

Before I begin my statement, and it will be very short, I must say that I was very much impressed with the previous witness' statement. I don't think this will take much more than a few minutes.

Although our committee, in its more than 14 years on the Washington scene, has traditionally concerned itself only with strictly trade policy issues—always on the side of sustained freer trade—we have asked to appear in these hearings on the travel proposals of the administration's balance-of-payments program. We shall not present testimony on the subjects which the chairman has explicitly excluded from these hearings. Nor will our testimony deal with other trade policy issues the Congress may be considering later this year.

We appear in these hearings to express our distaste for the travel proposals now before you, and to any modified restrictions on U.S. travel abroad that may be advocated at this time.

We have no doubt that something special had to be done on the balance-of-payments question at the turn of the year in response to the enlarged payments deficit announced for the fourth quarter and for total 1967. We feel, however, that this situation should have been anticipated and that a statement of policy such as that which follows at the end of this paper should have been made which would have endorsed our confidence in the dollar and perhaps have precluded the objectionable short-term gimmicks which the New Year's message included. Situations might arise where such drastic devices may have to be employed as last-resort emergency measures. Such a need, in our opinion, has not arisen.

In saying this, we speak for no individual supporter or group of supporters of our committee, or for any special interest, nor at the request of any private interest with a stake in the question before you. Our sole standard is the overall national interest. We requested an opportunity to testify, because we find objectionable an approach to our balance-of-payments difficulties that takes the form of restrictionist, indeed protectionist, measures to reduce the deficit in selected sectors of our international accounts as a means of reducing the overall payments deficit and supposedly of increasing world confidence in the dollar.

When our committee opposes restrictionism as a response to rising import competition, we do not take a dogmatic position that rejects import restriction under absolutely all circumstances. Situations could arise where import restrictions—or negotiated export controls by foreign governments—of a very temporary character, may be necessary as an emergency device of last resort to buy time for other, constructive parts of an adjustment program to take effect, and if consistent with the national interest. These trade restrictions must not be of a kind that leads to weakening of our foreign earnings position, thus turning this policy instrument into a boomerang. Under no circumstances should resort be made to trade restriction except as the emergency component of a comprehensive adjustment effort that places primary emphasis on the other policy components.

It is because the administration's proposals on foreign travel do not appear to reflect such a pattern of policy strategy, and could end up, in fact, aggravating the very problem they are supposed to remedy, that we testify in these hearings in opposition to legislation that would restrict or discourage foreign trips by Americans, even when the