

I do recognize the danger to our commerce in nontariff barriers. We must make an even greater effort to minimize their impact. There are too many of these, some well concealed. They should be brought out into the open and eliminated as quickly as possible.

We have, of course, some nontariff barriers of our own and they may fall in the general rearrangement. But, on the whole, we should come out on the plus side, perhaps substantially so.

IMPORT RESTRICTIONS

A widespread adoption of import restrictions would represent, in net effect, a confession that we cannot compete with other nations and we retire from the field. As the leading trading nation of the world, I doubt that we could do this, even if we were willing, without serious and lasting damage to our national welfare.

If there are situations where some element of protection is needed and proof of that need is made, we already have a number of legal powers which can provide a degree of protection and assistance. And the ability to provide that aid is enhanced by the provisions of the legislation now before you.

We have some quotas now in existence but we should approach with caution the creation of others. A quota system says, in effect, that we will fence off a very substantial part of a domestic market and shield that part from the direct effects of foreign competition.

It may not be a good omen for the future of U.S. foreign trade if a substantial proportion of our industry seeks to reserve for itself, through quotas, a significant part of the domestic market.

We have the further question, and the more important one: Will we ever create a strong, growing and competitive U.S. industry if each year there must be additions to the list of those who seek protection from competition?

THE TRADE BILL PROPOSED

The Department of Commerce supports the provisions of the trade bill before you, as providing the tools for creating a world trading environment in which American business and American labor can participate equitably in the great benefits of expanding world trade.

I will not now discuss the detailed provisions of the legislation, because others, on behalf of the administration will do that.

Likewise, others who will appear before your committee will discuss the American selling price with you in detail. It may suffice for me to say that if some other country had an identical provision in its trade policy, we would believe it unjust, discriminatory and a bit nonsensical in the world climate of today.

There is no good reason, in my opinion, for its retention in our trade policy. As a result of our negotiations, we are now in a position to trade it for something more logical and more profitable, provided Congress agrees.

I hope that you will favorably consider this legislation and pass it at this session of the Congress.