

MEMORANDUM FROM WALTER HARNISCHFEGER, MILWAUKEE, WIS.

With reference to the hearings of the U.S. Senate Committee on Ways and Means on the matter of tariffs and quotas, I am pleased to submit my reactions based on over fifty years of experience in the manufacturing industry.

It is my considered opinion that our entire Tariff Act should be revised and we should withdraw our membership in GATT as I believe that our membership in it is unconstitutional. Furthermore, our tariff administration should be taken out of the hands of the Executive who does not have the necessary time to do an effective job and should be taken out of the State and Commerce Departments. It should be supervised by a nonpartisan tariff commission who would have full power to act promptly on all fundamentals. Furthermore, all tariffs should be set industry by industry after hearings by experts who know costs and trading conditions. Any industry that wants and can live under free trade should have it. By the same token, particularly those industries which have a high labor content should have reasonable protection.

One of the most serious matters in connection with GATT is that it is being administered by people who have had very little practical experience in the manufacturing industry, and secondly, they average commodities and manufactured goods which results in a dislocation of one industry after another. Furthermore, most of the countries that are involved in GATT are setting up restrictions in many areas against American exports.

I believe in international trade. By the same token, there must be some restrictions, recognizing our high labor costs. It is impossible to put everything in one pot—a selective analysis by experts in industry is the only practical solution.

With our present imbalance of trade and flight of gold, this is one of the most important matters which should have our immediate attention.

BUFFALO, N.Y., May 15, 1968.

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SIR: Repeated here is merely the summary of the submission appearing in the Senate Finance Committee Compendium on U.S. trade policies (February 7, 1968). Below are further remarks relating to the Brussels Definition of Value.

SUMMARY

Valuation of imported goods subject to ad valorem rates; the Brussels definition of "value."

Commodity classification systems and the collection of statistical data on imports and exports. One system for both imports and exports.

Administering the U.S. system of duty assessment. Consolidation of valuation and classification proceedings.

Statute of limitations.

Rules of evidence: Burden of proof. A uniform rule for valuation and classification.

A look at some provisions of H.R. 18533 (The Customs Administrative Act of 1966), 89th Congress, second session.

A look at some provisions of the Tariff Act of 1930, as amended, which are not treated by H.R. 18533.

Sources:

"Customs Valuation," Doc. 7500 (1960), Customs Co-operation Council, 40 Rue Washington, Brussels 5, Belgium.

Volume 31, Federal Register, page 2878, February 17, 1966.

Volume 101, Treasury Decisions, No. 7, page 81, March 2, 1966 (unbound pamphlet).

Volume 171, United Nations Treaty Series, page 322.

A criticism of the Brussels Definition is that "place" is "the port or place of introduction into the country of importation." Valuation being on the basis of *C.I.F. place of entry*, freight and insurance would unduly increase customs values. *F.O.B. port of shipment* is advocated.

The criticism is a cogent one, in view of the existence of the Atlantic and Pacific Oceans on either side of the United States.