also becomes quite evident. During the last ten years imports have increased by 106 percent, exports by only 51 percent. It is also worth noting that during the last twenty years imports have increased steadily even though the proportion of dutiable goods during the second half of this period increased to sixty percent from the forty percent in the first half. This accounts for the increase in average duty on the value of imports in the second ten years period to about seven percent, from the five and three-quarters percent in the earlier period, in spite of tariff reductions under the trade agreements. The cost advantage which our foreign competitors have had was in many cases obviously sufficient to offset the relatively high duties on the goods which they sent us. The reduction in duties under the trade agreements during the period merely increased their advantage, an ominous portent of what we can expect as the Kennedy Round reductions become effective.

Even more important, however, is the composition of our exports and imports since our trade agreements under GATT became effective in 1948. Since that time our exports of crude materials and foodstuffs have about doubled and our exports of semi- and finished manufactures, of which our much sought after sophisticated equipment has been an important component, have increased about two and one-half times. In the meanwhile, however, our imports of crude materials and foodstuffs, which involve relatively little labor, have also doubled, but our imports of semi- and finished manufactures which do involve considerable labor, have increased *sevenfold.* In other words, the big advantage of lower labor and related costs in many industries abroad has clearly been exploited by foreign countries under the reductions in our tariffs granted in the trade agreements.

These facts are not offered to disparage foreign trade. International trade is necessary and inevitable as exchange of goods takes place between countries which produce goods that others need but do not themselves produce or do not produce as economically. As production and resultant affluence increase in the various countries, this international exchange of goods naturally tends to increase. If there were free exchange of labor, money, and other economic factors among the nations, free international trade would be as natural as it has become among the states of this country. But that is now far from being the situation, and adjustments must be made in our international trade economically and realistically to reflect this fact. If the nations engaged in international trade do not accept this practical necessity and make these adjustments with a reasonable degree of understanding and willingness, then indeed serious strains will develop and "retaliation" will become the name of the game. As the President affirms in his message to the Congress on May 28 on the proposed Trade Agreements Act of 1968, "Reciprocity and fair play are the essential standards for international trade." It is about time for us really to insist on these standards.

The essential point of all this is that, on the whole, the beneficial impact of our foreign trade on our overall economy and the success of our foreign trade policy have not been so overwhelming as to warrant the expansion of our exports to the point where the accompanying increase in unneeded imports endanger important segments of our economy. Stubborn adherence to some of the faulty principles of our foreign trade policy have resulted in inequities which have hurt, in some cases badly hurt, a number of domestic industries such as the brass mill industry, not only by a decline in business, but just as importantly by restricting vital growth. It has led to indifference and inertia on the part of government agencies in recognizing the serious inroads of imports even in vital domestic industries, and has resulted in unduly prolonged studies and investigations without definite results. The general assumption appears to be that any industry seeking relief from imports somehow has an ulterior motive not in the public interest.

DEFINITIVE ACTION AGAINST DUMPING IS IMPERATIVE

The Antidumping Act of 1921 recognized dumping for what it really is; a discriminatory and therefore unfair trade practice involving sales by foreign vendors to buyers in this country at prices lower than they charge at home. This interpretation of dumping is quite consistent with the structure of our domestic laws and regulations against discriminatory pricing as being repugnant to fair competition. But an idea that claims of dumping might and would be used as a non-tariff barrier against imports has gradually developed. It has in recent years apparently become one of the principal aspects of the dumping problem as our latter-day foreign policy steadily edged toward international free trade.

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