under no import quota limitation.

The cry that the imposition of import quotas would be costly to consumers is unfounded, and those who continue to raise the cry are guilty of misleading the public.

QUOTAS AND PRICES: A SECOND LOOK—II

(By O. R. Strackbein, president, the Nation-Wide Committee on Import-Export Policy, August 17, 1970)

Because of some questions raised about the coverage of products that were not included in a previous review of the subject "Import Quotas and Prices—A Review," dated July 6, 1970, issued by this office, a second look is desirable to dispel any doubts about the validity of the conclusions reached in that review.

The United States-Japan Trade Council, specifically, challenged the review in a 13-page reply. In the reply the Council mentions Meat, Steel and Peanuts as important products that were not in our review. The allegation is correct. They were not included.

However, meat is not the subject of an import quota. It is under a ceiling, established in 1964, that would trigger a quota if imports should breach the ceiling. The only time when such a breach was imminent, which was very recently, the ceiling was lifted slightly to permit more imports.

It may, of course, be argued with some validity that the ceiling has operated as an import quota without invoking the actual administrative burden of an outright quota.

An answer on meat prices is therefore in order.

MEAT PRICES—WHOLESALE

It is true that meat prices have moved upwards since 1964, the year in which the ceiling legislation was passed. The U.S. Department of Agriculture, Statistical Reporting Service, keeps an account of prices on cattle meat, hogs and sheep.

The 1964 average price of beef was $18 per 100 lbs. In June 1970 the price was $28, representing an increase of 55%. The table below shows the price trend from 1964:

Beef prices	*Per 100 pounds*
1964	$18.00
1965	19.90
1966	22.20
1967	22.30
1968	23.40
1969	26.20
1970:	
January	26.20
February	27.20
March	28.80
April	28.60
May	27.90
June	28.00

This record of beef prices may be compared with that of hogs (pork):

Hog prices	*Per 100 pounds*
1964	$14.80
1965	20.60
1966	22.80
1967	18.90
1968	18.60
1969	22.20
1970:	
January	26.30
February	27.40
March	25.60
April	23.80
May	22.90
June	23.20

From these tables, to repeat, we find that beef prices rose from $18 per 100 lbs. in 1964 to $28 in June 1970, an increase of $10 or 55%. We find also that pork prices rose from $14.80 per 100 lbs. in 1964 to $23.20 in June 1970, after having reached a peak of $27.40 in February 1970. The rise from 1964 to June 1970 was $8.40 per 100 lbs., which is to say, 56.7%, or a shade more than the price of beef.

However, at the peak, which was $28.80 for beef in March 1970, and $27.40 for pork in February, beef had risen 60% since 1964 while pork had risen 85% compared with 1964.

Which of the two meat products, beef or pork, it might be asked, was under an import restriction? According to the inflationary theory of import quotas it must have been pork, since the price rose higher than did the price of beef. Yet, it was beef and not pork that was and is under such a restriction.

Thus, while beef prices did rise more than the general wholesale price level and more than other farm products in general, the rise was not as great as that on its companion product, pork, which had no import restriction.

STEEL PRICES

In the case of steel an international arrangement was concluded toward the end of 1968 under which the principal foreign suppliers of this country agreed to limit their exports to the United States. The arrangement took effect at the beginning of 1969.

The item was not included in our REVIEW because the time elapsed since January 1969 is too brief to draw final conclusions.

Nevertheless since the United States-Japan Trade Council raised the question a response is in order.

According to the Survey of Current Business of July 1970, the wholesale iron and steel price index, where 1957–59 equals 100, stood at 105.6 in 1968, or the year before the export restriction by other countries took effect. In June 1970, the index had moved to 120.2. This was a rise of 14.61 points or 13.9%.

The index for all commodities had risen during the 1957–59 period to 117. Thus the wholesale prices of iron and steel exceeded the rise since 1957–59 by 3 percentage points or 2½%. This is not a serious rush ahead of the general price level, especially when compared with the rise in nonferrous metal prices which jumped from a base of 125.1 in 1968 to 155.0 in June 1970. Among the meals that made up these rising prices were nickel, copper, aluminum, lead. The composite increase was 25%.

Also, the wholesale price of coal far outstripped the price of steel, rising from a base of 107.1 in 1968 to 152.8 in 1970. Coal, as it happens, is an important raw material used in the production of steel.

Yet neither nonferrous metals nor coal have import restrictions in effect.

The price of iron and steel may be double-checked by the price of financed carbon steel. The average price for 1968 was 8.73¢ per lb. By May 1970, the price had risen to 9.74¢ per lb. This was an increase of 11.57%, compared with the rise of 13.9% in the composite price of iron and steel, quoted above. (See Survey of Current Business U.S. Department of Commerce, July 1970, p. S–32, bottom of page.)

There is nothing in the price trend of iron and steel since 1968 that would support the inflationary charge leveled against import quotas, especially when other metal prices which were not under a quota rose appreciably more sharply, and also coal.

It is reliably reported that prices of iron and steel also rose more sharply in West Germany, Japan, Britain and France than in this country. According to a public statement made by the Chairman of the American Iron and Steel Institute, Mr. George A. Stinson, market prices of steel in West Germany have risen 19% since the inception of the "Voluntary Limitation Program" went into effect; 18% in the United Kingdom, 13% in France and from 15% to 50% in Japan, depending on the product. These increases all outran the price increase of steel in this country.

PEANUT PRICES

Another product that was not mentioned in the Review above referred to was peanuts. The reason for the omission was that the item is not in the item listing provided by the Survey of Current Business which was the source of most of the other price data tabulated nor up to date in the Statistical Abstract.

However, the Department of Agriculture does report the season average prices of peanuts annually; and these are available through 1969, but not for 1970.

Peanuts are under price support and an import quota limitation. This quota was established in 1953 under Section 22 of the Agricultural Adjustment Act.

The 1953 "season average price" was 11.1¢ per lb. By 1969 this average price had risen to 12.2¢ per lb., or almost exactly 10%. Yet by the 1957–59 price index base currently in use, the wholesale price of all commodities had risen 17% by June 1970. The wholesale price of farm products in general on the 1957–59 base was 111.3 in June 1970.

Since 1953 antedates the 1957–59 price base by several years it is clear that the price of peanuts ran behind the general price level by a very considerable margin, and also behind farm prices in general.

It cannot be properly asserted therefore that the omission of peanuts from the previous Review answered by the United States-Japan Trade Council changed the conclusion from what it would have been had this farm product been included. The experience with peanuts as with the price trend on all the other products that are under import quotas

covered under the original Review except dairy products, as noted in that Review itself, supports the conclusion that import quotas cannot be saddled with the objection that they are inflationary.

FURTHER CONCLUSION

What might indeed be said is that one of the price purposes of our import quota or similar limitation on imports is to prevent a drop in prices to a level so low that it would be disastrous to domestic producers but that might still return a profit to foreign exporters to this country because of their lower costs.

To say that it is the purpose of quotas to raise prices would be to say that to date nearly all our quotas have failed of their purpose because most of them have not succeeded in keeping up with the general price level, as demonstrated in our preview review. They could then apparently be discarded with safety; but that is not the essential purpose of the quota.

However, that the floor under prices might give way because of imports if the quotas were removed, and thus produce an untenable price level for domestic producers, be their product textiles, sugar, petroleum, wheat, peanuts, meat or steel, represents the motivation for such quotas as a preventive measure, rather than a windfall or the possibility of gouging the consumer.

The need for such quotas does not rise in this country but in the foreign countries that enjoy a competitive advantage over us, provided by their lower wages. They need foreign markets because they do not pay their workers enough to buy the increased output of their farms and industries attributable to highly improved technology; and look to us to provide the purchasing power that results from our higher wages.

INTERSTATE COMMERCE COMMISSION

(Mr. DEVINE asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. DEVINE. Mr. Speaker, Donald L. Jackson, Commissioner, Interstate Commerce Commission, has brought to my attention an article which appeared in the Changing Times, the Kiplinger magazine, concerning some new rules for long-distance moving.

In these days when one of the national pastimes seems to be clobbering the ICC over the head, the following article about the Commission's new rules should be of great benefit to every family on the move.

The article follows:

LEARN THE NEW RULES ON LONG-DISTANCE MOVING

The mere thought of a long-distance move is enough to give a householder the shudders. You turn over your valued possessions to a trucker who may also be carrying the goods of other families and may go hundreds of miles out of the way before arriving at your destination.

The experience is unsettling even if you've moved several times before. For quite a few customers in the past, the experience has been nightmarish, as attested by complaints lodged with moving companies and the Interstate Commerce Commission, which regulates the interstate moving industry.

From now on things should be better. At least that's the stated purpose of a new set of ICC rules that became effective last June. Here's the gist of them—not all the rules, just those covering the problems that cause the most complaints. If you're planning a move, check them carefully before you sign up with any mover.

1. *Summary of information for shippers of household goods.* This is the title of a general information booklet prescribed by the ICC. The mover is required to give you a copy before you complete arrangements for your move. It tells in simple language what you should expect of your mover and what he will expect of you.

2. *Transportation with reasonable dispatch.* Movers must handle shipments with "reasonable dispatch," defined essentially as transporting your goods within the period of time you and the mover have agreed to. However, schedule changes are permitted.

3. *Notification of delays in pickup and delivery.* If the mover is unable to meet a pickup or delivery date, he must notify you promptly and set an alternate date. He must keep a record of the reason for each delay and the time involved. One purpose of this and the previous rule is to encourage you and your mover to understand each other's needs and problems when setting dates.

4. *Early delivery.* It's prohibited—unless you agree to it. Otherwise, the mover must bear all extra expenses if he places your shipment in storage and reloads and delivers it on the specified date. On the other hand, you may have to bear these extra costs if you are not on hand to receive your shipment within three hours of the agreed-to time for delivery.

5. *Cost estimates.* If you request it, the mover must provide you with an estimate—on an ICC-approved form—of the cost of your move. Unless you have arranged credit with the moving company, all household shipments are C.O.D. Among other things to be shown on the new estimate form is the maximum amount of money required in order for a C.O.D. shipment to be unloaded at its destination: the amount of the estimate plus 10%. If for some reason actual charges exceed this figure, you have an additional 15 business days to pay the balance. You may require the mover to advise you of actual weight and charges as soon as these figures are determined if you provide him with an address or telephone number where you can be reached during transit. Movers must file with the ICC a quarterly report of estimates that have run over or under actual charges by more than 10%.

6. *Extra charges.* A mover's rate schedule must list separately the charges for such extras as appliance services, packing and unpacking.

7. *Weight.* The new rules require weight certification tickets to be attached to the bill of lading. A "constructive weight," computed by cubic footage, can be used only if certified scales are not available, and all such cases must be reported in detail by the mover to the ICC. The rules also make clear that you have the right to observe the weighing of your shipment or to request a reweighing at your destination.

8. *Order for service.* You must be presented this form in advance of your move. It contains the name and address of the mover's representative at your destination, the maximum amount due on a C.O.D. shipment, promised pickup and delivery dates or specified period of time, and other pertinent information.

9. *Bill of lading.* This is your contract for transportation and receipt for your belongings. It must include much of the information on the "order for service," the tare weight (weight of the moving van and its contents before your shipment is loaded) as well as the gross and net weights, plus other data.

10. *Mover's liability.* When you sign the delivery receipt, you are accepting your belongings in *apparent* good condition except for any damages or losses that you have noted on the receipt. However, this signed receipt does not release the mover from liability, whether or not you make notations of loss or damage at this time. Read your information booklet at the outset to understand just what his liability is. Briefly, it will be limited to 60 cents per pound per article or container, if you specifically declare that figure in writing; there is no extra charge for this coverage. Obviously, that's not enough for many items—try weighing a lamp and figuring its value by this formula. You can increase the mover's liability by setting your own valuation on the shipment or by multiplying the shipping weight by $1.25 to determine the total valuation. By paying 50 cents per $100 of the valuation you choose, you make the mover liable for actual value if a particular item is lost or damaged; if the entire shipment is lost, he is liable for the total valuation figure. Technically, this is not insurance; movers are prohibited from selling you any. But they must be insured to guarantee payment of claims to the extent of their liability.

11. *Claims.* The mover must acknowledge a written claim for damage or loss within 30 days after receipt, and pay, decline or make a written settlement offer on it within 120 days. He must notify you and the ICC every 30 days thereafter of the status of an unresolved claim. ICC rules permit you nine months from the date of delivery in which to file claims with your mover. You must have proof of your claim, and the best kind of proof is a note of any loss or damage made at the time of delivery on the bill of lading, inventory or delivery receipt.

If you feel the mover has violated his agreement with you, has broken an ICC rule or is not handling a claim properly, be sure to call it to his attention. If you can't get satisfaction, you can file a complaint with the ICC or the American Movers Conference. Check the phone book to see whether there is a regional ICC office in your city. You can write to Director, Bureau of Operations, Interstate Commerce Commission, Twelfth St. and Constitution Ave., N.W., Washington, D.C. 20423; American Movers Conference, Consumers Service Dept., 1625 O St., N.W., Washington, D.C. 20036.

These agencies may be able to help you, but the longer you wait to act on a complaint, the less likely you are to get good results. And don't expect immediate relief for your problems. Moving may not be as nervewracking as it used to be, but nobody said it was easy.

WHEN NOT TO MOVE

Moving during the "peak season"—May to October, when 60% do it—causes more problems than any other single factor. A long-distance moving van holds about six normal shipments. Obviously, a delay at one stop can cause delays in other pickups and deliveries. If you must move during the peak season, follow these instructions:

Allow plenty of flexibility in your schedule.

Make sure you have sufficient cash (or certified check, money order, etc.) on hand before your C.O.D. shipment arrives.

Show the mover's agent everything you plan to move and request every extra service you want when he makes his initial estimate.

File claims promptly and with adequate proof.

JAPAN'S EXPORT STRATEGY—A SOBERING VIEW OF OUR COMPETITION IN WORLD MARKETS

(Mr. SAYLOR asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SAYLOR. Mr. Speaker, while the Congress fiddles over establishing a proper American policy response to the increasing threat of imports, the Japanese go blithely on with an export strategy that is second to none in the world.

In the September 1970 issue of Fortune, Louis Kraar graphically details the Japanese export strategy which has, and is, causing concern throughout the free world. After reading the article, I am sure you will agree that it is little wonder that the flag of the rising sun seems never to set in world trade. Based on a powerful Government-business complex, complete with price cutting and cartels, and infused with patriotic zeal, the Japanese leave no stone unturned to exploit market expansion.

If you were to come from a congressional district such as mine, where steel, glass, clothing, and other articles are produced, you would know how it feels to be on the receiving end of Japan's exporting blitz.

Jobs and job opportunities have been lost due to imports. Plants have been shut down. Equipment has been idled. Venture capital has disappeared. Livelihoods ended. Revenues stopped. Whole communities are dying.

It is long past time for Congress to rectify the disastrous effects of unimpeded imports into the United States. For 37 years, Congress has allowed the executive branch in the form of the State Department to manage our trade relations based on a free trade theory which has no basis in fact in the real world.

Enough, I say. Who comes first—American or Japanese workers?

The article follows:

HOW THE JAPANESE MOUNT THAT EXPORT BLITZ

(By Louis Kraar)

To hard-pressed competitors around the world, Japan's export drive is taking on the overtones of a relentless conspiracy to invade and dominate every vital international market. Almost everywhere, from North America to Southeast Asia, the Japanese are steadily increasing their already enormous share of sales. The very rhetoric of Japanese businessmen reinforces the image of a hyperaggressive trading power—with talk of "advancing" into a new area, "forming a united front" against foreign rivals, and "capturing" a market.

Moreover, this thrust comes from a nation that firmly shields its own market against foreign competitors, who are thus doubly provoked and are now threatening economic warfare.

In the non-Communist Far East, which accounts for almost 30 percent of Japan's export sales, ever rising trade imbalances are spurring Thailand, Taiwan, and other countries to consider higher tariffs and other defensive restrictions. Says José Diokno, chairman of the Philippine Senate Economic Affairs Committee: "We realize that the Japanese are getting through commerce what they failed to achieve through the war."

The trade clash is even more intense in the U.S., which buys nearly a third of Japans exports and is its largest single customer. Tokyos refusal to adopt long-term "voluntary" limits on textile exports has prompted a reluctant Nixon Administration to support stringent legislation setting quotas. And atop this significant American retreat from a free-trade stance, protectionist forces in Congress are pressing for even broader restrictions on other products. "The present economic image of Japan in the United States is not poor; it is bad," observes Philip H. Trezise, Assistant Secretary of State for Economic Affairs.

Japanese manufacturers of television sets are facing a major showdown with American competitors, who have accused the Japanese products and arm companies with exnized market prices—a charge on which a U.S. Treasury ruling is soon expected. While the Japanese TV set makers firmly deny dumping, other Japanese manufacturers openly acknowledge that they often use cutthroat export prices for market penetration. To establish its air conditioners in Western Europe, for example, Hitachi, Ltd., deliberately sold below cost for three years. As a company executive puts it, with surprising candor: "If you get a better price in some countries, then you can sell to others for a 'dumping' price. As long as the unit production cost is low, the company still has an over-all profit from its total sales. We sold at a loss in Europe to break into the market, and now we're making a profit there."

Such practices fall somewhere in the gray shadows of the General Agreement on Tariffs and Trade, and the argument will doubtless continue as to whether they are in actual violation. Meanwhile, Japanese exports are expected to keep right on soaring. They are now projected to reach nearly $42 billion by 1975, producing a staggering trade surplus of $12 billion, a prospect that leads Assistant Secretary Trezise to warn: "I seriously question whether the international system can stand a Japanese global trade balance of $12 billion in 1975."

The starting point for this trade offensive is an economy of phenomenal strength, directed wholeheartedly toward growth rather than immediate profit. Over the past decade the Japanese gross national product has increased by an average of more than 16 percent annually, and from this ever broadening base, exports have also been rising by an average of 16 percent a year—about twice as fast as the growth of world imports. The entire economic system is, inherently, a powerful export-promotion apparatus. Always anticipating growth, corporations routinely expand manufacturing facilities to optimum size, pushing excess production onto world markets at profit margins that competitors find cruelly low—when they exist at all. Now Japan is preparing to move on to new trade peaks by emphasizing exports of entire industrial plants. As befits an insular industrial giant, it is also making long-term deals overseas to assure a stable supply of raw materials for use in the ever greater expansion of its export position. Within five years the Japanese expect a 123 percent rise in exports, enough to seize at least 10 percent of the global market.

Hit with the full impact of this aggressive export drive, rival industrial nations are now beginning to ponder the singular, and devastatingly effective, tactics being employed by the Japanese. The program has some highly original features that will be hard to match:

The export offensive is commanded by Premier Eisaku Sato in person; he heads the Supreme Trade Council, where top business and government leaders quietly slice up the world market and set annual goals for every major product and country.

To boost exports, the government backs corporations with an arsenal of help—credit at preferential rates, attractive tax incentives, and even insurance against overseas advertising campaigns that fail to meet sales targets.

Cartels of exporters meet regularly to fix prices and lay plans for overwhelming foreign competitors.

A large and growing foreign-aid program is, at heart, another export-promotion device, fueled with long-term credit and direct investments.

Giant general trading companies spearhead the export drive. Their tireless sales forces abroad are backed by the full force of Japan's banks and government ministries.

A government-owned company, JETRO, operates on a global basis to promote Japanese of dumping—i.e., selling below recogport intelligence.

EXCEEDING TARGETS IS A DUTY

The key to the entire program is intimate, effective teamwork between corporate executives and government officials at every level. United by a group spirit that makes the Japanese behave like a tight-knit family, businessmen and bureaucrats cooperate to promote continuing growth. "If business goes one way and government goes another way, it would bring harmful effects for the country," explains a Finance Ministry economist. So they coordinate plans in the clubby atmosphere of formal consultative committees and over evening cocktails in the Ginza, Tokyo's business entertainment district. This government-business interaction is so close and constant that the system is often dubbed Japan, Inc.

Detailed strategy for the export drive is developed through the Supreme Trade Council, a thirty-member body that brings together the country's elite from key ministries dealing with the economy and from the major private industries. At its last semiannual meeting in July, the council projected a 14.3 percent growth for exports to $19.2 billion in the fiscal year ending next March 31. Says a government official deeply involved in the planning: "Once the target is announced, business leaders think it is their duty to achieve it. Usually, they exceed the goal."

To carry out expansion plans, the Ministry of International Trade and Industry (MITI) constantly confers with company representatives about allocation of resources. Through "administrative guidance" (which is almost always obeyed), MITI even sets minimum sizes for industrial plants when it feels economy of scale is vital. The Ministry of Finance, through the Bank of Japan, funnels funds to areas with the highest growth potential. By backing an extremely high use of corporate debt to finance growth, this ministry and the central bank play a key part in setting the pace and direction of expansion. This government structure stabilizes a Japanese business system devoted to high growth—the launching platform of the export offensive.

Since companies normally finance expansion by borrowing about 80 percent of their total capital, mostly from banks, debt service is a major fixed operating cost. Japan's tradition of virtual lifetime employment, with a paternalism that fosters an unusually dedicated and productive work force, makes labor costs another fixed expense. "The high break-even point set by fixed labor costs and debt costs means that new facilities are operated at capacity, and products are moved into world markets at relatively low prices," notes James C. Abegglen, vice president of the Boston Consulting Group, Inc., a management-consulting organization that has closely analyzed Japan's business strategy.

START WITH A SACRIFICE FLY

The system enables companies to use highly flexible market penetration tactics. Two Japanese auto makers—Nissan Motor Co. and Toyota Motor—established footholds in the U.S. by offering dealers higher commissions than were given on other imported cars, as well as unusually generous advertising support, according to the Boston Consulting Group. In the Philippines, Toyota has captured a quarter of all auto sales, after initially selling to taxicab fleet owners on terms of nothing down and a six-month holiday on installment payments. "They were losing money on us outright for about two years just to introduce Toyota vehicles in the Philippines," says Pablo Carlos, executive vice president of Delta Motor Corp., Manila, which assembles and distributes Toyota cars. Other Japanese companies readily acknowledge that they forgo profits to break open new markets. "When there's sharp competition and we want to introduce our products, then in the initial sale we made a sort of

sacrifice hit," declares Morihisa Emori, managing director of Mitsubishi Shoji Kaisha, Ltd., the general trading company with the largest total sales. There is a distinctively Japanese motive behind such tactics, he explains: "In America top management people are big stockholders and are more defensive about maintaining profits. For us, growth is *most important.*"

Such penetration pricing is not only a significant competitive device, but also sets the base for handsome future profits. The rapid growth of production facilities at the sacrifice of high immediate returns cuts unit costs; this steadily leads to large profit margins at the same time that it allows highly competitive prices to squeeze out rivals. Until three years ago, Japan's shipbuilding industry operated at almost no profit margin for exports, according to a highly qualified Tokyo accountant; now Japanese yards have heavy backlogs of orders, turn out half the annual ship tonnage of the world, and report tidy earnings. Norihiko Shimizu, a Japanese economist with the Boston Consulting Group, declares: "Japan's pricing policies can in no way be termed dumping. They constitute a powerful competitive weapon in capturing and holding market share."

"OUR EQUIVALENT OF KNIGHTHOOD"

The Japanese team goes after exports with genuinely patriotic zeal. Toyota, the country's exporting champion, proudly cheers on assembly-line workers with large monthly posters depicting on a world map the number of cars sold in each major overseas market. (The government recognizes such success with handsome certificates of merit—"our equivalent of knighthood," says a Toyota executive with a smile.) In the same spirit, Matsushita Electric Industrial Co., Ltd., which exports nearly 20 percent of its total sales of National and Panasonic appliances, starts the day with a company song urging workers to build "a new Japan" by promoting production—"sending our goods to the people of the world, endlessly and continuously, like water gushing from a fountain."

Directly and indirectly, government policies work to concentrate new investment where worldwide demand is currently highest—heavy machinery, chemicals, and high-precision products. Moreover, following a strategy agreed upon by the government-business establishment, Japanese corporations are giving exports an integral—and larger—role in their blueprints for expansion. For example, Hitachi, a leading manufacturer of heavy electrical equipment and industrial machinery, is embarked on an extensive drive to make greater inroads in world markets by not only selling more equipment, but peddling technical know-how and forming joint ventures abroad; Hitachi's goal is to raise the export portion of total sales from 14 percent last year to 23 percent by 1975. Likewise, Teijin Ltd., which now exports about 30 percent of its synthetic-textile production, is spawning joint ventures outside Japan and diversifying into oil drilling, titanium production, and the processed-food industry.

Over the next ten years Teijin plans to expand sales tenfold—half of which is to be exports. Says Teijin President Shinzo Ohya, "It's practically our duty to increase exports." To widen opportunities abroad, other manufacturers are designing products specifically for overseas markets, ranging from miniature office computers to entire fertilizer factories for underdeveloped nations. Akai Electric Co., Ltd., has emerged as a major producer of tape recorders by specializing in higher-priced machines ($300 and up) and it sells about 95 percent of its production abroad.

In crucial areas of trade, the full force of Japan's subtly interlocking system can almost always overwhelm foreign competition. Bidding for a recent telephone-equipment contract in Taiwan, a consortium of Japanese telecommunication companies won the order after a government official urged individual manufacturers to combine forces, cut prices, and forgo most profits "to get the business for the good of Japan." Japan's competitive edge is sharpened further by government-backed credits at relatively low interest rates, which finance about 10 percent of the country's exports. In bidding against Italian and American competitors for a chemical plant in Latin America, Niigata Engineering Co., Ltd., sweetened its low bid by offering substantial government financing from the Export-Import Bank of Japan. This was the case, too, when Chiyoda Chemical Engineering & Construction Co., Ltd., last year went after a $31-million job to build a refinery for Standard Oil (N.J.) in Singapore. In the final weeks of competition against European and U.S. contractors, the Japanese company hastily arranged $12 million in government financing for the project over seven years at 6.5 percent annual interest. Recalls a Chiyoda official: "The question of financing was raised about one month before award of the contract. I was in America, talking to Esso in the daytime and talking to Japan on the phone at night. Our people checked with the Japanese Government and within three weeks had some indication of approval. That was just one week before the contract was awarded."

TANKERS AND INSTANT NOODLES

The uniquely Japanese *soogoo shoosha*, general trading companies, add a number of effective touches of their own. As the principal sales agents for all products, these mammoth companies mobilize the combined forces of manufacturers, banks, and government and are the day-to-day leaders in Japan's assault on world markets. The ten largest trading houses are responsible for some 50 percent of the country's exports and 65 percent of imports. Together with smaller, specialized firms, the traders make more than 70 percent of Japan's total foreign sales.

"We handle about 7,000 different commodities, ranging from turnkey industrial plants and 300,000-ton tankers to small packages of raisins or instant noodles," says Emori of the Mitsubishi trading company, the sales leader with an annual turnover exceeding $9 billion. The trading firms thrive on a traditional form of Japanese economic cooperation. Most manufacturers concentrate entirely on production, assigning to traders both the buying of raw materials and the selling of finished products at home and abroad. As middlemen, the large trading companies earn their profits (with margins as low as 0.5 percent) on massive turnovers. In returns for commissions, trading houses assure manufacturers of growing markets and come to their aid with timely infusions of credit.

Astute, energetic trading-company representatives work almost everywhere, sniffing out opportunities for Japanese manufacturers. In Indonesia, competitors are amazed that trading agents travel to small factories far from the capital and give away ballpoint pens, cigarette lighters, and other advertising gifts—all in hopes of eventually selling equipment to those remote plants. "The sun never set on Mitsui's globe-girdling establishment," boasts the company; its 2,100 employees in sixty-four foreign countries are based not only in the obvious business centers, but also in such places as Chittagong, Sofia, and Mexicali. Trading-house operatives are the eyes and ears abroad for Japanese industry.

Single-minded in their dedication to expanding international markets, Japanese trading executives foresee a never ending rise of exports. The headquarters of larger houses are so jammed with a daylong procession of clients and potential customers that entire corridors are set aside as "visitors' rooms." There businessmen sit on overstuffed couches with white linen antimacassars and make deals while sipping tiny cups of green tea. The working rooms are overflowing with the bursting energy of lifetime employees devoted, above all, to selling more for Japan.

Armed with timely business intelligence from their men overseas, the trading firms organize manufacturers to get the orders, and draw on their government contacts for financing. Under the direction of trading firms, Japan has steadily moved from just supplying foreign markets with petrochemicals and fertilizer to exporting entire industrial plants. Mitsui alone has sold twenty-two chemical plants to developing countries in the past five years.

To enhance Japan's competitive position in world markets, the traders are intensifying their efforts in new directions. "When there are many international tenders for electrical generators or other machinery, Japan will become one unit, and we won't compete with each other," explains Mitsubishi's managing director. The government encourages such teamwork among Japanese companies, which businessmen readily accept because it helps assure long-term credits and expands foreign orders. "From past experience, we've found more advantage than disadvantage in cooperating for the good of the country," says Jiro Fukushi, managing director of Marubeni-Iida Co., Ltd., another large trading house.

TEAMING UP WITH RIVALS

Japanese manufacturers have long followed the tactic of forming export cartels, which MITI officially sanctions and protects. By getting toegther, companies that normally compete in Japan cooperate to preserve the quality of export merchandise and prevent any company from underselling by such a wide margin that it would harm others in the industry. "The function of these associations is to keep the price of export commodities at a certain level," explains Masafumi Goto, director-general of MIT's Trade and Development Bureau. "When an outsider, a company that's not a member of the association, rushes into the market at a lower price, MITI under law can order the outsider to stop." Increasingly, the giant trading houses themselves are teaming up with rivals and with manufacturers to push into overseas markets with an even more potent single force.

Seven trading companies, for example, banded together with three Japanese steelmakers to obtain orders last year for $100 million worth of pipe for the Trans-Alaska Pipe-line System under construction by a consortium of U.S. and British petroleum companies. "In this kind of epoch-making, huge project, cooperation among all our companies gives us a better chance against European mills," says an executive of Sumitomo Shoji Kaisha, Ltd., the trading company that was picked as "champion" by the team and put in charge of the negotiations.

Pitted against U.S. and European bidders for another recent oil-pipeline contract in Ecuador, the Sumitomo and Mitsubishi trading companies joined forces to win the contract for three Japanese steel companies. A Sumitomo official candidly describes the thinking behind such cooperation: "If we compete against each other overseas, it's no use; some foreign company may get the job. We have to present a joint front against the overseas competitors. This will become more and more necessary as the years go by—to keep up our competitive advantage against other countries. In order to safeguard Japa-

nese interests against powerful foreign companies, we must form a united front."

Since any major international transaction must be cleared, at least informally, with MITI, the Japanese Government is able to guide trading-house teamwork in directions that will expand markets. One result is an easy blending of official aims with private business interests—as when Japanese trading firms signed a five-year contract with the Soviet Union in 1968 to import $163 million worth of lumber from Siberia in exchange for exports of machinery and textiles valued at the same amount. Japan sorely needs lumber, while its manufacturers are always seeking new outlets.

DIGGING IN ABROAD

In a departure from the customary middleman role, trading houses are developing raw-material sources abroad for Japanese industries. Marubeni-Iida is helping Canada's Fording Coal Ltd. finance a mine that, over fifteen years, will supply twelve Japanese steel mills with 45 million long tons of coking coal. Such projects for importing essential raw materials ultimately strengthen Japan's position as an exporter of manufactured goods, and they also lead to immediate sales abroad: Marubeni-Iida is selling Japanese bulk carrier vessels to Canadian mining companies. Rival trading firms also team up to develop overseas resources—for instance, Mitsubishi and Mitsui have jointly invested in a Zambia copper mine in collaboration with the Anglo American Corp.

In another new foreign-sales initiative, trading firms are actively promoting joint industrial ventures abroad. Mitsui, for instance, has invested in some ninety-five foreign ventures, including a plastics plant in Portugal, a peppermint-oil and crystal refinery in Brazil, and a factory for making galvanized iron sheets in Thailand. Says a Mitsui executive, "These improve export circumstances for Japanese industry."

Above all, the traders are willing to adapt to almost any situation that presents a sales opportunity. They handle trade between other countries, not only for the relatively small commissions but for business intelligence that leads to Japanese exports. Marubeni-Iida, for instance, has long sold sugar to the U.S. for a Philippine mill; its contacts in Philippine industry have led to substantial contracts to equip several sugar mills with Japanese machinery—always with backing from the Ex-Im Bank of Japan.

If the sale is significant, trading houses can even arrange deals that relieve overseas customers of the need to provide foreign exchange. Sumitomo has an agreement with the Indonesian state oil company, Pertamina, to build in Sumatra a $30-million oil refinery, financed entirely by the Japanese Government and commercial banks. Pertamina will pay for the project by supplying Suimtomo with heavy oil over a five-year period, receiving credit at the going price. The trading company will make a profit both ways, according to a Sumitomo official: "The refinery contract will produce some profit on the sale of machinery and services, and then the import of the oil to Japan will also give us a commission."'

Trading firms can operate widely and flexibly because they are plugged into every level of the Japanese establishment, which supports their role as Japan's most aggressive overseas sales force. The big traders are interlocked with major manufacturers; some (such as Mitsubishi and Mitsui) are an integral part of the zaibatsu, or large industrial groups, while others maintain managerial ties with scores of independent manufacturing concerns. These corporate relationships ensure traders a stable base of clients. The trading houses attract still more clients by borrowing enormous sums (up to twenty times their total capital) from banks and offering loans to manufacturers. Many smaller Japanese companies, which have difficulty obtaining bank credit, rely on the traders for financing.

The government works closely with the trading companies, too. An association of fourteen top trading companies meets every other month, often with government officials present, to discuss foreign-trade tactics. Inevitably, such gatherings of supposed competitors fortify cooperative bonds. When mainland China's Premier Chou En-lai announced in April that Peking would not trade with Japanese companies dealing with Taiwan and South Korea, the major trading companies reacted as though they had arranged a division of labor. Some firms chose to stick with China, while others decided to maintain business with Taiwan and Korea. But the over-all result so far has been to ensure Japan's continued access to all those coveted markets.

So intimate is the cooperation between government ministries and large trading firms that it is impossible to determine which is really trying to influence the other; usually they are united in the cause of trade expansion. Therefore it is not unusual to hear trading-house executives sounding like government officials.

"It's our duty to help other countries develop," says Mitsui's executive managing director, Hisashi Murata.

A colleague adds, "It's our duty to sell more."

"Yes," continues Murata, "but in doing business, we've got to help the countries, too. Otherwise we might get kicked out of exporting to them."

Indeed, the Japanese have at long last become slightly embarrassed by the angry tide of complaints about their trade offensive, which has piled up enormous and still-growing surpluses in Tokyo's favor. To placate disgruntled trading partners abroad, the government-business establishment has pledged to put more emphasis on imports and has launched a major foreign-assistance program. Even the Supreme Trade Council (until recently called the Supreme Export Council) has a new face and a working committee on imports. But all these moves actually help spur exports.

AID, BUT TO WHOM?

Although carried under the banner of "economic cooperation," nearly half of Japan's total $1.2 billion assistance to developing countries last year consisted of export credits for the purchase of Japanese products. Private companies handle most of these sales with government financing, actively seeking out and signing deals that are officially called foreign aid. "We are always approaching foreign governments and business circles to determine what is needed for their development. We put our tentacles all round to see where the business opportunities are," says Mitsui's Murata.

Lumped into the aid package are direct private investments (totaling $144,100,000 last year), which also stimulate Japanese exports. Overseas joint ventures, carefully coordinated with the government, open up fresh markets for Japan. With combined financial help from major trading companies, banks, and the government, Nippon Steel has established joint-venture mills in Malaysia, the Philippines, and Brazil. The mills are considered "foreign aid" even though all are equipped with Japanese machinery, and the Philippine mill buys semiprocessed hot coils from Nippon Steel. None of the foreign affiliates competes in Japan's principal markets in highly industrialized countries. By spawning manufacturing affiliates for textiles in underdeveloped countries, Japanese companies benefit both from cheaper labor and from new outlets for petrochemicals required by the foreign factories.

Japan has pledged to increase private and government "economic cooperation" to about $4 billion by 1975. But the move toward larger assistance is closely related to export promotion. MITI says that exports must continue increasing by at least 15 percent annually to help meet the nation's foreign-aid target. Simultaneously, corporations are cranking up larger export plans on the basis of greater long-term credit expected from the aid program.

Surprisingly, in view of the tremendous overseas sales effort, Japan's economic strength is relatively independent of trade. Exports account for only about 9 percent of G.N.P., in contrast to 19 percent for West Germany and 35 percent for Holland. While Japan naturally must export to pay for foreign purchases of raw materials, its relative dependence on imports is shrinking. Technological advancement has reduced reliance on imports of machinery, and the more advanced heavy and chemical industries require proportionately less in the way of imported raw materials.

A larger sense of nationalism derived from growth and market expansion—not hard economic necessity—seems to drive the Japanese toward ever rising exports. "They're somewhat intoxicated by the figures. All of this has become almost a religion for them," observes a U.S. businessman who has spent the past twenty-five years in Japan.

PROBLEMS AT HOME

Ultimately, long-repressed domestic demands could slacken the pace of export growth. Despite its emergence as the third-largest economic power in terms of G.N.P. (after the U.S. and the Soviet Union), Japan still faces widespread deficiencies in housing, social services, and roads, as well as a choking environmental pollution. The industrious work force has lately been demanding—and getting—wage increases that outpace productivity gains.

A few government advisers are beginning to urge a slowdown in the export campaign, in favor of a more balanced growth to prevent inflation and improve the quality of life. Dr. Nobutane Kuichi, seventy-one, a former banker and Finance Ministry official who now heads the business-supported Institute of World Economy, urges: "Someone in authority must take the initiative. Confrontation between us and the world is no good. I'd like to see the growth rate of our exports decline from last year's 22 percent to no more than 10 percent, ideally 7 percent. I have told this to the Prime Minister, and he doesn't like it because everything is geared to exports. They probably won't accept my view by persuasion, but by necessity we'll be following it within two years because of inflation and a shortage of manpower. Gradually, they will see the foolishness of expansion for the sake of expansion."

Although the Japanese deeply respect men of age and experience, there's little sign of widespread support yet for Dr. Kuichi's view. The consensus of Japan's closely meshed government ministries and business corporations is still for rampant export expansion. As a Mitsui trading-company executive says, "We now handle more than 12 percent of Japanese exports, and soon it will be 15 percent. The sky is the limit."

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. BLATNIK (at the request of Mr. ALBERT), for today, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Member (at the request of Mr. McCLOSKEY), to revise and extend his remarks and to include extraneous matter:)

Mr. MILLER of Ohio, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. BROYHILL of North Carolina, to revise and extend his remarks today on House Resolution 1225.

All Members (at the request of Mr. SMITH of California and Mr. YOUNG), to extend their remarks in the RECORD and to include extraneous material on House Resolution 1225.

Mr. HUNGATE, to revise and extend his remarks following those of Mr. TUNNEY.

Mr. RANDALL to extend his remarks immediately prior to the vote on the Gibbons amendment to House Resolution 1225 today.

Mr. MILLS to revise and extend and include extraneous matter with the remarks he made during general debate.

(The following Members (at the request of Mr. McCLOSKEY), and to include extraneous matter:)

Mr. COWGER.
Mrs. HECKLER of Massachusetts.
Mr. BEALL of Maryland.
Mr. ERLENBORN.
Mr. TEAGUE of California.
Mr. HARVEY.
Mr. WYMAN in two instances.
Mr. SCHWENGEL in two instances.
Mr. ROBISON.
Mr. RIEGLE.
Mr. HORTON.
Mr. SCHMITZ in three instances.
Mr. DUNCAN in two instances.
Mr. DERWINSKI in three instances.

(The following Members (at the request of Mr. RANDALL), and to include extraneous matter:)

Mr. PATTEN.
Mr. LEGGETT.
Mr. ROSTENKOWSKI.
Mr. PODELL in three instances.
Mr. GARMATZ.
Mr. DANIELS of New Jersey.
Mr. LONG of Louisiana.
Mr. KYROS in two instances.
Mr. BOLAND.
Mr. VAN DEERLIN in five instances.
Mr. COHELAN.
Mr. BINGHAM in five instances.

ENROLLED BILL SIGNED

Mr. FRIEDEL, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 13978. An act to amend the Agricultural Adjustment Act of 1933, as amended, and reenacted and amended by the Agricultural Marketing Act of 1937, as amended, to authorize marketing research and promotion projects including paid advertising for almonds.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 737. An act for the relief of Konrad Ludwig Staudinger;

S. 882. An act for the relief of Capt. William O. Hanle;

S. 902. An act to amend section 1162 of title 18, United States Code, relating to State jurisdiction over offenses committed by or against Indians in the Indian country;

S. 1422. An act for the relief of Donal E. McGonegal;

S. 2455. An act to authorize appropriations for the Civil Rights Commission, and for other purposes;

S. 3620. An act for the relief of Mrs. Anastasia Pertsovitch;

S. 3853. An act for the relief of Mrs. Pang Tai Tai; and

S. 3858. An act for the relief of Bruce M. Smith.

ADJOURNMENT

Mr. RANDALL. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 15 minutes p.m.), the House adjourned until tomorrow, Thursday, November 19, 1970, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2549. A communication from the President of the United States, transmitting proposed supplemental appropriations for fiscal year 1971 for foreign assistance (H. Doc. No. 418); to the Committee on Appropriations and ordered to be printed.

2550. A letter from the Deputy Director, Office of Management and Budget, Executive Office of the President, transmitting a report that the "limitation on general and administrative expenses", Panama Canal Company fund, for the fiscal year 1971, has been apportioned on a basis which indicates the necessity for an increase in the limitation, pursuant to 31 U.S.C. 665; to the Committee on Appropriations.

2551. A letter from the Deputy Director, Office of Management and Budget, Executive Office of the President, transmitting a report that the appropriation to the Canal Zone Government for "Operating expenses", for the fiscal year 1971, has been apportioned on a basis which indicates the necessity for a supplemental estimate of appropriation, pursuant to 31 U.S.C. 665; to the Committee on Appropriations.

2552. A letter from the Secretary of Transportation, transmitting a report of the purchases and contracts made by the Department under clauses 11 and 16 of section 2304(a) of title 10, United States Code, during the period of May 1 through November 1, 1970, pursuant to 10 U.S.C. 2304(e); to the Committee on Armed Services.

2553. A letter from the Attorney General, transmitting a report on voluntary agreements and programs pursuant to section 708(e) of the Defense Production Act of 1950, as amended; to the Committee on Banking and Currency.

2554. A letter from the Assistant Secretary of Stat for Congressional Relations, transmitting notice of a Presidential determination authorizing an increase in military grant assistance, pursuant to sections 610 and 614(a) of the Foreign Assistance Act of 1961, as amended; to the Committee on Foreign Affairs.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. DINGELL:

H.R. 19819. A bill to authorize the Small Business Administration to guarantee any bid, payment, or performance bond under an agreement entered into by a small-business concern which is a construction contractor or subcontractor; to the Committee on Banking and Currency.

By Mr. EILBERG:

H.R. 19820. A bill to terminate the airlines mutual aid agreement; to the Committee on Interstate and Foreign Commerce.

By Mr. TEAGUE of Texas (by request):

H.R. 19821. A bill to amend section 5055 of title 38, United States Code, in order to extend the authority of the Administrator of Veterans' Affairs to establish and carry out a program of exchange of medical information; to the Committee on Veterans' Affairs.

By Mr. FRIEDEL:

H. Res. 1264. Resolution relating to the limitation on the number of employees who may be paid from the clerk-hire allowances of Members of the House and Resident Commissioner from Puerto Rico; to the Committee on House Administration.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BROWN of California:

H.R. 19822. A bill for the relief of Dickran H. Hadjian; to the Committee on the Judiciary.

By Mr. CLARK:

H.R. 19823. A bill for the relief of Marija Jurisic; to the Committee on the Judiciary.

By Mr. ROGERS of Florida (by request):

H.R. 19824. A bill for the relief of Uhel D. Polly; to the Committee on the Judiciary.

By Mr. BOB WILSON:

H.R. 19825. A bill for the relief of Nguyet thi Tran and Dzung thi kim Tran; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

634. By the Speaker: Petition of the King County Council, State of Washington, relative to the treatment of alcoholism as an illness; to the Committee on Interstate and Foreign Commerce.

635. Also, petition of James E. Morgan, Washington, D.C., relative to redress of grievances; to the Committee on the Judiciary.

636. Also, petition of the American Ornithologists' Union, relative to the preservation of the Jamaica Bay Wildlife Refuge; to the Committee on Merchant Marine and Fisheries.