tariff barriers so that the opportunities and mutual benefits to be realized from increased world commerce can be achieved.

Mr. Chairman, this completes the comments which I wish to make at this time on behalf of the council regarding the administration's proposals embodied in H.R. 17551.

FUNDAMENTAL PRINCIPLES AND MEASURES WHICH SHOULD UNDERLIE U.S. TRADE POLICY

Before concluding my statement, however, I would also emphasize that our recommendations in regard to the specific proposals of the administration are derived from the basic premise and conviction that a strong and secure U.S. economy is the central aim of foreign trade policy, as it is of our Nation's whole array of related economic policies. Only in the context of consistent and mutually supporting monetary and fiscal policies can foreign trade make its full contribution to the strength of our economy and to the well-being of our people.

We have long stressed the paramount need for the United States to take meaningful measures to restore a sustainable balance in the U.S. international payments, and to assure the integrity of the dollar.

In our view, the required remedial measures should be derived from the overall integration and consistency of measures relating to taxation and the reduction of governmental expenditures; monetary, international trade, and investment policies. The primary requirements for strengthening the U.S. balance of payments are the restraint on offsetting of inflationary pressures, from whatever source, and the preservation of cost-price levels in the United States, compared with other countries, which will enable the products and services of U.S. industry to compete in world markets.

We are aware, indeed, that this committee has been importantly involved with anti-inflationary measures involving taxation and reductions in Government expenditures and hope they will soon be successfully resolved.

There are a number of aspects of foreign trade policy, many of which your committee is now reviewing. Some of the issues which must be met deal with matters of longer run importance. Others involve governmental action to meet emergency situations. Still others relate to the problems of particular industries which may be adversely affected by tariff reductions or which are insufficiently able to expand exports because of residual foreign trade barriers. The effects of these in loss to the U.S. balance of payments must be taken into account and remedial action studied, evaluated, and, if necessary, negotiated, making full use, as we have already emphasized, of the safeguards afforded under provisions of our laws and the GATT.

Our first obligation in the formulation and carrying out of foreign trade policy is to foster, promote, and protect the foreign commerce of the United States. But all experience shows that foreign trade policy to be effective must be developed in concert with other nations. The goal of economic progress in this country can only be attained in this interdependent world in which we live if other nations also are able to achieve such progress.

The National Foreign Trade Council remains dedicated to the principle of open and nondiscriminatory trade on a most-favored-nation