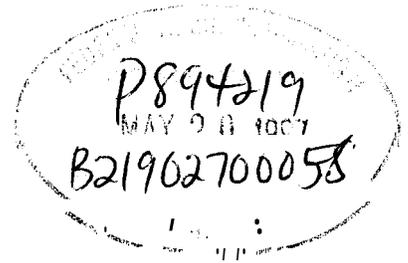


1508 Massachusetts Ave.  
Washington DC 20005  
May 19, 1997

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Made in USA Policy  
c/o Secretary  
Federal Trade Commission  
6th & Pa. Ave NW  
Washington, DC 20580



Dear Sir:

I am absolutely opposed to any change in the standard for what constitutes "made in USA." By tinkering with this standard, we make it increasingly meaningless and - perhaps more important - we remove the last barrier to the exportation of jobs, and make it even more difficult to staunch the swelling balance-of-payments deficit with foreign nations. Americans are increasingly discouraged by the enormous influx of foreign products. With the possible exception of foreign autos, the chief reason so much money is spent on foreign goods is that no comparable American product is available. The consumer has not deserted the American product. The American product has deserted him.

Apologists for our balance-of-payments deficit and the hollowing out of American manufacturing bring to mind the old joke about the storekeeper who bought widgets at \$1.00 apiece and sold them for 98 cents. When asked how he was able to make money on the deal, replied "Volume!"

Very truly yours  
R. J. D. by m a r 49

LABOR

# 'Made in USA' May Take On New Meaning

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2996  
B. B. Ewing

By BRUCE INGERSOLL

Staff Reporter of THE WALL STREET JOURNAL

The government is proposing to let consumer-product makers fudge their Made-in-USA claims.

Under the Federal Trade Commission proposal announced yesterday, products no longer would have to be "all or virtually all made" with domestic labor and materials for manufacturers to label and advertise them as All-American wares.

The proposed guidelines, FTC officials said, are designed to reflect the increasing interdependence of manufacturers in the global marketplace and the growing understanding of U.S. consumers about how the products they buy are made.

The agency's proposal would let companies label products "Made in USA" if at least 75% of the manufacturing costs are incurred in the U.S. If the product is "substantially transformed," or assembled, in this country, for 50 years, 98% of the costs has been the generally accepted minimum standard for claiming U.S. origin. The FTC also said it would allow U.S.-made claims by manufacturers who assemble their products in the U.S. and use major components that also have been assembled in the U.S. But some of those components can be foreign-made, under the FTC proposal.

"We sought to strike a balance between two important concerns: the commission's recognition that our policies must keep up with changes in the global economy and resolve that consumers aren't deceived," said Jodie Bernstein, director of the FTC's Bureau of Consumer Protection.

The proposal stems largely from a 1994 enforcement action that the FTC brought against New Balance Athletic Shoes Inc. The FTC charged the Boston-based manufacturer with deceptive advertising and labeling because New Balance imported outer soles from China for some of its footwear and claimed the shoes were American made.

The company responded by mobilizing the congressional delegations of Massachusetts and Maine, where it has factories employing 1,200, mounting a lobbying campaign for a more flexible U.S.-origins standard. Scores of companies from a broad spectrum of industries weighed in with comments, as did 26 members of Congress, who were evenly divided on the issue.

The FTC has set a deadline of Aug. 11 for public comment, after which it will issue final guidelines. The new standards would not apply to the automobile, textile, woolen or fur industries, which are regulated by individual statutes.

The proposal is bound to be highly controversial. Many consumer groups and labor organizations vehemently object to liberalizing the U.S.-origins standard, saying the proposal would unleash an onslaught of misleading marketing claims on unwary shoppers. Manufacturers of wholly domestic products complain it would confer an unfair advantage on rival companies that use less-expensive foreign-made parts and materials in their manufacturing processes.

The proposed guidelines "will be confusing to a lot of consumers," asserted Edwin Rothschild, spokesman for Consumer Action! a federation of 30 state consumer groups. "The Made-in-USA label should be reserved for items that are actually made

Please Turn to Page B2, Column 6

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Handwritten notes and scribbles at the bottom of the page.