

APR 23 1945

*Trade Pacts Extension*

Both friends and foes of the pending bill to extend the life of the reciprocal trade agreements act appear to have failed to bring out certain pertinent facts. In its advocacy of that part of the measure which would authorize reduction of tariff duty rates by a maximum of 75 per cent of those existing in 1934, the Administration has cited the United Kingdom and Canada as leading examples of countries to which we had little or nothing left to offer in the way of tariff concessions. If we expected to obtain from them further lowering of their barriers to our goods, we must be able to show them similar inducements.

Now we think a few pointed questions might well be asked of witnesses before the House Ways and Means Committee. What tariff rates on either side are limiting, or threatening after the war to limit our trade with Canada or the United Kingdom? How do the duties remaining at the frontiers of the three countries compare quantitatively with selling prices within the borders of each? What other countries are there to which we have nothing left to offer? What, precisely, have they to offer us in reduction of tariffs which are actually keeping our exportables out?

In the absence of such information, recitals of the good results which have followed agreements made under the present act seem largely irrelevant, as do general statements about the duty resting upon us to play the good neighbor and about the commercial advantages to accrue to us from doing so. And there is the further question whether a nation with which we have made a tariff-reducing agreement may not restrict purchases of American goods by its nationals through the application of import quotas or restrictions on their purchases of dollar exchange. Adoption of the Bretton Woods Monetary Fund plan would not necessarily do away with quota and exchange shackles on international trade. That document, on the contrary, contains provisions which may easily be interpreted as permitting them, if they are or may be represented as being consequences of the present war.

The case for extension of the trade agreements act in its present form is strong; that for increasing the executive authority over specific duty rates has not yet been made.