

World Trade Week Address
Albany Area Chamber of Commerce
T & R Restaurant
Albany, Oregon
Friday, May 27, 1977 - 7 a.m.

REMARKS BY CONGRESSMAN LES AuCOIN

Last fall during the 1976 election campaign, the voters of America gave a clear signal that their No. 1 priority for the federal government was to stimulate employment, and to reduce the unacceptably high rate of joblessness that had been countenanced for several years.

I, for one, took that charge seriously. I returned to Congress re-committed to getting our economy on track once again in order to assure a sustainable, long-term growth that would put our people back to work.

Since returning to Washington, I have supported President Carter's modest economic stimulus package -- except for the ill-conceived \$50 tax rebate scheme -- as a means of priming the economy without triggering excessive inflation.

I also have wholeheartedly supported the President's goal of achieving a balanced federal budget in four years. But none of these, of themselves, is enough if we are to see a sustained, robust economic recovery that produces jobs.

For that reason, I have redoubled my efforts in these other areas:

--First, maintaining an effective 200-mile fisheries protection zone that will provide for management of fish resources and encourage the development of new markets for fish. For example, efforts are under way to exploit bottom fish that are in abundance off the Oregon Coast. Not all species are in abundance, but many are, and the stocks are under-fished. Fisheries experts say we could increase our harvest of hake, Pacific sanddab, tom cod, black cod, sole, greenling, red-tailed perch and shad in the effort to sell to known markets and to meet the increasing world demand for fish protein.

Development of this market could generate an explosion of economic activity in financially troubled Oregon coastal cities through increased fish catches and fish processing.

--Second, I've been working to assure proper management of U.S. timberlands to make certain adequate timber supplies are available for lumber and plywood that is needed at reasonable prices if housing costs are to be kept as low as possible, so the average American can afford to buy a home.

--Third, I'm supporting efforts to conserve energy and to develop alternative energy sources. Energy conservation will cut waste and allow better use of existing power resources, thus forestalling the need for additional generation, at least for awhile. Alternative energy sources, especially solar power, offer the hope over time of abundant, relatively inexpensive power supplies. Both conservation -- through improved insulation and weatherization -- and development of solar power, stimulating an entire new industry, will produce jobs.

--Fourth, in my work in committee and on the House floor, I've helped see to it that the government provides adequate federal dollars for housing and community development programs. These are intended to assure that Americans have access to decent, safe and affordable housing and to stimulate an industry that is a bellwether of a healthy U.S. economy.

As important as these efforts are, there is another effort that dwarfs all of these in its potential importance: international trade. And this is my main purpose in speaking to you today.

I am the ranking majority member of the House International Trade Subcommittee, and in that position I have come to see first-hand the importance of international trade to the U.S. economy and to the economy of Oregon. More than 100,000 Oregonians have jobs directly linked to import-export markets.

More than any country in the world, the United States has a vested interest in promoting international trade. In 1976, our international trade totaled \$236 billion -- \$115 billion in exports and \$121 billion in imports.

Recently, the United States has experienced four successive months of record trade deficits. This has triggered renewed calls in the U.S. for tariffs to protect certain industries suffering from foreign competition.

But history has shown that increased tariffs serve to reduce international trade and, in the end, reduce employment. The lesson learned in the 1930's when tariffs were high was that no country in the world stands alone. Trade is a two-way street. The bonds of commerce promote peace and economic progress.

At this most crucial time, President Carter has chosen early in his administration to recognize that fact by declaring this as World Trade Week. I most wholeheartedly supported this action.

Most Oregonians already recognize the importance of world trade to a dynamic, growing economy. But this special week serves to underscore that recognition and to commit ourselves to the steps necessary to maintain and expand our contribution as a state to world trade.

And, for those who remain unconvinced, hopefully this special week will be valuable in laying out the case for free international trade. During the week several important points are being stressed. They are:

--Continued growth of U.S. exports is crucial to balancing the federal budget by 1981. The "natural" economic growth that can be generated will reduce the need for government "pump-priming."

--Because 10 per cent of the U.S. gross national product of goods and services is consumed by foreign buyers, there is no way unemployment can be reduced unless those exports keep pace.

--The U.S. trade deficit is deceptively large in that \$34 billion worth of U.S. imports were for oil in 1976. If consumption had been reduced by 25 per cent, the U.S. would have had a healthy, solid, favorable balance of trade.

Instead of laying down more roadblocks to foreign trade, which is the great temptation because of damage done to certain U.S. manufacturers, Congress can play a more productive role by seeking to expand markets for U.S. goods and services. Instead of imposing tariffs, Congress can remove obstacles to trade.

For Oregon, one of the best moves that could be made would be to vastly improve U.S. trade with the People's Republic of China, which contains huge markets for goods and services produced in Oregon.

With that in mind, I have introduced legislation that would clear away artificial, unnecessary roadblocks to extending U.S. credit for the sale of domestically produced goods and services to China.

I intend to press hard for this legislation, which is at the heart of expanding world trade by expanding the demand for goods.

I also am sympathetic to the workers who are caught up in dislocations that will occur when a foreign country has an economic advantage and is able to produce a certain product cheaper than we can in the United States. The appropriate solution in such a situation is not to retreat behind tariffs, but rather to move on to negotiated trade agreements and, more fundamentally, to find those areas in which the United States has superiority. To exploit those markets to the fullest, trained workers will be needed, so I support efforts to provide retraining of workers dislocated by foreign imports.

And, I support the concept of free and equal trade. The U.S., in the name of free trade, does not need to and cannot countenance unfair trading policies in which a foreign country in essence subsidizes an industry. Nor should the United States tolerate

so-called "dumping" on U.S. markets by foreign countries that have a surplus of some item.

However, President Carter has reacted admirably to such circumstances in the early days of his Administration, sounding a note of caution, and his successful trade negotiations with Japan are an example of this.

Alan Wolff, deputy special trade representative for the President, stated the Administration's position quite clearly in an Oregon speech last week when he came out against mandated import quotas and in favor of fighting foreign trade barriers.

The President signed a communique following the European Economic Summit meeting earlier this month that specifically rejects "protectionism" and calls for expanded trade to meet goals of reducing unemployment and inflation.

This latter is one of the major goals for action. Increases in employment and reduction in inflation were singled out, and explicitly linked.

The President is stressing the need for orderly market agreements and trade among nations that benefit both partners in any trade.

It is this concept that is the heart of all trade. Each partner must gain something he wants more than that which he gives up. In this way, an interdependency is built.

The range that trade can encompass is mind-boggling. It stretches from grain and other agricultural products to complete processing and manufacturing plants. It also includes drilling and mining equipment, tractors and trucks, railroad locomotives and moving stock, computers and telecommunications equipment, sophisticated testing and measuring instruments and a wide variety of consumer goods.

We are talking about contributing to the industrial expansion of such giants as the Common Market and Japan as well as to the embryonic growth of developing countries in Africa and South America.

We are talking about something that transcends political systems, yet does something about healing political wounds.

We are talking about something that will have an affect on the human rights of many of the world's citizens by ensuring they have increased access to food, energy, housing and jobs.

We are talking about something that will strengthen the world's economy and thus strengthen our own economy.

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We are talking about avoiding the kind of economic disaster that could spell future trouble for western democracies.

We are talking about breathing new, sustainable life into our country's economy and into Oregon's economy.

And, in the end, we are talking about making another important, constructive step toward achieving global peace, by making it less economically attractive to fight each other and more attractive to work together.

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