

However notable Durham Manufacturing's products are, what is more important is the feeling of family and community fostered by the company. Durham is as dedicated to its employees as it is to its customers. As a result, several members of families work together at Durham and in some cases generations of families have been employed there.

This kind of company loyalty has helped keep Durham successful. As everyone gathers to celebrate the 75th anniversary, Durham is a leader in the metal packaging industry.

I am very pleased to congratulate Durham on its 75th anniversary and I am hopeful that there will be many more.

NAFTA PARITY FOR U.S. WOOL
APPAREL INDUSTRY

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, September 8, 1997

Mr. LaFALCE. Mr. Speaker, today, I am introducing legislation that will redress a wrong inflicted on an important segment of the U.S. textile and apparel industry during NAFTA negotiations. I believe it is important for the credibility of NAFTA to correct a serious flaw in this agreement that has adversely and unfairly affected U.S. textile and apparel producers.

During NAFTA negotiations with Canada, changes were made in the original United States-Canada Free Trade Agreement [CFTA] with respect to imports of men's and boys' wool suits, jackets and slacks—changes which both injure United States manufacturers in this sector and give no avenue for relief from this injury. My legislation will correct this mistake and return to provisions that were originally in the CFTA.

When the United States and Canada negotiated the textile and apparel provisions of the CFTA, special duty allowances were made for tailored men's and boys' wool apparel made from foreign fabric, that is, fabric not produced in either the United States or Canada. According to CFTA rules of origin, wool apparel could qualify for CFTA tariffs only if both the apparel and fabric originated in Canada or the United States. Because Canada claimed a shortage of wool fabric, a temporary Tariff Preference Level [TPL] was established for this category of imported apparel for items made from textiles that were not available in either the United States or Canada—hence, the special treatment for wool apparel made from non-United States or Canadian textiles.

At the time, Canadian manufacturers of tailored wool apparel constituted only a small portion of the Canadian apparel industry, and the TPL was intended only to ensure that they had an adequate supply of wool fabric. Moreover, Canadian negotiators refused to set sublimits for categories of wool apparel in response to United States concerns about concentration of products. Canada explicitly assured the United States that it would never allow targeting of products, and Canada would continue shipping a wide range of products. The CFTA mandated renegotiation of the Tariff Preference Level by January 1, 1998, according to changing conditions and circumstances of the market.

During NAFTA negotiations, textiles and apparel issues with Canada remained unre-

solved until the end of negotiations in August 1992, even though agreement with Mexico had been reached 4 months earlier. A deal was struck at the last minute that would have a major impact on U.S. industry. First, preference levels increased slightly, but a sublimit for wool suits was set at 99 percent of the TPL and effectively was not a sublimit.

Second, the CFTA monitoring and renegotiation requirements were dropped that would have made adjustments to "reflect current conditions in the textile and apparel industries." Indeed, the Office of the U.S. Trade Representative has said that NAFTA negotiations constituted a fulfillment of the CFTA mandate.

The result of this retention of Tariff Preference Levels—and indeed the increase of levels rather than a lowering—has resulted in an unacceptable surge in imports of this product from Canada. United States industry believes this provision has been used by Canadian producers for "wholesale circumvention of the rule of origin"—and the rule of origin is the foundation of a free trade agreement. The legislation I am introducing today would restore the mandate to monitor and renegotiate the schedule of Tariff Preference Levels by January 1, 1998.

Since 1988, the surge of tailored wool apparel imports from Canada has devastated the United States industry. U.S. production of men's and boys' wool suits has dropped more than 40 percent, and employment has fallen almost 50 percent. At the time of CFTA negotiations, United States industry voiced concern about establishing Tariff Preference Levels for goods made from nonoriginating fabric, but Canada assured United States negotiators that preexisting trade patterns would not be altered. Clearly, this has not happened.

Yet, U.S. industry does not normal access to safeguard actions as provided in other sections of NAFTA which would allow it to petition the U.S. Government for temporary relief from injurious imports. Instead, the wool apparel industry was excluded from NAFTA safeguard action because CFTA provisions were retained instead that reserved the Parties rights under GATT—but did not address quantitative restrictions. This reliance on GATT—now the WTO—only for the U.S. textile and apparel industry in turn imposes limitations on the use of safeguards because of U.S. legislation recognizing the phaseout of the Multifiber Agreement. The effect gives the U.S. wool apparel industry no recourse to safeguard action—a situation that no U.S. trade agreement has allowed in the past.

Even more glaring in the NAFTA is the specific omission of allowed consultations between the United States and Canada for surges of United States imports for wool products entering the United States under quantitative restrictions. The legislation I am introducing would allow the U.S. industry for tailored wool apparel to have normal access to safeguard provisions under the NAFTA.

Mr. Speaker, I believe Congress must take corrective action when it becomes aware that a major piece of legislation unfairly excludes and injures a sector of U.S. industry, especially when this effect was not intended. We owe it to U.S. workers in the tailored wool apparel sector to restore legislation to its original intent and to provide for a normal avenue under U.S. trade law to redress injury from imports.

The text of the bill follows:

H.R. —

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

SECTION 1. RENEGOTIATION OF QUANTITIES OF WOOL ARTICLES ELIGIBLE FOR TARIFF PREFERENCE LEVELS.

By not later than January 1, 1998, the President shall take the necessary steps to renegotiate with Canada the annual quantity limitations of tailored wool apparel assembled in Canada from fabric or yarn produced or obtained in a country other than a NAFTA country, that is eligible for preferential tariff treatment under Appendix 6.B.1 to Annex 300-B of the NAFTA, to reflect current conditions in the wool textile and apparel industry located in Canada and the United States, including the ability of tailored wool apparel producers to obtain supplies of wool fabric within the territories of Canada and the United States.

SEC. 2. AVAILABILITY OF SAFEGUARD PROCEDURES.

For purposes of part 1 of subtitle A of title III of the North American Free Trade Agreement Implementation Act (19 U.S.C. 3351) and following)—

(1) the term "Canadian article" shall be deemed to include tailored wool apparel assembled in Canada from fabric or yarn produced or obtained in a country other than a NAFTA country, that is eligible for preferential tariff treatment under Appendix 6.B.1 to Annex 300-B of the NAFTA; and

(2) subsection (d)(2) of section 302 of the North American Free Trade Agreement Implementation Act (19 U.S.C. 3352(d)(2)) shall not apply to articles described in paragraph (1).

SEC. 3. DEFINITIONS.

As used in this Act—

(1) the term "NAFTA" means the North American Free Trade Agreement approved by the Congress under section 101(a) of the North American Free Trade Agreement Implementation Act (19 U.S.C. 3311(a)); and

(2) the term "NAFTA country" has the meaning given that term in section 2(4) of the North American Free Trade Agreement Implementation Act (19 U.S.C. 3301(2)).

A TRIBUTE TO THE AMERICAN
YOUTH SOCCER ORGANIZATION

HON. BRAD SHERMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, September 8, 1997

Mr. SHERMAN. Mr. Speaker, I rise today to commend the American Youth Soccer program for its contributions toward promoting athletic activities among children in our community. It is a great honor to rise on behalf of all of those involved in youth soccer.

The American Youth Soccer Organization is an extremely important nonprofit corporation dedicated to promoting youth soccer in our community. This soccer program keeps our kids off the streets, promotes their self-esteem, and puts our children's minds and bodies to work. Both our community and our children profit from this league.

I believe the American Youth Soccer Organization's motto "everyone plays" describes the nurturing environment that this organization strives to provide our children on the soccer field. I am proud to represent and honor an organization that encourages all of our