

The United States and France thus reverse tariff positions. The United States had the higher tariff rate before the Kennedy Round; it will have the lower rate as a result of the Kennedy Round.

The practical result of this difference in tariff action becomes clearer when put on a dollars and cents basis. As noted earlier, the United States Kennedy Round cut from 17% to 8½% means a 43.5¢ per pound tariff savings on French exports to the United States (from 87¢ to 43.5¢ per pound). United States foil exporters will "enjoy" theoretically ** a 15.4¢ per pound tariff saving as a result of the French tariff dropping from 15% to 12% (from 76.8¢ to 61.4¢ per pound).

The net result is a reversal of the United States and French tariff positions. Before the Kennedy Round the United States tariff was 10.2¢ higher than the French: 87.0¢ as against 76.8¢. After the Kennedy Round the United States tariff will be 17.9¢ lower: 43.5¢ as against 61.4¢.

(The statement of May 20, 1968, of the association's Foreign Trade Committee referred to follows:)

ALUMINUM FOREIGN TRADE AND UNITED STATES POLICY

(Brief of the Aluminum Association, by its International Policy Committee (Formerly Foreign Trade Committee), to the Trade Information Committee, hearings on the future of foreign trade policy, May 28, 1968)

INTRODUCTION

The Aluminum Association* is grateful for this opportunity to present its views on future foreign trade policy to the Trade Information Committee pursuant to the Notice of Public Hearing filed on December 14, 1967.

This brief is primarily concerned with aluminum industry conditions and developments. To put this presentation in proper perspective, however, recognition should be given to these underlying economic and political realities:

1. Foreign trade policy cannot be considered in isolation, apart from other major national economic policies.

2. While many nations want more foreign trade, no country subordinates its full employment or labor standards programs to unequivocal free trade. Neither do nations pursue knowingly foreign trade policies which could make them dependent on imports for such essentials as food, basic industrial materials, or instruments of national defense if there are domestic capabilities for providing them. Instead, many countries give their key industries special economic, political, or financial support.

3. Present trends towards regional trading blocs, such as E.E.C. (European Common Market) and L.A.F.T.A. (Latin American Free Trade Association) are likely to continue.

Since these hearings deal with the "Future of United States Foreign Trade Policy", this brief is oriented towards future possibilities in aluminum foreign trade, rather than towards the past.

A proposal for the elimination of tariffs on all aluminum products involved in trade between the United States and Canada was made during testimony before the Trade Information Committee on April 8, 1968. The Aluminum Association Foreign Trade Committee issued a statement on May 20, 1968 opposing the proposal. A copy is attached (See Appendix B).

SUMMARY AND CONCLUSIONS

1. *National Trade Policy*

(a) The general objective of United States trade policy should be the creation and maintenance of world market conditions which permit international competition on a business basis. This means a competition based on differences in business skills and judgments and on more efficient use of resources, not on differences resulting from national economic or political policies. Nontariff

**Theoretical because substantial nontariff, as well as tariff barriers make United States foil exports to France insignificant. The \$5.12 per pound dutiable value of 1967 French exports to the United States is used to compute the above tariff saving.

*See Appendix A for description and list of members.