

The CHAIRMAN. We thank you, Mr. Clay. Are there any questions?

Mr. BYRNES. Just one question, Mr. Chairman.

The CHAIRMAN. Mr. Byrnes.

Mr. BYRNES. You said that the Netherlands is a free trading country. Yet they employ quantitative restrictions, don't they, quotas?

Mr. CLAY. With limitations.

Mr. BYRNES. Well, they don't have them on everything.

Mr. CLAY. As far as I know, Mr. Byrnes, there are some very limited restrictions. It is known as a free trade nation. It is not primarily involved in manufacture. Some 40 percent of its people relate to trade and the use of trade facilities, the banking, the export, import, the handling, the warehousing. Their primary activity outside of dairy products is trade and the handling of trade through its ports.

Mr. BYRNES. Then why do they license certain cotton fabrics, artificial textile fibers, wool and fine hair, flax hemp, zinc sheets, strips, minerals, and chemical fertilizers? I am only interested in getting the record straight.

You mention them as a free trade country and yet I find that they impose quantitative restrictions in these areas, and also engage in licensing, which is probably as strict as you can get. They have a global quota on penicillin. They use the turnover tax. They also have particular restrictions on manufactured tobacco products.

I just mention these to put matters in context. I think too often that everyone but the United States is assumed to be free traders. They are always free traders and we are a restrictive country, but when you look into the situation you find that we apparently apply different criteria to how we conduct ourselves and how others do.

What is free trading there becomes restrictionist here if we have similar policies.

Mr. CLAY. Mr. Byrnes, your question is a very fair question. I would like to repeat that Holland is not a manufacturing country as such. Most of its trade relates to carrying goods from one nation to another. There is some manufacturing in the Netherlands.

The primary products, as you know, are dairy products, the exporting of cheeses and the like to the United States, tulip bulbs, and the like. There may be some licensing of which I am not at this moment prepared or qualified to answer, but I would like, in view of your question, to prepare a memorandum to submit to you, sir, on behalf of the chamber, hopefully able to answer your question. I am sorry that I am not more qualified right now.

Mr. BYRNES. What is the question that you are going to answer?

Mr. CLAY. I am going to try to answer the reason and give you facts and figures as to what volume, if any, there is relating to these licensing agreements.

Mr. BYRNES. I don't think it is a matter of the volume. It is a matter of the principle. You have primarily been talking in terms of principle, not in terms of volume. You said in your statement that the Netherlands was a free trade country and I just thought that we ought to find out whether it is free trade or not.

Mr. CLAY. In relation to all the European Common Market countries, it is. I am not qualified or competent at this moment to answer that question, but I would like to submit to you a memorandum, or to the committee, on this point.