91st Congress } CONFIDENTIAL COMMITTEE PRINT
2d Session }

SUMMARY OF TESTIMONY AND STATEMENTS SUBMITTED TO THE COMMITTEE ON FINANCE ON THE TRADE ACT OF 1970

PREPARED BY THE STAFF

OF THE

COMMITTEE ON FINANCE
UNITED STATES SENATE
RUSSELL B. LONG, *Chairman*

(NOTE: This document has not been reviewed by the committee and does not reflect the approval or disapproval of the committee or any member thereof.)

NOVEMBER 16, 1970

Printed for the use of the Committee on Finance

U.S. GOVERNMENT PRINTING OFFICE
51-873 WASHINGTON : 1970

COMMITTEE ON FINANCE

RUSSELL B. LONG, Louisiana, *Chairman*

CLINTON P. ANDERSON, New Mexico
ALBERT GORE, Tennessee
HERMAN E. TALMADGE, Georgia
EUGENE J. McCARTHY, Minnesota
VANCE HARTKE, Indiana
J. W. FULBRIGHT, Arkansas
ABRAHAM RIBICOFF, Connecticut
FRED R. HARRIS, Oklahoma
HARRY F. BYRD, JR., Virginia

JOHN J. WILLIAMS, Delaware
WALLACE F. BENNETT, Utah
CARL T. CURTIS, Nebraska
JACK MILLER, Iowa
LEN B. JORDAN, Idaho
PAUL J. FANNIN, Arizona
CLIFFORD P. HANSEN, Wyoming

TOM VAIL, *Chief Counsel*
EVELYN R. THOMPSON, *Assistant Chief Clerk*

CONTENTS

	Page
I. Trade agreement authority	1
Government witnesses	1
II. Foreign import restrictions	2
Government witnesses	2
Private witnesses	3
III. Determinations and import adjustments for safeguarding national security	4
Government witnesses	4
Written statements	5
IV. Tariff adjustment and adjustment assistance	5
Government witnesses	6
Private witnesses	7
Written statements	8
V. Textile and footwear quotas	9
Government witnesses	9
Private witnesses	9
Written statements:	
Favoring textile and footwear quotas	9
Telegrams:	
Favoring textile and footwear quotas	11
Written statements:	
Opposing textile and footwear quotas	14
Requesting amendment to the textile and footwear provisions	17
Opposing exclusion of tie fabrics from the textile quota	17
VI. Submissions on behalf of other industries seeking import protection	18
VII. Submissions against protection for specific industries	20
VIII. The DISC proposal	23
Government witnesses	24
Private witnesses	26
Written statements:	
Favoring DISC	27
Opposing DISC	28
IX. Communications generally opposed to the Trade Act of 1970	30
X. Communications generally in favor of the Trade Act of 1970	32

Summary of Testimony and Statements Submitted to Senate Finance Committee on the Provisions of the Trade Act of 1970

I. Trade Agreement Authority

Summary of Provision.—The Senate amendment would extend the President's trade agreement authority to proclaim reductions in rates of duty under the Trade Expansion Act of 1962 to July 1, 1973. Under the Senate amendment, the President's tariff-reduction authority would in general be limited to 20 percent of the rates of duty which will exist when the final stage of the Kennedy round reduction is made effective on January 1, 1972. The staging of tariff reductions under this new authority is provided for in two annual stages.

Government witnesses

The Special Representative for Trade Negotiations.—"The tariff-cutting authority is not designed to be used for major tariff negotiations for none is contemplated in the near future. Rather, it is intended to make possible such adjustments as individual circumstances from time to time require as, for example, when it becomes necessary to raise the duty on an article as the result of a favorable "escape clause" action or when a statutory change is made in a tariff classification." However, the administration feels that in the light of other measures in the bill, the 20 percent authority may be inadequate.

The Secretary of Commerce.—"The request to give the President leeway to reduce our tariffs 20 percent is a mechanism that would be used primarily when it is the result of escape action in which some tariffs are raised. It must be borne in mind that making relief more available to our industry in the form of tariff adjustment or other restrictions on imports carries with it the responsibility to compensate countries whose trade may be adversely affected as a result."

The Secretary of State.—"The legislation before you incorporates many of the provisions that the President requested in his initial proposal to the Congress, including limited tariff-cutting authority, liberalization of adjustment assistance provisions of the present Trade Expansion Act, and authority to eliminate the 'American selling price' system of valuation. It includes also a provision for the establishment of Domestic International Sales Corporations, intended to assist our exports, which the administration subsequently had requested. The President has also indicated his willingness to accept a provision for restrictions on certain textile imports because our efforts to find other solutions to problems in our textile trade have thus far been unsuccessful."

The Secretary of Agriculture.—"American agriculture favors any measure which emphasizes a liberal rather than a protectionist approach to trade. Although the Kennedy round resulted in some trade liberalizing agricultural concessions with a number of countries, it did not deal effectively with agriculture's major trade problems. The common agricultural policy of the European Community has seriously affected our exports of grains and other commodities subject to the variable levy."

II. Foreign Import Restrictions and Discriminatory Acts

Summary of Provision.—The Senate amendment provides new authority and direction to the President under section 252 of the Trade Expansion Act to act against import restrictions or other acts of other countries which unjustifiably or unreasonably burden or discriminate against U.S. commerce. An amendment to section 252(a) removes the word "agricultural" so that the President is directed to take such action as he deemed necessary and appropriate when a foreign country unjustifiably restricts *any* U.S. product. Such action might include the imposition of duties or other import restriction on products of the foreign country imported into the United States.

Section 252(b) is amended by adding a provision which specifically embraces foreign export subsidies as being among those restrictions, policies or acts of foreign governments against which the President is directed to take action. In addition, the President is given new authority to take such action as he deems necessary against the imports of products from the country involved when he deems it necessary or appropriate to obtain the removal of such restrictive acts, policies, or subsidies and to obtain access for U.S. products to foreign countries on an equitable basis.

Section 252(c) is amended so that the President will be directed to impose duties or other import restrictions (or to withdraw or suspend, or refrain from proclaiming trade agreement concessions) when unreasonable foreign import restrictions substantially burden U.S. commerce.

Government witnesses

The Special Representative for Trade Negotiations.—This authority "provides for better means to take effective action when we are confronted with illegal or unjust restrictions on our exports."

The Secretary of Commerce.—"Foreign trade and investment barriers remain high, and in many cases they clearly hamper the flow of trade from the United States." In the textile trade alone, foreign countries have quota and licensing arrangements, which were detailed for the hearing record.

The Secretary of State.—"There are problems in the trade field which should be dealt with on a problem-by-problem basis. The United States is in a predominant position in the world economy and any restrictive action on our part will be a retreat from our leadership in world affairs and bring foreign reprisals."

Assistant Secretary of Agriculture.—"Our producers and exporters face many delicate situations in their export markets at the present time.

"The common agricultural policy of the European Community, for example, has been a problem for a number of years, and it has seriously affected our exports of grains and other commodities subject to variable levies. We in the administration are seeking actively and intensively to bring about much-needed changes in this situation. Despite these problems, the European Community is a major agricultural market—taking $1.4 billion from the United States last year.

"The United Kingdom has in recent years been shifting from a system of deficiency payments to support farm income to greater reliance on protection at the border and import restriction. The new United Kingdom Government has indicated an intent to speed up this transition as a matter of policy. The United Kingdom bought $400 million from us last year.

"The prospect of an enlarged European Community to include the EC, the United Kingdom, and the other three applicants, presents additional delicate problems for American agriculture. Unless reform of the present agricultural system in the Community is accomplished, our export markets to this very large market will shrink further.

"Japan has been a mainstay for American agricultural exports. It has been a steadily expanding market. During the past fiscal year Japan became our largest single country market, taking over $1.1 billion of our food and fibers. Japan continues to present a great opportunity for agricultural expansion but that market also presents its problems. The Japanese have made no secret of their wish to diversify sources of food imports so as not to be dependent on one exporter. Over the longer run, this could be a real problem. And Japan also maintains quota restrictions on some of our products which should be removed.

"Unwarranted protectionist actions by the United States now would wreck our chances for dealing successfully with these and other problems which American agriculture faces abroad. Such protectionist actions, moreover, could cut back sharply the present level of exports we send to these markets."

Private witnesses

Robert McNeill on behalf of the Emergency Committee for American Trade (ECAT).—At present, section 252 authority to take retaliatory action against countries unjustifiably restricting U.S. commerce is limited only to U.S. agricultural products. U.S. efforts to insure fair treatment for U.S. imports would be strengthened considerably if the President had the means to take action on all U.S. exports. ECAT favors extending 252 actions against countries restricting U.S. foreign direct investment.

General Electric Co.—The General Electric Co. supports the provisions of the bill which would: 1) broaden the President's authority to deal with unfair foreign trade practices, and suggests that the statute be broadened to include sanctions against any exclusion of bids of U.S. suppliers on procurement of products purchased by foreign governments. The General Electric Co. also supports the antidumping countervailing duty provisions of the Trade Act of 1970 as well as the DISC proposal.

Claude E. Hobbs, on behalf of the National Electrical Manufacturers Association.—The National Electrical Manufacturers Association whose 485 members are the principal U.S. manufacturers of electrical and related products used in the generation, transmission, distribution, and utilization of electrical energy, supports those sections of the trade bill dealing with foreign import restrictions, tariff adjustment, and adjustment assistance, antidumping and countervailing duties, invoice information, and trade in illegal drugs.

The Association points out that foreign nontariff barriers and export subsidies involve unfair trade practices by foreign governments in the electrical trade. In the Kennedy round U.S. duties on electrical products were reduced by 50 percent with virtually no effective foreign country concessions to open their markets to U.S. bidders. In addition to revising our unfair trade statutes, the "Buy American Regulations" should also be changed, the Association argues. The statement recommends that in lieu of an additional 20 percent tariff cutting authority, the committee consider providing the Executive with authority to cut tariffs on products which were not cut by 50 percent during the Kennedy round up to the full 50 percent. It also recommends strengthening section 252 of the Trade Expansion Act.

III. Determinations and Import Adjustments for Safeguarding National Security

Summary of Provision.—Section 232 of the Trade Expansion Act of 1962 (the "national security provision") is amended 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. The Director of the Office of Emergency Preparedness will be required to make a determination on new applications under the national security provision within 1 year after the date on which the investigation is requested. (Present law sets no time limits within which decisions must be made.) Determinations on active pending cases are to be made within 60 days of enactment of the act.

Government witnesses

Director, Office of Emergency Preparedness.—The executive branch has discontinued the consideration of a tariff scheme to regulate oil imports. The Director pointed out that "our country will be in a transitional situation for some time with regard to oil. Continued consideration of such a tariff system would only have added to the uncertainties that already exist and impair our efforts to deal with the problems we now face including the disruption of Middle East oil, tanker rates, and increased demand for residual fuel." He also indicated that imposition of a tariff on the already high price of imported oil would tend to increase the cost to consumers.

The Director pointed out that there may be situations, other than oil where a tariff might be a better means of controlling imports than a quota and, for this reason, he favors retention of the flexibility to impose tariffs which exists under present law.

The Special Representative for Trade Negotiations.—This section would require that action by the President to adjust imports after national security investigations take only the form of quotas. In some cases and under some circumstances, however, solutions other than those involving quotas might be more appropriate and effective measures. Where the national security is involved, such options should not be foreclosed. The administration is, therefore, opposed to this limitation on the President's discretion in future cases.

Secretary of Commerce.—The Secretary supports the quota system for controlling oil imports, but favors keeping flexibility in the national security provision.

Secretary of State.—The Secretary of State favors a quota system to control oil imports, but favors keeping flexibility in the national security provision.

Written statements

Frank Ikard, President, American Petroleum Institute.—There are serious practical difficulties in regulating oil imports by a tariff mechanism. The tariff proposal (1) minimizes the national security objective of oil import controls; (2) is based on erroneous assumptions and serious omissions, and (3) fails to properly assess the consumer's state in this program.

Senator Thomas J. McIntyre.—Opposes "freezing" oil import quotas into law.

Senator Edward M. Kennedy.—Opposes "freezing" oil import quotas into law.

Brice O'Brien, National Coal Association.—Supports limitations on total energy consumed in the United States which would be supplied by imports.

IV. Tariff Adjustment and Adjustment Assistance

Summary of Provision.—The Senate amendment generally relaxes the stringent criteria in present law for an industry to obtain escape clause (quota, tariff) relief or for a firm or group of workers to obtain adjustment assistance.

Escape clause.—The amendment revises the present escape clause. It (1) removes connection with tariff concession, and substitutes a less stringent substantial cause-test of injury for "the major cause" test: (2) defines industry in terms of "portion or subdivision of producing organizations manufacturing, processing, extracting, growing like or competitive articles in commercial quantities."

If majority of Tariff Commissioners make injury determination that majority shall also determine amount of increase in or imposition of any duty or other import restriction deemed necessary to prevent or remedy such injury. If, during the course of an escape clause investigation, Tariff Commission believes that increased imports are attributable in part to circumstances which come within the purview of the Antidumping Act, or section 303 or 337 of the Tariff Act, or

51-873—70——2

other remedial provisions in law, it shall notify appropriate agency and take such other action as it deems appropriate.

"Trigger Mechanism"

If a majority of Commissioners present and voting make an affirmative injury determination, they (the majority) shall also determine whether:

(a) Imports of the particular article under an escape clause action had reached 15 percent of domestic consumption and had increased in relation to domestic consumption by 3 percentage points over the previous years level and 5 percentage points over the level 2 years prior (i.e., 15 percent 1970, 12 percent 1969, 10 percent 1968) or;

(b) Imports are found to adversely affect domestic production, actually or potentially, and caused a substantial decline in employment, man-hours worked or wages: and

(c) Import prices and foreign unit-wage costs are substantially below U.S. levels.

If either (a) or (b) *and* (c) are found to exist then the majority of the Tariff Commission must make an additional determination and the President must implement the recommendation of the Tariff Commission, unless he declares it is the national interest not to act.

Adjustment assistance.—The amendment applies a substantial cause-test to adjustment assistance cases (firms and workers) as it does to escape clause (industry relief) actions under the bill. The petitions for relief under adjustment assistance must be directed to the President, but the Tariff Commission still must do a factfinding investigation.

Government witnesses

Special Trade Representative.—Section 111 relaxes the criteria for determining serious injury in escape clause and adjustment assistance cases. The administration supports the amendments for adjustment assistance but strongly opposes most of the escape clause proposals. The Administration favors its original bill under which imports must be found to be *the primary cause* of serious injury, for an industry to receive relief. The trigger mechanism in the Trade Act of 1970 contains an arithmetic test which departs significantly from the GATT standards. It could lead to import quotas on many items which would have to be paid for by large U.S. tariff cuts. This could adversely affect the competitive position of many U.S. industries which heretofore had not been injured by imports.

Secretary of Commerce.—The escape clause provision has been "excessively loosened."

Secretary of State.—"The proposed bill would depart from past escape clause procedure by setting an arbitrary arithmetic formula to be used in determining injury. I must tell you that if other countries were to apply this approach to our own exports, there would be grave damage to the sales of hundreds of American firms and to the jobs of hundreds of thousands of American workers."

Private witnesses

Nathaniel Goldfinger, Director of Research, AFL–CIO.—"The escape clause mechanism is much improved over existing legislation and procedures." The escape clause is a stop gap measure that is needed until the Government deals with the fundamental causes of the problem.

Robert L. McNeil, Executive Vice Chairman, Emergency Committee for American Trade.—"ECAT is more sympathetic to the plight of any American injured by imports. We strongly support help for them in the form of adjustment assistance, and prompt and effective relief through escape clause provisions that are consistent with international obligations." ECAT supports the orginal administration's proposals on adjustment assistance and escape clause relief. The trigger mechanism could affect $1.6 billion of Common Market exports and $240 million of British exports to the U.S. The affected countries would have the right to retaliate and thus could badly damage our sales of products like aircraft, computers, farm machinery, and many agricultural products.

Gerald O'Brien, Executive Vice President, American Importers Association.—The American Importers Association strongly opposes the escape clause provisions in the House bill, arguing that it would provide a "hunting license" for any industry to receive protection from import competition.

O. R. Strackbein, President, Nationwide Committee on Import-Export Policy.—"While the bill would greatly improve the availability of remedy for serious injury, it nevertheless places some difficulties in the path of the applicants." The mathematical formula should be revised to allow for a trigger mechanism for those industries where there is a much higher penetration level than 15 percent, but in which imports had not increased in accordance with the growth rates spelled out in the bill. Also the requirement that imports be found to have been sold at foreign unit labor costs substantially below U.S. costs would, in practice, be almost impossible to meet. The information is not available.

Nelson Stitt, Council Director, United States-Japan Trade Council.—"It is generally believed that the escape clause provisions of the Trade Expansion Act were unduly restrictive, because of the conditions of "major cause" between tariff concessions and increased imports and serious injury." The language of the trade bill proposed by the President would have rectified this situation and we supported it as being in consonance with both the letter and spirit of the GATT. But the escape clause in H.R. 18970 (The Trade Act of 1970) "opens the door wide for import limitations of all kinds."

John Hight, Executive Director, Committee for National Trade Policy.—The committee is opposed to the mathematical test in the escape clause, but the United States needs a balanced constructive policy to deal with the evolving adjustment needs of U.S. industries.

Eugene Kenny, President of the American Retail Federation.—The association opposes quotas as being inimical to U.S. consumer interests.

Mrs. Bruce Benson, President, League of Women Voters.—"The House bill represents a major reversal of U.S. trade policy." The league disapproves of the relaxed criteria for "escape clause" relief.

Written statements

Senator Hugh Scott on behalf of Herbert E. Leeds, President of Gimbel's in Pittsburgh.—Mr. Leeds makes various recommendations to modify the market disruption in escape clause provisions of the bill.

Richard C. Wells, President, Freeport Sulphur Co.—Freeport Sulphur Co. favors the escape clause and adjustment assistance provisions of the Trade Act of 1970. The domestic sulfur industry is depressed because of large sales of Canadian sulfur which is a byproduct of the desulfurization of sour natural gas. The prices of sulfur on Canadian exports have declined from $38 per long-ton on June 1, 1968, to $10 per ton on June 1, 1970. Sales at these depressed prices have done serious damage to the domestic industry. From early 1969 to the present time six mines located in Louisiana and Texas have been forced out of business.

Eugene L. Stewart, special counsel for C–E Glass, subsidiary of Combustion Engineering, Inc., Libby-Owens-Ford Co. and Glass Division, PPG Industries, Inc., recommends.—

(1) Where the Tariff Commission in an investigation has found a domestic industry to have been seriously injured by increased imports, and the executive branch has failed to place into effect the increase in duty or other change in import restrictions found by the Commission to be necessary to correct such injury, this committee should incorporate in the bill which it reports an amendment which will directly place into effect the Commission's findings;

(2) The findings of the Tariff Commission in an escape clause (tariff adjustment) investigation should be final, and not subject to nullification by Executive discretion;

(3) By all of the criteria of market disruption and import injury that are applicable to textiles, footwear, and steel, flat glass should be included in legislation providing for the imposition of limitations upon the quantity and rate of increase in imports.

Cox, Langford & Brown, attorneys representing: Glaverbel (USA) Inc.—This company which promotes the sale of Belgian flat glass to the United States, opposes import quotas on flat glass and the modifications in the escape clause procedures imposed in the Trade Act of 1970.

Robert M. Morris, President, National Foreign Trade Council.—The Council believes the "escape clause" formula as proposed would be extremely disruptive of trade and prejudicial to our national economic interest.

V. Textile and Footwear Quotas

Summary of Provision.—The amendment imposes import quotas on textile and nonrubber footwear articles at the average level of imports for each category during years 1967–69. Quotas take effect in 1971. Imports in subsequent years may be increased by not more than 5 percent of the previous year's level in each category. However, the President may increase imports in any category if he finds that there is an inadequate domestic supply at reasonable prices. The President may also exempt any textile or footwear article if he determines that such articles are not causing market disruption or that such exemption is in the national interest.

Voluntary Agreements.—The amendment gives authority to the President to enter into bilateral or multilateral agreements to limit imports of textile or footwear articles in order to avoid market disruption. Such agreements may supersede any quotas established under section 201. It also gives the President authority to establish mandatory quotas on any country not party to such agreements.

Government witnesses

The Special Trade Representative, the Secretary of Commerce, and the Secretary of State all supported the import quota provision on textile and apparel articles, but opposed the footwear quota provisions. They felt that the size of the textile industry and the number of jobs associated with it, justify a quota approach, while quotas would not be suitable for the footwear industry.

Private witnesses

The Emergency Committee for American Trade, the American Importers Association, the Committee for National Trade Policy, the American Retail Federation, and the League of Women Voters all oppose legislative quotas of any kind.

The American Textile Manufacturers and the AFL–CIO favored legislative quotas on textiles and shoes.

Written statements

Favoring Textile and Footwear Quotas

Sidney S. Korzenik, Counsel, Apparel Industries Inter Association Committee: Supports the bill and describes the conditions in the apparel industry which consists of some 28,000 firms employing approximately 1,600,000 workers.

Robert T. Stevens, J. P. Stevens & Co., Inc.: Supports provisions of H.R. 18970; describes recent conditions in the textile industry.

Bruce N. Lynn, President, National Cotton Council of America: Supports the textile provisions of H.R. 18970; describes the competition of the increased manmade fiber and woolen imports of the cotton segment of the textile industry.

Evelyn Dubrow, Legislative Representative, International Ladies' Garment Workers' Union: Supports provisions of the Trade Act of 1970. This union contains 440,000 members.

Claude Ramsey, Chairman, Man Made Fiber Producers Association, Inc.: Supports enactment of title II of the Trade Act of 1970 which would establish import quotas on textile apparel and footwear articles.

The Puerto Rico Economic Development Administration: Puerto Rico has suffered a decline in employment in the apparel and leather footwear industries and supports the quota provisions on textile and footwear products.

The Cordage Institute of the United States: The Cordage Institute supports the provisions of the Trade Act of 1970, particularly the import quotas on textile products.

Jack A. Crowder, President, National Association of Wool Manufacturers: Supports provisions of Trade Act of 1970 as an amendment to the social security legislation. The wool industry is principally in southeastern New England and Middle Atlantic States.

Ellis E. Meredith, Executive Vice President, American Apparel Manufacturers Association, Inc.: The association represents approximately 50 percent of the $16.8 billion annual domestic sales of apparel. Its members are located in 43 States, and it estimates that more than 600,000 people are employed by the association members. The association supports the Trade Act of 1970. It points out that apparel imports have doubled in the past 4 years in the first 8 months of 1970. Cotton, wool, and manmade fiber imports reach a level almost equal to that for all of 1968. In the same 8-month period, total manmade fiber apparel imports are greater than the total imports of manmade fibers for the years 1965, 1966, and 1967 combined. By the end of 1970, manmade fiber apparel imports will reach double the level of such imports in 1968.

Jacob S. Potofsky, President, Amalgamated Clothing Workers of America AFL–CIO: The union favors textile and apparel import quotas. It points out that technology in virtually every foreign country is just as advanced as ours, and that the differences in wage rates is so great that we cannot compete. It also points out that some nations which export the most to us, such as, Japan and the European Community have almost closed their borders to our products.

Thomas F. Shannon, on behalf of the American Footwear Manufacturers Association: The footwear industry has been suffering from low-wage import competition for nearly 10 years. During this time the market penetration achieved by foreign shoes has soared from 4.2 percent in 1960 to 25.2 percent in 1969. It estimates that imports in 1970 will amount to 237.2 million pairs worth $1.8 billion at the retail level.

William F. Sullivan, President, Northern Textile Association: Supports title II of the Trade Act of 1970, and urges that it be incorporated as an amendment to the social security legislation. The brief discusses the situation in New England with respect to the textile and apparel industry. It claims that imports have displaced large numbers of textile and apparel workers in New England.

McDonald K. Horne, Jr., former Chief Economist, National Cotton Council: Analyzes the possibilities of retaliation under H.R. 18970 and concludes that retaliation is not a likely possibility. The brief argues that Japan and other textile producing countries have far more restrictions even in textile trade than the United States and depend so much more heavily on trade than we do that it would be self-defeating for them to retaliate.

Richard H. Adler, President, and Alexander Lerner, Chairman, Clothing Manufacturers Association of the United States: Supports passage of Trade Act of 1970.

Francis W. Sargent, Governor of the Commonwealth of Massachusetts: Support quotas on shoes and textiles; opposes quotas on oil.

The Honorable Sam J. Ervin, Jr. (Democrat, North Carolina), U.S. Senator: Supports the textile provisions in the Trade Act of 1970.

The Honorable Norris Cotton (Republican, New Hampshire), U.S. Senator: Supports amending the social security bill with the Trade Act of 1970 to protect our domestic industries.

Telegrams

FAVORING TEXTILE AND FOOTWEAR QUOTAS

R. E. Coleman, Executive Vice President, Riegel Textile Corp., Shoals, S.C.
C. Callaway, President, Crystal Textiles, Inc., Chickamauga, Ga.
L. P. Greer, Jr., Vice President, Coats & Clark, Inc., Atlanta, Ga.
L. P. Greer, Jr., President, Georgia Textile Manufacturers Association, Atlanta, Ga.
D. H. Morris III, President, Geneva Cotton Mills, Inc., Geneva, Ala.
Leonard Moretz, President, Carolina Mills, Inc., Maiden, N.C.
A. W. Bell, President, Ameridan & Efirds Mills, Inc., Mount Holly, N.C.
C. A. Cannon, Cannon Mills, Kannapolis, N.C.
C. L. Little, President, Little Cotton Manufacturing Co., Wadesboro, N.C.
Donald Cover III, President, Cowikee Mills, Eufaula, Ala.
Brady Rogers, Executive Vice President, Cowikee Mills, Eufaula, Ala.
Archie Clark, Executive Vice President, Cowikee Mills, Eufaula, Ala.
James Harrell, J. P. Stevens & Co., Inc., Greenville, S.C.
Charles R. Sayre, President and general manager, Staple Cotton Cooperative Association, Greenwood, Miss.
Opp & Micolas Cotton Mills, Gaines R. Jeffcoat, Opp, Ala.

Welsford Bishopric, President, Spray Cotton Mills, Eden, N.C.
H. C. P. Eldred, Manager, Bemis Co., Inc., Bemiston plant, Talladega, Ala.
E. B. Borden, Jr., the Borden Manufacturing Co., Goldsboro, N.C.
Marshall Y. Cooper, President and Treasurer, Harriett & Henderson Cotton Mills, Henderson, N.C.
New York Clothing Manufacturers Association, Inc., Herman Soifer, President, New York
Jules Goldstein, Secretary, National Outerwear & Sportswear Associations, Trousers Institute of America, New York, N.Y.
Thomas H. Crudup, Jr., vice president, Harriett & Henderson Yarns, Inc., Henderson, N.C.
E. J. Bock, President, Monsanto Co., Washington, D.C.
Donald Comer, Jr., Executive Vice President, Avondale Mills, Sylacauga, Ala.
D. W. Brooks, Chairman of the Board, Cotton Producers Association, Atlanta, Ga.
J. M. Cheatham, President, Rushton Cotton Mills, Griffin, Ga.
E. M. Loyless, Reeves Bros., Inc., Eastman division, Eastman, Ga.
J. Craig Smith, President and Treasurer, Avondale Mills, Sylacouga, Ala.
C. B. McCoy, President, Dupont Co., Wilmington, Del.
Sol Green, Manager, Knitgoods Workers Union Local 155, ILGWU, New York, N.Y.
Jack Childers, President, Erlanger Mills, Inc., Lexington, N.C.
George McQuilkin III, Vice President, Kendall Co., Charlotte, N.C.
Minor S. Gray, President, Delta & Pine Land Co., Scott. Miss.
G. L. Seitz, Executive Vice President, Calcot, Ltd., Bakersfield, Calif.
Marian C. Benham, cotton producer, member of board, New Mexico Farm & Livestock Bureau and National Cotton Council, Lovington, N. Mex.
C. L. Denton, Jr., Chairman, Producer Steering Committee, Cotton Council 1918, North Parkway, Memphis, Tenn.
Harris S. Swayze, President, Delta Council, Greenville, Miss.
Joseph Schwartz, Manager, Knitgoods Union, Philadelphia, Pa.
W. L. H. Griffin, President, Brown Shoe Co., Chairman, America Footwear Manufacturers Association, St. Louis, Mo.
Oklahoma Cotton Ginners Association, Oklahoma, City, Okla.
Mike Maros, President, Supima Association of America, 603 First National Building, El Paso, Tex.
Huberta M. Patterson, Secretary, West Virginia League, 521 McClain Avenue, Morgantown, W. Va. re Textiles, footwear, glass.
Robert S. Lockridge, President, Craddock Terry Shoe Corp., Lynchburg, Va., re footwear.
E. M. G. White, Vice President, Genesco, Inc., Nashville, Tenn., re. footwear.
Ethel Lay, Financial Secretary, Garment Workers of ILGWU Local 584, Harrodsburg, Ky.
Margaret Wilkerson, President, Local 519, ILGWU, Brunswick, Ga.
Frank Tryokoski, Manager, Locals 141 and 147, ILGWU, Bridgeport, Conn.

Mary B. Cameron, State Director of Tennessee ILGWU, Nashville, Tenn.
George H. Irvine, Manager, ILGWU, New York, N.Y.
E. Howard Molisan, Manager-secretary, Local 48, ILGWU, New York, N.Y.
Edward Schneider, Manager-secretary, Local 91, ILGWU, New York, N.Y.
Matty Verrilli, President, Carmella McCarthy, Secretary, ILGWU in Hudson and Bergen Counties, Local 133, Union City, N.J.
Irvin Astrow, Manager, Local 129, ILGWU in Queens, Nassau, and Suffolk Counties, N.Y.
I. Stenzor, General Manager, Los Angeles Cloak Joint Board, ILGWU, Los Angeles, Calif.
Jerry Perlstein, Manager, Northern Missouri, Minnesota, and Iowa District Council, ILGWU, St. Charles, Mo.
Sam Schwartz, Manager, Los Angeles Dress & Sportswear Joint Board, ILGWU Locals 84, 96, 97, 266, 482, 451, 496
Sam Janis, Regional Director, Vice President, ILGWU, Cleveland, Ohio.
Christine Speck Cope, chairman, officer, and members of Local 408, ILGWU, Fayetteville, Tenn.
Morris, Kovler, Manager, Local 35, ILGWU, New York, N.Y.
William K. Woltz, Mount Airy, N.C.
James Carmody, President, Cleveland Joint Board ILGWU, Cleveland, Ohio.
Herbert Pokodner, Manager, Local 98, ILGWU, Local 98, New York, N.Y.
L.D. Hammer, Manager, National Association of Blouse Manufacturers, 450 Seventh Avenue, New York, N.Y.
Ruth Keeling, Secretary, Local 472, ILGWU, Lebanon, Ky.
Mr. Primack, Manager, Local 154, ILGWU, Local 150, Bay Station, Staten Island, N.Y.
Julius Ramierez, Manager, Corset & Brassiere Workers Union, Local 232, ILGWU, New York., N.Y.
Ruby Hunter, President, Local 562, ILGWU, Bucyrus, Ohio.
H. Dorothy Rhodes, President, Local 545, ILGWU, Woodsfield, Ohio.
Ruth Keene, President, Local 590, ILGWU, Bellaire, Ohio.
Mrs. Alta Young, President, ILGWU, Bardstown, Ky.
Howard Simon, President, Alabama Apparel Industries, Montgomery, Ala.
Marjorie Fluharty, Local 540, ILGWU, Barnesville, Ohio.
C. G. Morrison, Secretary, Local 481, ILGWU, Galsgow, Ky.
Matthew Schoenwald, Manager, Local 62, ILGWU, 101 West 31st Street, New York, N.Y.
Richard R. Cerbone, Manager, Locals 57, 77, ILGWU, Jamaica, N.Y.
William Ross, Manager, Philadelphia Dress Joint Board, ILGWU, Philadelphia, Pa.
Shelley Appletin, Vice President, ILGWU Manager-secretary, Locals 23–25, 275 Seventh Avenue, New York, N.Y.
Joann Hutras, Local 500, ILGWU Dover, Ohio, Cleveland, Ohio.
R. I. Aldo Panetta, Manager, Southern Missouri-Arkansas District Council ILGWU, Little Rock, Ark.

51-873—70——3

J. E. Coker, President, Local 308, Cartersville, Ga.
Sidney Good, Manager-secretary, Dress & Waist Pressers Union, Dress Shipping Clerks, Union Local 60–60A ILGWU, New York.
United Textile Workers of America, Roy S. Whitmire, South French Broad Ave., Asheville, N.C.
Israel Breslow, Secretary-Manager, Dressmakers Union Local 22, ILGWU, New York.
The District Council Local 217–228 ILGWU, Anthony Morgano, District Manager, Trenton, N.J.
Mrs. Lillian Kolwyck, Vice President, State Labor Council, Jackson, Tenn.
Nat Boriskin, Executive Director, Popular Priced Dress Manufacturers Group, Inc., 1440 Broadway, New York, N.Y.
Joe Dolgen, Manager-Secretary, The Cutters Union Local 10, ILGWU, New York, N.Y.
Nat Windman, Manager-Secretary, Moe Zimmerman, Chairman, The Cloak & Suit Operators Union, Local 117, ILGWU, New York.
Philip Kramer, Manager, Boston Joint Board, ILGWU, 33 Harrison, Boston, Mass.
A. Frank Gatti, Manager, Local 64, ILGWU, New York, N.Y.
Richard B. Leavy, Manager, N.Y. Coat & Suit Association, Inc., 225 West 34th St., N.Y.
Lucille Senkbell, President, ILGWU, Toccoa, Ga.
Sara Bowen, President, Local 574, ILGWU, Elberton Manufacturing Co., Elberton, Ga.
Southern District Council, ILGWU, Mildred Wade, manager, Duquoin, Ill.
Canton Textile Mills Inc., Louis L. Jones, Jr., president, Canton, Ga.
William Schwartz, Manager-Secretary, Local 1, ILGWU, New York, N.Y.
Douglas Levin, Manager, Office and Distribution Employees Union, Local 99, ILGWU, New York.
G. C. Rochmond, U.S. Plastic & Chemical Corp., 122 Railroad Ave., West Haverstraw, N.Y.
Waunita Platt, President, Missouri-Kansas-Nebraska District Council ILGWU, Ottawa, Kans.
Alex Redin, Executive Director, Affiliated Dress Manufacturing, Inc., 1440 Broadway, New York, N.Y.
Joshua Fogel, Manager, Local 82, ILGWU, 340 West 28th St., New York, N.Y.
Angela Bambace, Vice President, ILGWU, Baltimore, Md.
Officers and members of Local 444, ILGWU, Madisonville, Tenn.
Arnold Schwedock, Executive Director, Popular Pride Dress Contractors Association, Inc., New York.

Opposing Textile and Footwear Quotas

Richard D. Hoffman, on behalf of Joseph B. Hoffman, Inc.: This company is a manufacturer of woven textile fabrics composed of manmade and synthetic fibers. They own and operate a mill in

Shippensburg, Pa., with over 300 employees. The corporation opposes the Trade Act of 1970, and believes it should not be added as an amendment to any pending bill. The company exports its woven and manmade synthetic fibers. It argues that foreign governments will retaliate against American exports if the quota legislation went into effect.

The Footwear Group of the American Importers Association: The Footwear Group consists of 26 firms who import footwear from all countries, ranging from high-priced shoes from Switzerland to rubber sandals from Hong Kong. The group argues that everything that ought to be done for sectors of the footwear industry that may be affected by import competition can be done just as quickly under the Trade Expansion Act. A Tariff Commission investigation under the escape clause is now being made, and the report will be before the President at the end of this year. He will have power, where injury is found, to do anything he could do under title II of the Trade Act of 1970 but will have more tools: higher duties and adjustment assistance as well as quotas. The group argues that the President's task force on nonrubber footwear found that the footwear market was in a state of rapid change, that some firms and workers have been in trouble, but that it is extremely difficult to sort out the many separate possible causes. The group argues that the conclusion of the task force; that is, that the information available so far does not indicate a case of injury to the overall footwear industry, but selected injury to some segments of the industry, is a strong indictment against overall legislative quotas to solve the footwear problem. The group also comments on the difficult administrative problems associated with quotas. It argues that there are only three ways of administering quotas: (1) on a first come first serve basis, (2) by the use of foreign cartels, (3) by a system of licensing. All three courses tend to destroy competition.

John W. Scott, Master of the National Grange: The National Grange embraces 7,000 local community granges in 40 States, and represents 600,000 residents of rural and suburban America. The Grange favors a liberal trade policy and is opposed to the protective features of the House proposed trade bill. It argues that the Common Market will likely impose a use tax on soybean products to the detriment of the American agricultural exports. It also states that the overly protectionist system of the Common Market is already hurting American agricultural exports.

British-American Chamber of Commerce: The British-American Chamber of Commerce, a New York based trade association representing over 1,200 United States and British firms argues that the Trade Act of 1970 involves some $8 billion of foreign trade and would trigger "massive foreign reaction." It argues that the discretionary and exemption authority in the Trade Act could not be exercised "without doing violence to the MFN principle."

The Honorable Charles H. Percy (Republican, Illinois), U.S. Senator: Opposes legislative quotas as artificial props for adjustment problems certain industries may be experiencing.

The Honorable Walter F. Mondale (Democrat, Minnesota), U.S. Senator: The statement opposes import quotas as a negative isolationist solution to the problems of American trade. He argues that quotas would be a direct violation of the GATT and would invite foreign retaliation against American exports, particularly agricultural exports which last year totaled $6.6 billion. He opposes H.R. 18970; in particular, the section dealing with the national security provisions and the section dealing with the DISC provisions.

Milo G. Coerper, on behalf of the German-American Chamber of Commerce, Inc.: The German-American Chamber of Commerce opposes a provision of the Trade Act of 1970, particularly the provision which would impose import quotas and liberalize the escape clause. The paper points out that Germany generally has few nontariff barriers and that United States exports to Germany in 1969 rose by 23 percent while German exports to the United States showed a decline of 3.7 percent. Germany has cooperated with the United States in financing its balance-of-payments deficit and its unilateral action to revalue the D-Mark was clearly of indirect benefit to the United States.

Albert Lannon, Washington representative, International Longshoremen's and Warehousemen's Union: Opposes provisions of H.R. 18970.

Charles B. Shuman, President, American Farm Bureau Federation: The Bureau favors (1) new Presidential tariff reduction authority, (2) liberalization adjustment assistance, (3) time limit provisions for Tariff Commission findings, (4) liberalization of escape clause provisions, (5) elimination of ASP, (6) strengthening the Antidumping Act, (7) more flexibility in applying countervailing duties. The Farm Bureau is opposed to (1) textile import quotas, (2) import quotas on shoes, (3) mandatory quotas on oil.

J. M. Roche, Chairman of the Board, General Motors Corp.: Mr. Roche is opposed to the protectionist features of the Trade Act of 1970. He argues that "protectionist measures, established for the benefit of selected industries having problems in competing adequately at home against imports, would tend to invite penalties against the many businesses who do compete effectively abroad. As a result, all industry in the United States could suffer in the long run, and diminished export trade and associated job losses here will outweigh any temporary gains by adoption of retrogressive trade policies. He argues for an aggressive attack on nontariff barriers to trade.

Milo G. Coerper, on behalf of the European Textile Industries Coordinating Committee: The group argues for the exemption from textile quotas of the European textile exports to the United States.

Arthur A. De Santis, executive secretary, Italy-America Chamber of Commerce, Inc.: Expresses opposition to the Trade Act of 1970, with particular emphasis on the footwear and apparel quota provisions.

Irving W. Allerhand, on behalf of CITC Industries, Inc.: A firm engaged in the sale and distribution of imported footwear throughout the United States. It argues against the quotas on imported footwear. It alleges that the profitability of domestic footwear manufacturers is quite respectable and cites a Fortune Magazine article which states "largest industrial companies had a return on invested capital of 11.7 percent, publicly owned footwear manufactures had a return on capital of 15.9 percent, and footwear suppliers had a return of 12.4 percent."

The Honorable George McGovern (Democrat, South Dakota), U.S. Senate: Opposes provisions of Trade Act of 1970. Specifically opposes trigger mechanism in escape clause, national security provision, and DISC and textile quotas. Supports continued authority for the President to negotiate tariffs, repeal of American Selling Price, and relaxation of adjustment assistance provisions.

American Association of University Women: Opposes the quota provisions in the Trade Act of 1970.

Hilton Davies, legislative action general manager, Chamber of Commerce of the United States: Supports Finance Committee's decisions to reject the House-passed welfare bill, H.R. 16311, but urges rejection of legislative quotas in Trade Act without an injury test.

REQUESTING AMENDMENT TO THE TEXTILE AND FOOTWEAR PROVISIONS

Thomas M. McCrary, on behalf of the Huyck Corp.: The Huyck Corp. is a relatively small company specializing in the manufacture of certain synthetic fiber materials used in paper machines. The corporation's net sales in 1969 were $40,608,600; it employs some 2,546 workers. The company imports polyester filament yarns and has recently built some plants in the anticipation that it can expand such imports of such years. It requests a specific exemption from the textile and apparel quotas in the bill since it feels that its imports do not disrupt the American textile industry market.

H.B. "Doc" Hughes, Hughesco Inc., Importers and Distributors: Opposes inclusion of athletic provisions in footwear quotas.

Gary Dietrich, President, Van Dervoort's Athletic Equipment: Supports the House report language dealing with the nondisruptive nature of certain athletic shoes.

OPPOSING EXCLUSION OF TIE FABRICS FROM THE TEXTILE QUOTA

C. M. Smith Fabrics, Inc., C. M. Smith, president, Allentown, Pa.

Lova Textile Co., Allentown, Pa.

C & V Fabrics, Inc., John Phillips, manager, Wilkes-Barre, Pa.

Advance Pierce Dye Works, 112 River Road, Delawanna, Clifton, N.J.

New Jersey Tie Fabrics Manufacturers, Dyers, and Finishers Association, Paterson, N.J.

Curtis Stevens, Raxon Fabrics Corp.: Mr. Stevens supplied a brief for the record which details the tie fabrics opposition to the exclusion from the textile import quotas of tie fabrics.

George Bronz, attorney for the Fabric Importers Association: Supports the tie fabric exemption in the House bill but suggests certain modifying language. Suggests that the actual use test in the House bill would place "an intolerable burden on importers."

VI. Submissions on Behalf of Other Industries Seeking Import Protection

The Honorable William Proxmire (Democrat, Wisconsin) U.S. Senator: Senator Proxmire recommends that the quota on minks be reduced from 4.6 million pelts to 3.6 million pelts, and that the quota be allocated on a quarterly basis. He also urges the Committee to delete from the bill the repeal of the embargo on seven types of fur from the Soviet Union and Communist China.

Alfred Fuchs, President, American Fur Merchants' Association, Inc.: Opposes Trade Act of 1970. Specifically opposes section 343(a)(1) of the bill which would provide a tariff quota on imports of mink fur skins.

Walter G. Taylor, representing the National Board of Fur Farm Organizations: The association represents 2,500 domestic mink producers in 52 States, which generally supports the Trade Act of 1970 but requests the following changes in the present bill: (1) retention of the embargo against seven furs from Communist China and Russia; (2) reduction of the amount of free-entry mink pelts from 4.6 million to 3.6 million; (3) requests that no more than one-third of the permissible entries during a calendar year be admitted in any calendar quarter.

Roy D. Harman, Chairman, National Board of Fur Farm Organizations, Inc.: Opposes the removal of the embargo on seven species of furs from Communist nations and recommends that the quota on mink furs be reduced to 3.6 million skins per year and allocated on a quarterly basis.

Frank N. Ikard, President, American Petroleum Institute: The general testimony describes the problems inherent in national production of oil and the practical difficulties of a tariff mechanism to regulate oil imports. Suggests that assumptions and omissions in tariff proposal make it unworkable. Supports the present oil import control program.

Brice O'Brien, Vice President, National Coal Association: Supports limitations on total energy consumed in this country which would be allowed to be supplied by imports.

A. Lloyd Phillips, President, American Aniline Products, Inc.: On behalf of Ad Hoc Committee on U.S. Dyestuff Products. Opposes repeal of ASP. Argues that U.S. dyestuff industry would be particularly hard hit by repeal of ASP.

George Collins, assistant to the president, International Brotherhood of Electrical Workers; International Association of Machinists; and Eugene L. Steward, special counsel, World Trade Committee, parts division, Electronic Industries Association: Supports import quotas on consumer electronic products.

Frederick Hunt, Cast Iron Soil Pipe Institute: In general supports the quota provisions of the bill but feels that the bill should be amended to protect heavy products through recognition of the fact injurious imports may be concentrated in one or more regional marketing areas.

James D. Williams, Jr., on behalf of certain Domestic Manufacturers of Fish Netting and Fishing Nets: Supports provisions of the Trade Act of 1970. Specifically the escape clause provisions. Describes the domestic fish netting industry which has aggregate employment of 300.

James D. Williams, Jr. on behalf of American Dinnerware Emergency Committee: Supports text of Trade Act of 1970.

Thomas F. Shannon, Secretary Tool and Stainless Steel Industry Committee: Expresses support for the Trade Act of 1970.

Howard P. Chester, Executive Secretary, Stone, Glass and Clay Coordinating Committee: The committee is composed of seven international unions, all affiliated with the AFL–CIO with a combined membership of 250,000. The committee supports the Trade Act of 1970, as an amendment to the social security legislation. The committee recommends invoking article XII of the GATT which provides for the use of quotas whenever a country has serious balance-of-payments deficits. The committee also recommends the repeal of section 807 of the Tariff Act which provides for special lower duties on imported articles which have American content. The committee also recommends that we report our imports on a cost, insurance, and freight basis and withdraw Government subsidies in reporting export figures.

J. F. Farrington, President, National Association of Scissors and Shears Manufacturers: Supports continuation of section 251(b) of the Trade Expansion Act which provides for procedures to reserve from future tariff negotiations any article found by the Tariff Commission to be sensitive to import competition and seeks an amendment to the Trade Expansion Act which would reserve from tariff negotiations scissors and shears valued at over $1.75 per dozen.

The Honorable Gaylord Nelson (Democrat, Wisconsin) U.S. Senator: The statement generally favors a program to establish freer trade but he would advocate import quotas on dairy products, mink, and footwear.

National Milk Producers Federation (Patrick B. Healy, Secretary): The federation represents American dairy farmers and the cooperative dairy plants that they own. Opposes exemption from the countervailing duty statute of articles subject to import quotas. Argues that such action would give a licensing to unfair trade practices by our trading partners.

Robert C. Liebenow, president, Corn Refiners Association, Inc.: The principal products of this industry are cornstarch, corn syrup, and corn sugar. This group argues that the duty-free status of tapioca, tapioca flour, and cassava which were bound into our GATT schedules in 1947, coupled with the increasing protectionism of the European Common Market which has raised new barriers to tapioca starch imports, has put domestic producers in an untenable position. It argues that foreign countries should reduce their barriers to our exports in this area, but strongly urge the imposition of duties on tapioca imports unless this is achieved.

Robert H. S. French, on behalf of the Tanners' Council of America, Inc.: Supports the Trade Act of 1970.

Bicycle Manufacturers Association of America, Inc.: Support for the Trade Act of 1970.

The Honorable George D. Aiken (Republican, Vermont), and the *Honorable Winston Prouty (Republican, Vermont),* U.S. Senators: On behalf of the Vermont Marble Co. The company strongly supports H.R. 18970, the Trade Act of 1970.

W. DeVier Pierson, Counsel for Duval Corp.: The statement supports the Trade Act of 1970, and S. 4075 which would establish import quotas on sulphur. The Company also recommends expanding existing statutory authority to include a provision that imports should not be allowed if they are selling at a below-cost price.

VII. Submissions Against Protection for Specific Industries

Oil: The Honorable Senator Edward M. Kennedy (Democrat, Massachusetts), U.S. Senator: Strongly opposes the House's attempt to "freeze into law" a quota system of oil import controls. He cites the report of the Cabinet task force on oil imports as indicating that the oil import program costs the American consumer $5 billion a year in higher prices and will cost over $8 billion by 1980.

The Honorable Kenneth M. Curtis, Governor of Maine: Governor Curtis favors import quotas for the shoe and textile industries but is opposed to quotas for any other industry.

Steel: Alan D. Hutchison, general counsel, Independent Wire Drawers Association: Mr. Hutchison's statement generally opposes the escape clause provisions of the Trade Act of 1970 and requests that provision be made in the bill for protection of small nonintegrated businesses which are in competition with large integrated corporations. Such provisions should include, he suggests, an amendment to the Trade Act of 1970 setting forth provisions similar to those in Joint Resolution 124.

The American Institute for Imported Steel: Strongly objects to steel import quotas, arguing that the voluntary restraint program of foreign producers has already caused inflated domestic prices for steel.

Electronics: H. William Tanaka, on behalf of the Electronic Industries Association of Japan: Opposes the enactment of the Trade Act of 1970. The brief argues that United States-Japan trade in electronic articles is a perfect example of the classic theory of comparative advantage in action. U.S. technology contributes toward the development of Japanese consumer electronic products which have opened a vast new market potential in the United States, and offer a much wider range of products for the U.S. consumer. The association also strongly opposes the time limits imposed on the Secretary of the Treasury in processing antidumping complaints.

Charles N. Hoffman, vice president for Consumer Electronic Groups, Electronics Industries Association: The Consumer Electronics Group of the Electronic Industries Association opposes the enactment of any legislation which would impose quantitative limitations on imports of consumer electronic products.

Meat: John E. Ward, Chairman of the Meat Importers' Council of America, Inc.: Expresses opposition to incorporating the Trade Act of 1970 as part of the social security legislation, and is further opposed to proposals designed to restrict meat imports. The Meat Importers Council opposes the Trade Act of 1970 as it would "represent a giant step in the direction of making the import quota a basic *modus operandi* of U.S. trade policy. The submission describes imported meat as "frozen manufacturing grade beef." It says that the beef does not directly compete with high quality grain-fed table beef produced by the domestic beef industry. On this question, it cites the fact that the U.S. Tariff Commission is currently investigating under section 332 of the Tariff Act of 1930, to determine to what extent what imports enter into manufacturing of meat products in the United States. It argues that the domestic supply of manufacturing beef has been in general decline for the last 5-years, and except for radical short-term fluctua-

tions it has not changed materially for 25-years, despite the fact that our population has increased by well over one-third. The Meat Importers' Council claim that meat imports, far from injuring domestic beef producers by direct competition, actually benefit U.S. producers of table beef, by supplying lean material which is necessary for their fat trimming or "belly cuts" to be up-graded into salable products. It further argues for the repeal of Public Law 88–42 which establishes meat import controls.

Ira H. Nunn. Washington counsel, National Restaurant Association: Opposes any further restrictions in imported beef.

Glycine: M. L. Rosenthal, Vice President, ROBECO Chemicals, Inc.: Opposes glycine quota since there is only one producer.

Sulfur: K. F. Lundberg, President, CF Industries, Inc.: CF Industries is a cooperative serving farmer-owned organizations throughout the United States. The statement opposes import quotas on sulfur because:

(1) Sulfur is a key raw material in the manufacture of phosphate fertilizers;

(2) Approximately 50 percent of all sulfur consumed in the United States is used in the manufacture of phosphate fertilizers for agriculture;

(3) Restricting sulfur imports would be an attempt to maintain artificially high sulfur prices;

(4) Because of ample sulfur reserves in the United States and because of our country's potential for recovered sulfur production there is no need to provide a protective, legislative, shield around the domestic sulfur industry; and

(5) Attempting to maintain artificially high sulfur prices can only add further quotas to the fertilizer industry.

National Council of Farmer Cooperatives: Expresses opposition to the Trade Act of 1970 but strongly supports section 22 of the Agricultural Adjustment Act which provides import quotas whenever imports of agricultural commodities threaten to endanger domestic price supports.

Footwear: Irving W. Allerhand, on behalf of CITC Industries, Inc.: This firm is engaged in the sale and distribution of imported footwear throughout the United States. It argues against the quotas on imported footwear. It alleges that the profitability of domestic footwear manufacturers is quite respectable and cites a Fortune magazine article which states "largest industrial companies had a return on invested capital of 11.7 percent, publicly owned footwear manufacturers had a return on capital of 15.9 percent, and footwear suppliers had a return of 12.4 percent."

Chemicals: Karl A. Hochschwender, Chairman, Organic Chemicals Group of the American Importers Association, Inc.: Statement favors the abolition of the American Selling Price system of valuation.

VIII. The DISC Proposal

Summary of DISC proposal.—The proposal would provide a system of tax deferral for a new type of U.S. corporation known as a Domestic International Sales Corporation, or a "DISC", and its shareholders. 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 House proposal would provide 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 (1970), 50 percent of a DISC's profits are not currently subject to taxation, and in the second and third years, 75 percent are not subject to taxation. In the fourth year and thereafter, 100 percent of a DISC's profits are not currently subject to taxation.

The deferral of tax accorded to profits earned by DISC ends not only when those profits are distributed to the DISC's shareholders but also when the DISC fails to continue qualifying as a DISC (in this case the profits are taxed to the shareholders as "deemed" distributions). When a DISC's profits are distributed to a corporate shareholder, he is treated in most respects as if he were the initial recipient of the profits: as a result, no dividends received deduction is available for these profits, but instead the profits are to be treated as foreign source income and the shareholders is to be allowed to credit against its tax liability on these profits any taxes paid to a foreign country (by the DISC if the taxpayer is on the "per country" limitation or by the DISC or on income of the shareholder from other foreign sources if he is on the "overall limitation").

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 "producers 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 his assets used for export business. These loans by a DISC are not considered a distribution and do not give rise to taxation of the DISC or the parent.

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 its income, thus, subjecting that income to current taxation in the shareholders' hands. The principal type of income falling in this category is the interest realized by the DISC on its "producer loans."

Generally, present law requires sales between a parent corporation and its subsidiary to be made on an arm's length basis; that is, at the price the parent company would have charged an unrelated third party. Special pricing rules in the proposal permit a DISC to earn a

larger relative amount of the profits arising on sales by the DISC of its parent company's export products. Under these pricing rules, a DISC may earn an amount of profits up to the greater of 4 percent of its sales or 50 percent of the combined income arising from the manufacture and sale of the products sold through the DISC. In either case a DISC also is to be allowed to earn an additional amount equal to 10 percent of its export promotion expenses.

Government witnesses

Under Secretary of the Treasury, Paul A. Volcker.—"The effect of this provision would be to remove impediments to exports from the United States that exist in our present system of corporate taxation. This would be accomplished by making available to our exporters tax treatment more comparable to that available to exporters in many foreign countries and to the treatment accorded subsidiaries of U.S. companies operating overseas. This objective would be achieved, by permitting the deferral, within carefully defined limits, of corporate income tax on profits arising from exports, so long as those profits are employed in support of export efforts.

"The basic purpose of this proposal is to remove one obstacle to a more effective competitive effort by our exporters in world markets. It thus will provide important support to the balance of payments and to the external financial position of the United States.

"We believe the salutary effects of this legislation will extend beyond the immediately identifiable impact on the profitability of exporting implicit in the removal of an unwarranted drag of taxation. In combination with our parallel efforts to improve export facilities, it will, I am convinced, help direct the attention of American industry—particularly smaller and medium-sized firms—to the opportunities available in foreign markets. It should induce fresh corporate planning and marketing efforts to develop those markets, and its impact will be reflected in such basic corporate decisions as plant location."

Assistant Secretary of Treasury, Edwin S. Cohen.—"We make this recommendation because the U.S. tax system presently results in an income tax disadvantage to U.S. export sales as contrasted with foreign production by subsidiaries of U.S. companies, or by foreign-owned companies. At a time when the United States is making every effort to improve its balance of trade, this disadvantage should be removed.

"The DISC proposal provides for deferral of U.S. tax for a domestic corporation engaged in export sales similar to that presently provided for foreign manufacturing subsidiaries of U.S. companies.

"The U.S. tax on the export income derived through such a corporation would be deferred as long as it is either used in the corporation's export business, is loaned to export producers or invested in obligations issued or guaranteed by the Export-Import Bank and thus is not distributed to the DISC shareholders.

"Upon the distribution of dividends from the DISC, the income would be fully taxed through corporate tax rates in the case of corporate shareholders and a full personal income tax rate in the case of individual shareholders.

"The qualification requirements are that a DISC must be a domestic company, must have 95 percent of its receipts in the form of qualified export receipts, must have 95 percent of its assets in the form of qualified assets, must have only one class of stock and a minimum capitalization of $2,500, and must have made an election to be treated as a DISC.

"Exports are determined by a destination test rather than a passage of title test as presently in the Internal Revenue Code.

"To qualify as an export the property must be sold or leased for direct use, consumption or disposition outside of the United States or sold to an unrelated DISC for export by the latter. To qualify as export property not more than 50 percent of the fair market value of the property exported can be attributable to articles imported into the United States. The President will be authorized to exclude from export property any property determined to be in short supply domestically.

"A DISC may reinvest its export earnings in the export business. This would include investments in warehousing, assembly and transportation facilities used in its export business, and also investment in foreign branches or sales subsidiaries under specified circumstances.

"We have in essence viewed the DISC as a partner with the U.S. producers exporting to foreign markets. Therefore, a principal provision of the proposal permits a DISC to invest its accumulated export income by way of loans to domestic producers whether or not related, to finance the producers' export-related assets used in the production.

"Thus if a producer exported 20 percent of his production the producer would be entitled to have loans from the DISC outstanding at any time equal to 20 percent of the producer's assets.

"Present rules for pricing between related companies represents substantial problems for taxpayers and the Internal Revenue Service in the administration of the tax law, and are far harsher than those enforced by many foreign countries.

"In formulating our DISC proposal, we have contemplated that a substantial volume of sales will occur between manufacturing companies and related DISC corporations.

"In order to deal with these problems, the proposal contemplates that transfer pricing on the intercompany sales used to determine foreign source export income will be accepted where the result allocates income on export sales to the DISC up to 4 percent of qualified export receipts plus 10 percent of the DISC export promotion expenses or allocates up to 50 percent of the combined taxable income of the DISC and a related supplier plus 10 percent of the export promotion expenses, whichever of these two calculations results in a higher amount.

"Similar rules would be prescribed in the case of commission and rental agreements.

"In order to insure that ordinary income is not converted into capital gains, any gain on the sale of DISC stock would be treated as ordinary income to the extent of accumulated DISC income.

"While the provisions of the DISC bill are not identical to the original proposals of the administration, we give our full support to these provisions as now contained in the bill."

Private witnesses

Nathaniel Goldfinger, Director of Research, AFL–CIO

The AFL–CIO objects to the DISC proposal for the following reasons:

1. DISC would create immediately a new tax loophole which in the main would benefit large corporations.

Under present law, profits from export sales are subject to U.S. income taxes in the year earned. U.S. income taxes on profits of foreign subsidiaries are deferred—they do not have to be paid until such time as dividends are brought back to the United States.

Through the DISC proposal the Treasury seeks to achieve "equity" through extending and widening the existing tax-deferral loophole to profits from exports sales of domestic corporations. The Treasury would therefore widen an existing loophole, entrench it further into the law, and postpone or preclude any opportunity to eliminate this preference.

Although offered as a means to help small companies, about half—according to the Treasury—of the total manufacturing exports can be attributed to 93 companies. Furthermore, these companies tend to be the large integrated operations which perform many stages of the manufacturing process. The Treasury proposal would permit profits to be earmarked for DISC benefits at each stage through the integrated process of production.

2. The DISC provides no added incentive to increase U.S. exports. The benefits of tax deferral would flow to all firms exporting goods—regardless of whether their export sales increase, decline, or remain stable.

3. The DISC proposal would be a windfall tax bonanza to corporations already engaged in export trade. Their exports need not change—only their bookkeeping system would.

4. The DISC proposal would open opportunities for tax avoidance through bookkeeping gimmickry between the DISC and its parent corporation. The Treasury's proposal would permit tax-free reorganizations into DISCs and provide additional opportunity for corporations to accumulate tax-free funds. Moreover, the provision would permit DISC to lend these tax-free accumulations to the parent corporation which, in part, could go to subsidiaries operating in foreign countries.

Finally, it should be pointed out that the administration's DISC proposal is being offered at the same time that another administration tax proposal is being considered by the Congress—the recommendations of the President for continued consumer excises on automobiles and communication services and higher consumer levies on gasoline. The combination of these proposals suggests to us a double standard in tax philosophy—a philosophy which says that, where the low and middle-income American is concerned, the stick of tax increases is to be used in the hope of forwarding national goals; however, when large corporations and their wealthy stockholders are involved, the carrot of tax cuts is the appropriate philosophy and the risk of further budget imbalance is worth the taking. We reject this philosophy.

The already overburdened U.S. taxpayer should not be called upon to underwrite the administration's willingness to use every occasion

possible to reduce the share of wealthy corporations and their stockholders in the Nation's tax burden. And we insist that the American worker not be the instrument of sacrifice in the battle of the huge corporations for overseas profits.

Written statements

FAVORING DISC

F. Perry Wilson, President, Union Carbide Corp.: The Union Carbide Corp. strongly supports the DISC proposal. It did an analysis of the potential effect of DISC on 23 major export products representing 80 percent of Union Carbide's current exports. This analysis indicated that over 10 years the company's exports would be $370 million greater with DISC than it would be without it. The company's analysis revealed that when DISC is fully operative it would materially increase Union Carbide's exports by enabling it:

(1) To meet lower overseas sales prices;

(2) To exert more intensive selling and promotional efforts;

(3) To provide a combination of lower prices and more active promotion; and

(4) To justify expansion of domestic manufacturing facilities in some cases in order to make goods available for exports, and to substitute for expansion of overseas facilities.

Charles Stewart, President, Machinery and Allied Products Institute: Supports the DISC proposal and argues that it should be strengthened by:

(1) Making it permanent;

(2) Not balancing any increase in other foreign tax areas to offset the loss of revenue by the DISC;

(3) Removing the income limitations in the DISC proposal;

(4) Promptly putting the whole proposal into effect now rather than phasing it in over a 4-year period;

(5) Lowering the 5-percent standard in the proposal;

(6) Extending the concept of export income to service income and making various other suggestions.

L. E. Kust, Vice President and general tax counsel, Westinghouse Electric Corp.: The Westinghouse Electric Corp. strongly endorses the DISC provisions of the Trade Act of 1970. The brief argues that our tax structure disadvantages our exports. Believes that the DISC proposal will stimulate exports in two ways. First, if the tax effect is large enough to justify significant price reductions, U.S. exports will be more competitive. The second effect of the DISC proposal according to Mr. Kust will be to give a great impetus to increasing the export effort, by reason of the effect of doubling the after tax profit on export sales subsidiaries. Mr. Kust believes that the estimated revenue loss from the DISC proposal has been overstated. He believes that for each dollar of increased exports which will result in loss of revenue with respect to the income of the DISC of some 2 cents there will typically be an increase tax base by reason of the added represented by the export sale of some 90 cents, producing a revenue of about 18 cents. On this basis an export increase of $3

billion, or 7½ percent will offset the initial revenue loss and increases in exports of over $3 billion will yield a net revenue gain.

W. J. Driver, President, Manufacturing Chemists Association: Supports the DISC proposal in the Trade Act of 1970.

Dr. N. R. Danielian, President, International Economic Policy Association: Generally opposes the provisions of H.R. 18970, and stresses that the problem is not that we are importing too much but that we are exporting too little. Supports an expanded DISC to give tax concessions on exports of services; such as, income derived from encouraging travel and tourism from the United States. He also makes recommendations to achieving reciprocity by adopting a conditional most favored nation principle involving changes in sections 211 and 251 of the TEA. He also suggests an amendment to chapter 4, section 331, of the House bill which would eliminate ASP only if other countries include an easier binding on U.S. exports of vegetable oils, oil seed, and cake.

Neal P. Gillen, Vice President and General Counsel, American Cotton Shippers Association: This association strongly supports the DISC proposal.

International Engineering and Construction Industries Council: This organization which is composed of the associated general contractors of America of some 9,000 general contractors, and the Consulting Engineers Council of the United States with some 8,000 consulting engineers of the National Constructors Association with some 33 firms of engineers and constructors, generally supports the DISC proposal but offers several suggestions for broadening it to include certain service income not presently covered and for relaxing some of the qualifying language in the proposal dealing with income limitations.

Opposing DISC

Stanley Surrey (former Assistant Secretary of the Treasury)

I. Proposal eliminates an entire activity—exporting—from income tax.

II. Proposal involves a revenue loss of $1 billion over the next 3 years and more than $1 billion annually thereafter—$2 billion in 1971–74. This is at a time when the Treasury is seeking to raise taxes elsewhere and to restrict expenditures in important social and urban legislation.

III. This sweeping exemption of export income, with its resulting large revenue loss, is taken without any presentation by the Treasury of any economic study or data to demonstrate why, where, and how this step will increase our export trade. Indeed, the revenue loss will far exceed any possible benefits to our export trade.

IV. Proposal involves tax reduction for our largest corporations. This is at a time when the Treasury is seeking to raise taxes on all others—taxes on telephones, automobiles, gasoline.

V. While proposal is phrased in terms of "deferral of tax" and for "export profits"—it becomes complete exemption and for much more than export profits, reaching into manufacturing profits.

VI. Proposal provides corporations with tax-free money for domestic use—or foreign investment—having nothing to do with exports.

VII. Proposal, though described in terms of domestic export subsidiaries, will in reality encourage foreign subsidiaries and bring back tax-haven operations.

VIII. Proposal is inconsistent with our other tax rules and does not find any parallel in the tax rules of other countries.

IX. Proposal is likely to cause foreign retaliation and emulation which will hurt our trade balance.

X. Proposal is complex, with many surveillance problems and many inroads on existing rules, so that its weaknesses and further loophole potential will be fertile hunting ground for tax avoiders.

XI. Proposal is contrary to 1969 tax reform efforts.

Tom Field, Taxation With Representation: Taxation with Representation is a nonprofit-nonpartisan public interest tax lobby that deals solely with Federal tax issues. The brief of this organization opposes the DISC proposal on the following grounds:

(1) There is no evidence that DISC will significantly stimulate U.S. exports;

(2) The cost of the DISC proposal is excessive;

(3) DISC will create major tax windfalls;

(4) DISC tax benefits are equivalent to complete tax forgiveness;

(5) DISC's administrative costs will be high;

(6) DISC provides unnecessary benefits in the case of U.S.-financed exports;

(7) DISC provides incentives for investment in foreign subsidiaries;

(8) The DISC proposal overcompensates for the tax problems inherent in existing law;

(9) The Treasury's revenue laws and export gain calculations have not been subjected to public scrutiny;

(10) DISC will immensly complicate trade relations with Canada;

(11) The DISC proposal has no time limit;

(12) DISC imitates the deficiencies of foreign tax systems;

(13) Better means of solving the U.S. balance-of-payments problems are available; and

(14) Tax discrimination against U.S. exports can be ended more cheaply.

Professor Alan Schenk, professor of law: Generally opposed to the DISC proposal because it:

(a) Is extraordinarily complex;

(b) Would treat tax windfalls without any assurance that exports would increase;

(c) Would benefit primarily big business;

(d) Tax benefits of DISC could be negated by changes of tax laws in foreign countries;

(e) Does not cure inequities in the basic GATT rules; and

(f) The balance of payments calls for a more direct approach.

IX. Communications Generally Opposed to the Trade Act of 1970*

Clifford B. O'Hara, Representative, The American Association of Port Authorities, and North Atlantic Port Association: Expressing opposition to Trade Act of 1970.

Willis C. Armstrong, President, United States Council of the International Chamber of Commerce: Mr. Armstrong expresses opposition to the Trade Act of 1970, arguing that it will invite retaliation on the part of our trading partners.

Statement submitted by Senator Philip A. Hart on behalf of the Greater Detroit Chamber of Commerce: The Detroit Chamber of Commerce expresses its strong opposition to the protective features of the Trade Act of 1970.

D. Leslie Tindal, American Soybean Association: The American Soybean Association expresses the view that a favorable export climate is necessary, and is opposed to any restrictive action by the Congress. Soybean exports during this past marketing year totaled 429 million bushels. Soybean meal exports increased by 25 percent to approximately 4 million tons, or the equivalent of an additional 173 million bushels. U.S. negotiators did receive a binding on duty soybeans and meal in most of the major markets during the Kennedy Round which has prevented the Europeans from increasing their tariffs or taxes on this imported product.

N. Gorenhart, on behalf of the Presidents of Orgalime, representing the European Engineering Industries: The European mechanical, electrical, and metal-working industries are greatly concerned that the passing of this legislation would result in a trade conflict that is liable to endanger the progress made in the liberalization of international trade.

R. James Nutting, President Oakland World Trade Club: The Oakland World Trade Club expresses its opposition to the Trade bill.

American Institute for Imported Steel, Inc.: The United States steel industry does not need quota protection. Steel imports have benefited even the steel industry as well as the fight against inflation. Domestic jobs have not been lost because of imports but because of automation of imports within the steel industry. The American Institute for Imported Steel opposes the provisions of the Trade Act of 1970.

Kurt Barnard, Executive Vice President, Mass Retailing Institute: Mass retailing depends substantially on imported products. They provide a wider range of choice for the consumer. The organization opposes any restrictive trade legislation.

Ben E. Nutter, Executive Director, Port of Oakland: The Port of Oakland is opposed to the Trade Act of 1970.

Los Angeles Area Chamber of Commerce: The Board of Directors of the Los Angeles Area Chamber of Commerce strongly opposed to textile and footwear quota legislation.

*Senators McIntyre and Kennedy appear on page 5 in opposition to oil import quotas. Senators Mondale and Percy appear on page 16 in opposition to legislative quotas in general. Senator McGovern appears on page 17 in opposition to the trigger mechanism and the quota provisions.

Dr. Elliott R. Morss, Economic Consultant: Dr. Morss opposes quotas, opposes the DISC provision, opposes the national security provision.

Peter Apel, President, Upholstery & Decorative Fabrics Association of America

Al. H. Mathe, Vice President, Corporate Planning, Levi Strauss & Co. San Francisco, California

Giuseppe Fantacci, Acting President, American Chamber of Commerce in Italy

George A. Duff, Exec. Vice President, Seattle Chamber of Commerce, Seattle, Wash.

Cyril F. Brickfield, Legislative Counsel, Nat'l Retired Teachers Association, American Association of Retired Persons, Washington, D.C.

Jerry Wurf, Int'l Pres., American Federation of State, County & Municipal Employees AFL–CIO, Washington, D.C.

Robert B. Hudson, President, Foreign Trade Assn., of Southern California, Los Angeles, California

Mrs. Leonard H. Weiner, Nat'l President, National Council of Jewish Women, One West 47th St., New York, N.Y.

Walter Sterling Surry, Washington, D.C.

Russell J. Thor, Russ Thor Volkswagen, 20410 Hawthorne Blvd., Torrance, Calif.

Raymund Kathe, Chairman, APCAC, Box 108, Tokyo

Twi-Ropa Mills Agency, Inc., 327 Tchoupitoulas, New Orleans, La.

Dr. Michael S. Mege, Rochester, Michigan

The National Council of Farmers Cooperatives, the National Farmers Union, The National Federation of Grain Cooperatives, the National Grange, New York.

H. R. Gibson, Sr., Dallas, Texas

Robert M. Morris, President, National Foreign Trade Council, Inc., 10 Rockefeller Plaza, New York, N.Y.

Henri A. Abt, General Manager, German American Chamber of Commerce, Inc. 666 Fifth Avenue, New York, N.Y.

Robert D. Hudson, President, Foreign Trade Association of Southern California, 700 Wilshire Blvd., Los Angeles, California

Dwight Havens, President, Greater Detroit Chamber of Commerce, 150 Michigan Street, Detroit, Michigan

J. H. Binger, Chairman, Honeywell Inc., Minneapolis, Minnesota

Roy Green, Jr., President, Sacramento Metropolitan Chamber of Commerce, Sacramento, California

A. A. Wood, M.D., President, Mobile Area Chamber of Commerce, and Fred L. Reuter, Chairman, World Trade Committee, Mobile, Alabama

Indianapolis Chamber of Commerce, 320 N. Meridian Street, World Trade Club of Ind. Indianapolis, Indiana

Ralph S. Johnson, P. O. Box 2045, Cheyenne, Wyoming

Trent R. Dames, Dames & Moore, Los Angeles, California

David A. Meeker, Chairman of Board, Hobart Mfg., Co., Troy, Ohio

AMCHAM, Sgravenhage, The Netherlands

Kenneth M. Spang, Chairman Int'l Committee, U.S. Chamber of Commerce, N.Y.

William Reidgr, President The American Chamber of Commerce in France

Derek A. LeP, President, Arthur H. Lee, New York.

Richard Petska, Secretary, Int'l Trade Bureau, Chamber of Commerce Cedar Rapids, Iowa.

Ralph C. Gross, President, Commerce & Industry Association of New York, N.Y.

Willard L. Thorpe, Professor of Economics, Amherst College, Amherst, Mass.

Thorsten V. Kalijarvi, Barnstable, Massachusetts

Wendel S. Clough, President, American Chamber of Commerce, London, England

X. Communications Generally In Favor of the Trade Act of 1970

Neal Miller, Chairman, Public Affairs Committee, Port Arthur Chamber of Commerce, Port Arthur, Texas

Roy B. Davis, Plains Cooperative Oil Mill, Lubbock, Texas

Bryan Houck, President, Executive Committee Gaston County, Chamber of Commerce, Gastonia, North Carolina

Boswell Stevens, President, Mississippi Farm Bureau Federation, Jackson, Miss.

J. H. Hume, President, Basic Vegetable Products, Inc., San Francisco, Calif.

R. W. Twitty, President and Treas., Marion Manufacturing Co., Marion, N. Carolina

R. M. Dale, Vice President, The Arrow Company, Division of Cluett Peabody and Co., Inc., New York, N.Y.

Norman A. Shane, Chairman, Shane Mfg. Col, Inc., Evansville, Indiana

George P. Byrne, Jr., Secretary U.S. Wood Screw Manufacturers Service Bureau, New York, N.Y.

Howard Levy, President, Lehigh Valley Needle Trades Association, Allentown, Pa.

Donald G. Volimer, President, Allentown-Lehigh County Chamber of Commerce, Allentown, Pennsylvania

Charles H. Sommer, Chairman of Board, Monsanto Company, Washington, D.C.

Robert M. Dubow, Counsel, National Board of the Coat and Suit Industry, New York, N.Y.

Associated Corset & Brassier Manufacturers, Inc., New York, N.Y.

John Mazzacca, 126 Osage Road, Wayne, New Jersey

R. Brown, U.S. Plastic and Chemical Corp., 328 Kennedy Drive, Putnam, Conn.

J. M. Medeura, 31 Charlotte Drive, Spring Valley, New York

G. D. Arndt, Gen'l Manager, Carolinas Cotton Growers Association, Raleigh, N. Car.

Salvatore Noto, Mgr., Gen'l Secy, Local 89, Italian Dressmakers Union ILGWU, New York, N.Y.

Joseph L. Rubin, Executive Director, 450–7th Ave., New York, N.Y.

Manuel T. Hildalgo, Chairman Regional Export Expansion Council for Puerto Rico and Virgin Islands, San Juan, Puerto Rico

R. C. Thatcher, Jr., President, American Yarn Spinners Association, Box 99, Gastonia, North Carolina

C. J. Uhrmann, President, Imperial Glass Corp., Bellaire, Ohio

Albert Ettelson, President, Philadelphia Clothing Manufacturers Association

Joffre David, Secretary-Treasurer, Florida Fruit and Vegetable Association

Edward Levy, Executive Director, National Handbag Association

Herman Soifer, President, New York Clothing Manufacturers Association

C. B. McCoy, President, Du Pont Co.

W. L. H. Griffin, Chairman, American Footwear Manufacturers Association

Huberta Patterson, Secretary, Glassworkers Protective League of West Virginia