

DECLASSIFIED
Authority NND 38111
By KJ NARA Date 12/15/11

P. 2

Statement by the AFL-CIO Executive Council

on

International Trade and Investment

February 24, 1977
Bal Harbour, Fla.

Without a new U.S. foreign trade and investment policy that emphasizes balanced and fair trade with the other nations of the world and America's need for jobs, the U.S. economy will remain vulnerable to foreign pressures. Both the Executive and Legislative Branches share responsibility for development and execution of such a new policy, and the AFL-CIO will press for immediate action.

In Congress, the oversight of trade and investment laws is as essential as new legislation.

In the Executive Branch, foreign economic policy should be geared to America's needs for jobs in a strong, growing economy. The Trade Act and other legislation should be administered to provide for American domestic production as well as to encourage world trade. Fair trade and reciprocal relations are basic to policies that will help America and the world.

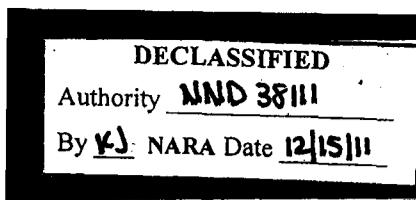
The Overseas Private Investment Corporation (OPIC), a government agency that insures foreign investment of huge U.S. firms and banks, must not be renewed when its authorization ends in December 1977.

New legislation is needed to regulate imports and exports in short supply through export controls, tax policies, import relief provisions and strictly-enforced labeling as to country of origin.

Trade with Communist countries should be regulated more effectively through improved administration of Title IV of the Trade Act and by additional legislation that recognizes the economic and political fact of life that private commercial interests cannot negotiate as effectively with closed and managed economies as governmental negotiators can.

Provisions in existing laws, specifically item 807 and 806.30, which result in the export of American jobs should be repealed.

Provisions in the Trade Act of 1974 to aid U.S. production and jobs -- the escape clause, provisions against unfair competition, etc.--must be enforced to help build strong American industries and save jobs. Quotas on shoes, color TV sets, textile products, men's and women's clothing, rubber among others are essential.



International Trade

-2-

Imports, exports, technology and investment must be reported in more detail, monitored and regulated. To this end, sections 608 and 609 of the Trade Act of 1974, which require reporting of exports, imports and production should be enforced so that comparisons can be made. The International Investment Survey Act of 1976 should also be enforced, so that foreign technology, investment and other transfers can be monitored and employment effects examined.

Customs laws should be enforced, with penalties assessed fairly. More, not less, customs reporting is necessary so that American trade policy can be made on the basis of fact.

Foreign grant, insurance and loan programs should be supervised in terms of U.S. interests at home as well as abroad. This means that Eximbank loans, guarantees and insurance activities should be carefully limited both in amount and in the authority to expand the action.

Title V of the Trade Act now permits over \$3 billion a year in imports without any tariffs at all for many products manufactured by cheap, foreign labor. It should be repealed.

Tax loopholes and incentives for multinational companies to move abroad should be ended, the tax deferral halted, the foreign tax credit repealed and DISC abolished.

Adjustment assistance for workers must be completely overhauled to assure that workers injured by imports receive assistance. Adjustment assistance, which is essentially a welfare program, is not a solution for America's trade problems.

The Foreign Trade Zone Act of 1934 should be repealed. Any exemptions from this nation's trade laws must be proven on a case-by-case basis. The U.S. government should seek treaties to end the exploitation of workers in trade zones in foreign countries.

Negotiations with other nations should be based on the needs of the U.S. economy, not political expediency. The goal must be an expansion of trade based on fairness, reciprocity and mutual benefit.

Codes of conduct for the operations of multinational corporations are necessary, but are no substitute for strictly enforced U.S. laws that prohibit bribery of foreign officials and participation in economic blackmail schemes designed to negate American foreign policy. Similarly, international agreements are needed to improve labor standards in those countries that seek to attract industry through the exploitation of workers.

DECLASSIFIED
Authority NND 38111
By KJ NARA Date 12/15/11

International Trade

-3-

The AFL-CIO supports healthy, fair trade that will build a strong American economy. We oppose the continued export of American jobs and industry, which has undermined the economy. We shall pursue every possible relief for the injury already sustained, as well as new legislation to halt the drain on this nation's economy.

###