

U.S. affiliated companies are important in aluminum production in a number of other countries, including Canada, Australia, Mexico, United Kingdom, Norway, Ghana, Surinam, Venezuela and India. The opportunity to export from such countries to the U.S.A. free of U.S. duty would appear to be desirable to such companies and to their parent U.S. companies. The recent Tariff Commission report, above referred to, contained the following statement:

"If U.S. producers continue the trend apparent in 1960-66 of locating more and more of their new production capacity in countries that do not have adequate markets for the new production, such as Australia, Ghana, and Norway, it is virtually certain that imports will capture an increasing share of the growing U.S. market."

As far as can be foreseen, the U.S. will continue to rely on imports for a substantial amount of its supply of this important metal.

Today, aluminum ingot is sold at approximately the same prices in major world markets. Production conditions are reasonably similar and cost advantages arising from either advantageous wage rates, low power costs, favorable raw material supply, or proximity to market, tend to balance out among the developed countries within market areas.

The foregoing represent what might be termed short-range objectives in U.S. tariff policy. From a long-range standpoint, on which it is understood the Committee is also interested in receiving comments, we would strongly support the statement by Special Trade Representative Roth, before this Committee, advocating that a study be carried forward of regional trade. We, too, believe that such a study will reveal benefits to the United States of regional trade agreements looking to establishment of more liberal tariff treatment, particularly a bilateral arrangement between the United States and Canada, such as that contemplated by H.R. 17768, recently introduced by Congressman King. Regional trade agreements might include not only the United States and Canada, but also Caribbean countries; in all cases limited, perhaps, to important raw materials of interest to the countries involved. The United States, Canada and certain Caribbean countries together already form a large production and marketing area.

Successful application of such a policy would require, however, that the United States continue as heretofore to exert its leadership and influence on the side of liberal treatment of international trade in aluminum.

This whole purpose would be defeated and trade would be impeded if the United States should freeze its existing tariff treatment of products, and delay any further progress toward removal of trade obstacles, awaiting similar action by countries not prepared to go forward toward trade liberalization.

(See chart on p. 3375.)

The CHAIRMAN. Thank you, Mr. Trigg. Are there any questions? If not, we thank you.

(The following letters and telegrams were received by the committee:)

ALL-STATE WELDING ALLOYS Co., INC.,
White Plains, N.Y., July 3, 1968.

Congressman WILBUR D. MILLS,
Chairman, Ways and Means Committee,
House of Representatives,
Washington, D.C.:

DEAR CONGRESSMAN MILLS: We are an independent aluminum fabricator in the United States manufacturing aluminum welding wire. We employ a total of 180 people. In connection with the trade hearings now being held regarding the U.S. tariff on imported aluminum ingot, we wish to go on record as supporting the position of Alcan Aluminum Corporation regarding a reduction in the U.S. tariff on aluminum ingot without its being directly related to European Common Market action.

Yours very truly,

THOMAS D. NAST, *President.*