

growing, and growing worldwide. Under such conditions, meaningful trade negotiations should be geared to future prospects rather than to historical statistics, as they must be in negotiations as diverse as a GATT round.

The sector approach increases the possibility of making trade policy more relevant and responsive to the industry's market prospects. In the case of aluminum, with its many multinational companies, it should be possible to create a trade policy that makes maximum use of, and reflects, the interrelationship between imports, exports, foreign operations and market development, both at home and abroad.

NONTARIFF BARRIERS

One of the advantages of the sectoral approach is that it permits the identification of all barriers to trade, both tariff and nontariff, which affect the movement of goods in international trade in an industry such as the aluminum industry. Some of these nontariff barriers can be isolated and dealt with in the context of a particular sectoral negotiation. An example is that of the Canadian antidumping procedures.* Others, which are more general in application, are border taxes, export subsidies and buy-national policies. For the future, some of the most fruitful areas of international trade negotiation will be those involving nontariff barriers. The great variety of these nontariff barriers, and the fact that a number of them arise out of the domestic policies of the countries applying them, suggest that coping with them effectively will require considerable sophistication and the use of techniques that are quite different from those applicable to tariffs.

Unlike tariffs, nontariff barriers are not susceptible to easy quantification or even to comparison on a country-by-country basis. Special problems will arise with regard to the techniques and standards which the Congress will use in authorizing the President to enter into nontariff negotiations, should a prior delegation of authority be indicated. Clearly, there are formidable problems, but these should not overshadow the importance of getting on with the task of negotiating in this area.

One nontariff barrier on which the Aluminum Association would like to offer specific comment, is the subject of antidumping. Even before the Kennedy Round began, the Association advocated negotiating an international antidumping convention embodying uniform international standards and procedures for dealing with dumping. An antidumping convention was negotiated as part of the Kennedy Round, and effective subscription to it by other countries should help to remove a substantial nontariff barrier affecting export of aluminum by the United States.

We continue to maintain, however, as we have in the past, that a new definition of dumping is required which is oriented to conditions and prices in the affected markets rather than the home market. The concept of a fair price is a function of the conditions of competition prevailing in the foreign markets in which the article is being sold rather than in the home market.

IMPORT QUOTAS

Another nontariff barrier issue—one that has been receiving increasing attention at home—is that of import quotas. The interest of The Aluminum Association in this subject derives from the fact that aluminum foreign trade takes place in the same economic and political climate as does other United States foreign trade. Thus, major developments in other industries also affect aluminum foreign trade conditions. For example, the United States-EEC Kennedy Round controversies over agriculture undoubtedly added to the United States negotiators' difficulties in dealing with the EEC on aluminum. Similarly, the current efforts of some domestic industries to obtain import quotas are bound to influ-

*The effect of the Canadian antidumping procedures has been to greatly restrict U.S. exports of aluminum to Canada. We hope this situation will be alleviated now that Canada is a signatory to the International Dumping Code negotiated concurrently with the Kennedy Round. It should be noted, however, that legislative action by the Canadian Parliament is required to conform internal Canadian law to the provisions of the new international code. This is most unlikely to happen prior to the July 1, 1968, deadline date established by the code. The dissolution of Canada's Parliament earlier this year puts off the legislative action required to implement the new international code until after a new Parliament is elected. Nobody can predict at this time when the new Parliament will consider this matter. But, even assuming Parliament acts, the question still remains as to what the new Canadian procedure will be and how it will be administered.