AMERICAN IMPORTERS ASSOCIATION, INC.*

FUTURE OF U.S. TRADE POLICY**

The American Importers Association (formerly the National Council of American Importers) was organized in 1921 to act as the spokesman for American importers. We commend the Committee for its study of Future United States Trade Policy and will cooperate in every possible way as the study progresses. Right now, our organization would like to contribute some suggestions.

During the 46 years of its existence, the American Importers Association has supported elimination of trade barriers and the expansion of international trade. We are proud to say that many of the ideas and practices we have advocated and supported are incorporated in the trade policy which the Congress has approved and the United States Government has carried out since 1934, when the reciprocal trade agreement program was initiated.

Under that program, which culminated in the recent Kennedy Round of trade negotiations under the GATT, rates of duty in the United States and other countries have been brought to common-sense levels from the exorbitant heights to which they were raised in the 1930's.

Customs procedures in many cases are more of a barrier to trade than rates of duty! In 1950, the Treasury Department initiated a program of simplification which was later approved by the Congress when it enacted the Customs Simplification Acts of 1953, 1954, and 1956. The Congress also approved the President's reorganization plan for the Bureau of Customs which has resulted in significant rationalization in the operations of the Customs Service to the benefit of all American importers and to the Customs Service itself.

As a result of these developments we are in a situation today where *rates of duty* cannot be said to be the formidable barrier to international trade they have been in the past. However, it is too early to completely forget tariff rates. At one end of the scale, some rates are still unnecessarily high; at the other end, those below 5%, are simply a nuisance. Accordingly, all those concerned with future U.S. trade policy must bear in mind the need for lowering the high rates and erasing the nuisance rates from our tariff schedules.

Unfortunately, we still have other barriers which can hobble international trade more effectively than rates of duty. These are the so-called non tariff barriers. All the trading nations of the world, including the United States, raise non tariff barriers. The American Importers Association believe that in its future trade policy, the United States should insist on the elimination of barriers of this type.

Of course the United States cannot ask other countries to eliminate their NTB's unless it takes all the necessary steps to eliminate its own. In this statement, the American Importers Association wants to identify the more important NTB's imposed by the United States.

Valuation Procedures—Although some progress was made in this field when the Congress enacted the Customs Simplification Act of 1956, more simplification may be effected without injury to domestic industry and with great benefit to the U.S. Customs Service and to American importers. The purpose of that Act was to eliminate "foreign market value" as a basis for valuation. By the time it was enacted into law, however, that Act established two sets of bases for appraising imported merchandise: one set for all articles on what is known as the Final List issued under the Act; and another set for all other articles not on the Final List. The irony is that now the United States has a variety of methods for determining value: (1) "foreign market value," (2) two types of "export value;" (3) two types of "United States value:" (4) "cost of production:" (5) "constructed value;" and (6) two types of American Selling Price, one for articles on the Final List, and another for those not on that List. The

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