

CONGRESSMAN LES AuCOIN  
RECORD STATEMENT  
SUPPORT REORGANIZATION OF GOVERNMENT TRADE FUNCTIONS  
November 7, 1979

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Mr. Speaker, tomorrow the House will consider the President's plan to reorganize the trade functions of the Federal government. I urge my colleagues to support the President's proposal by defeating the resolution of disapproval.

As we consider this plan, we must ask not only if the reorganization of government trade functions is needed, but more important, if this particular plan will make a positive contribution to improving our international trade posture.

Mr. Speaker, there can be no doubt about the need to reorder the government's trade functions and improve its assistance to exporters. Consider the facts:

- In 1978, our trade deficit was nearly \$30 billion, the highest in U.S. history. The 1979 deficit has made only a modest improvement and is running at the rate of nearly \$25 billion.
- Moreover, we are now in the 41st straight month of trade deficits. For the month of July alone, the deficit totaled over \$2.4 billion.
- In 1978 the ailing dollar weakened against every major foreign currency except the Canadian dollar. Our continuing enormous trade deficits are putting tremendous downward pressure on the dollar.

Our international trade position, once as the world's largest exporter, has now deteriorated severely. Each year our competitive ability erodes. In 1960 the U.S. held around 20 percent of international trade. By 1978 our share had declined to around 14 percent. If we could increase our share of world trade by only one percent our trade score would nearly be balanced.

The impact of our these realities is far-reaching. Today, one in nine manufacturing jobs is directly or indirectly dependent on exports. And it is estimated that for every billion dollars of exports, forty to fifty thousand jobs are created. So making up our current deficit with increased exports would potentially add an additional 1.2 to 1.5 million new jobs to the economy.

For my own State of Oregon, fully one in nine jobs depends on exports and \$1 in \$5 of farm exports comes from farm sales. The Port of Portland--tenth largest in the U.S.--is clearly a vital force in the state's economy.

We should also note the very important role that export trade plays as one of the great growth sectors of our economy. Between 1960 and 1970, U.S. exports in current dollars increased annually at 8.5 percent. But between 1970 and 1975--just half the time--they grew at a rate of 18.7 percent. When we realize that only 30,000 firms, or less than ten percent of all manufacturing concerns in the country are responsible for this growth, the potential for American trade assumes dramatic proportions.

There can be no mistake, Mr. Speaker, that international trade is a key to our economic well-being. And it is time that the Federal government began to lend its constructive efforts toward correcting the imbalance in our international trade. The steps outlined in the President's plan will help to do this.

Now we must ask, are these steps enough? Will they indeed help us to harness the vast potential of American business and industry for the export markets? No reasonable person is going to say unequivocally that the proposed changes will be one hundred percent successful. But they are an important first step toward the goal we seek.

The consolidation of authority over policy concerning import remedies, East-West trade, international commodities, and export expansion in the hands of the U.S. Trade Representative will make a significant contribution to the development of a cohesive, national trade policy--so important to our economic future. Vesting the Department of Commerce with the responsibility for policy implementation (anti-dumping and countervailing duty administration, commercial representation abroad, and implementation of the Multilateral Trade Negotiation agreements) will allow us to put some muscle behind that policy.

The office of the Special Trade Representative and the Undersecretary of Commerce for Trade will have to work very closely together in order to insure that their efforts are mutually supportive. I trust that this will be the case.

Many had hoped for a broader reorganization and even the

creation of a single agency to develop and implement our trade policy. While the present proposal falls short of this, in my view it represents substantial progress and is worthy of support. It is, after all, a beginning. It moves towards a needed centralization of authority and demonstrates an awareness of our requirements for greater trade promotion.

We will want to keep a vigilant eye on how this plan operates and we will want to continue our efforts to reform existing law to enhance further trade opportunities for American business and industry.

Mr. Speaker, we are not going to right our trade imbalance overnight and we certainly won't do it by simple reorganization. But this is an important first step. It is needed now and, coupled with other trade reforms, it will help us to achieve our goal.