

STATEMENT OF HENRY J. CLAY, NETHERLANDS CHAMBER OF COMMERCE IN THE UNITED STATES, INC.

Mr. Chairman and Members of the Committee, my name is Henry J. Clay. I am a member of the law firm of Abberley, Koolman, Amon, Marcellino & Clay of the City of New York. We are counsel to the Netherlands Chamber of Commerce in the United States, Inc. This Chamber represents more than 800 firms or corporations throughout the country engaged primarily in export-import, freight forwarding, insurance, travel, manufacturing and banking which do business in the Netherlands. The Chamber and its members welcome this opportunity today to comment on the proposed "Trade Expansion Act of 1968".

The message of the President to the Congress of May 28, 1968 accompanying the proposed legislation now before your Committee is a most competent factual statement of the country's need in this area. We applaud President Johnson for this worthy and forthright statement of principal in a vital field which, in one way or another, affects the lives of every citizen in this country and multitudes abroad. The proposed abolition of the American selling price in the Act is an important contribution to the implementation of the Kennedy Round, a matter to which our membership attaches great importance.

INTRODUCTION

From the very early days of the beginnings in America, trade has been the basis on which we have flourished and progressed. Foreign trade—that is the exports and imports—is a vital part of our domestic economy and a most important part of our foreign policy. As our country has grown, we have passed through the era of economic isolation (self-sufficiency) of the 19th Century, through the early 20th Century period during which Congressman Cordell Hull urged legislation to reduce excessive tariffs and other import restrictions, through the Roosevelt administration which saw enactment of the Trade Agreement Act to 1947 when bilateral trade agreements with some twenty-nine countries were consolidated in the General Agreement on Tariffs and Trade (G.A.T.T.) and currently to the "Trade Expansion Act of 1968" presently before this Committee for consideration. This journey has been over a long and tedious road, but, in spite of the growing pains, we have become the most powerful, the most productive nation in the world. We must now look to the future to preserve our gains and secure our leadership in free world trade.

The early Dutch settlers in Nieuw Amsterdam were principally Dutch traders. These early traders made a material contribution to the development of trade between America and Europe which was to result in this country burgeoning into an impressive commercial and maritime power. The Netherlands Chamber of Commerce in the United States, Inc. is primarily interested in trade between the United States and the Netherlands. The Chamber is of the opinion that any unreasonable trade restrictions on goods flowing from Holland to the U.S. would ultimately hurt the United States more than it could possibly hurt Holland. Reduction in Holland's exports to the United States would directly affect the ability of the Dutch customer to purchase American goods. The present ratio which is 3:1 is in favor of the United States as will be shown.

It is our view that any U.S. trade policy which in modern day trading imposes protectionist legislation affecting world trade would result in slow strangulation. The American leadership in supporting the Kennedy Round Agreements and G.A.T.T. can and should be continued and extended through passage of the proposed "Trade Expansion Act of 1968". This is in the best interest of U.S. trade abroad.

HOLLAND-AMERICAN TRADE

Holland is a trading nation of some 12,000,000 persons whose national income in 1967 was 20 billion dollars. Its total foreign trade represents 75% of this income—or 15 billion dollars. Its imports from the United States in 1967 amounted to \$1,238,000,000 which is about 4% of the total U.S. 1967 exports and ranks it as the third best customer in Europe and fifth globally of U.S. foreign trade. The United States, a nation of some 200,000,000, imported from the Netherlands during 1967 approximately \$372,000,000 of goods, ranking seventh in the European market of goods sold to the U.S. (West Germany: \$1,955 million; Great Britain: \$1,710 million; Italy: \$856 million; France: \$690 million; Belgium and Luxembourg: \$584 million and Switzerland: \$383 million.) The dollar volume of exports versus imports puts the United States in a most favorable