FOREIGN TRADE AND TARIFF PROPOSALS

MONDAY, JULY 1, 1968

HOUSE OF REPRESENTATIVES,
COMMITTEE ON WAYS AND MEANS,
Washington, D.C.

The committee met at 10 a.m., pursuant to notice, in the committee room, Longworth House Office Building, Hon. Wilbur D. Mills (chairman of the committee) presiding.

The CHAIRMAN. The committee will please be in order.

Our colleague from New Jersey, Mr. Rodino, is our first witness. Welcome, Mr. Rodino, proceed as you see fit.

STATEMENT OF HON. PETER W. RODINO, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW JERSEY

Mr. RODINO. Thank you for the opportunity to present my views on one very important aspect of the tariff and trade proposals which the Committee on Ways and Means is now considering.

At the outset, let me state that I am not a protectionist. I have always been, and I continue to be, an ardent advocate of freer trade among the free nations of the world.

But freer trade is an elusive goal that aborts fulfillment unless there is genuine give and take on the part of each of the trading partners.

The erosion of this Nation's once healthy balance of payments is a nagging reminder of the pitfalls of unreciprocal negotiations and unreciprocal agreements. The reported trade deficit for the month of May, the second deficit in 5 months, makes serious cause for concern that our trade policy is not accomplishing the objectives of those who are responsible for its execution.

To be sure, there has been give and take across the international bargaining table. But it has been a strange variety of give and take. Most of the "give" has been on our side; most of the "take" has gone to our trading partners abroad.

The latest and by far the most glaring example of the "we give—they take" approach to trade negotiations involves the American selling price, the traditional and time-tested basis of valuation of benzenoid chemicals for tariff purposes.

Instead of exacting 50 percent tariff reductions from these trading partners roughly equal to the concessions they obtained from us in the Kennedy round package, our negotiators agreed to accept mere 20 percent cuts from the United Kingdom and the EEC in the chemical sector.