

3. The equal opportunity to compete in world markets requires the reduction and elimination of nontariff barriers. Of special importance in this area is the development of uniform international antidumping standards and procedures.

4. The terms and conditions of aluminum international trade should accommodate the continued development of aluminum markets, domestic and foreign. As has been emphasized previously in Aluminum Association presentations to this Committee, the healthy growth of aluminum world trade is dependent on an expanding aluminum consumption base. Such expansion requires an industry able to support the research and promotion activities essential to today's "Battle of Materials" to build markets and to stay competitive.

B. Sector Negotiations

During the Kennedy Round negotiations, it became apparent to some, including the Director-General of GATT, Eric Wyndham White, that special progress in dealing with foreign trade problems could be made in "certain sectors of industrial production". Mr. Wyndham White pointed out more specifically that this should be the case in industries "characterized by modern equipment, high technology and large-scale production, and by the international character of their operations and markets . . ." These are the characteristics of the aluminum industry, and as it becomes more multinational each year, sector negotiations should prove especially advantageous and feasible for dealing with all aluminum foreign trade problems, nontariff as well as tariff barriers. Granted that the implementation of sector negotiations must be compatible with the trade policies of the negotiating nations. However, considerable progress could be made through such negotiations towards the elimination of differences, distortions, and confusion among the aluminum industries of the negotiating nations.

During the Kennedy Round, United States negotiators were much better informed on aluminum than during previous GATT negotiations. They maintained better lines of communication with the industry and devoted considerable time and effort to the aluminum tariff problem and its ramifications. It became evident, however, that to deal with the complex details of a number of industries simultaneously during these negotiations was unrealistic and unfair to the negotiators as well as to the industries involved.

Sector negotiations should make it possible to capitalize on the industry's special characteristics. The opportunities for working out mutually beneficial arrangements among "aluminum" countries get lost in the larger arena of a typical GATT "round". This is especially the case when an industry is still growing, and growing world-wide. 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 which makes maximum use of, and reflects, the interrelationship between imports, exports, foreign operations and market development, both at home and abroad. This applies not only to United States based multinational companies but also to foreign based companies with United States plants.

C. Tariffs

During this Committee's 1964 hearings in connection with the Kennedy Round negotiations, the Aluminum Association expressed its preference for the lowering of foreign aluminum tariffs to United States levels as a step towards equal opportunity to compete. At that time, it was also pointed out that if such reductions in foreign tariffs could not be achieved, that the differences between United States and foreign aluminum tariffs should be eliminated by raising United States tariffs to the level of foreign tariffs. The elimination of differences between United States and foreign aluminum tariffs is still necessary if a sound basis for international competition is to be established.

The Kennedy Round negotiations produced mixed results with respect to aluminum foreign trade. Most aluminum tariffs of the major industrial nations were lowered. The gap between the generally lower United States tariffs and usually higher foreign tariffs was narrowed. There were, however, disturbing exceptions.

1. *Ingot*.—Most significant is the fact that the single most important United States objective with respect to aluminum tariffs, a reduction in the E.E.C. ingot tariff, was not realized. Ingot is the largest product group involved on