

basis as the soundest goal for international trade policy. We emphasize the essential interdependence of international trade and investment, as we previously have in testimony before this committee, other committees of the Congress, and departments and agencies of the executive branch. Foreign economic policies of our Government should encompass both foreign trade and investment, and should aim at the overall strengthening of our economy by the most efficient allocation of resources through the operation of open market forces. To this end we would strongly urge that within the U.S. Government there be the most effective coordination of efforts and responsibilities in the formulation and conduct of our foreign economic policies and programs to provide cohesive and constructive force to all related measures for the promotion of private international trade and investment.

In respect to the mandatory controls of direct foreign investments, enforced since January 3, 1968, under the President's balance-of-payments program, we have previously documented in communications to the Department of Commerce, and in testimony before this committee and the Joint Economic Committee of the Congress, the main problems and areas of concern which these regulations pose for U.S. direct investors. We have suggested certain amendments and changes in administrative procedures relating thereto. We have emphasized that the significant longer term benefits of expanding trade and investment should not be thwarted by any undue prolongation of such controls. We strongly reaffirm that the earliest possible termination of such controls is an essential step toward sound longrun trade policy for our country.

Finally, Mr. Chairman, I would affirm that the unprecedented expansion of world trade and investment which has occurred within the last 20 years has contributed greatly to the growth of the United States and the other nations of the free world. It has been possible because the nations of the free world have worked together to concert the trade, monetary, and fiscal policies and institutions which are essential for that growth. Our firm view is that the United States and other nations of the free world should meet their present problems in ways which will maintain and, as needed, strengthen the role of such agencies as the International Monetary Fund and the General Agreement on Tariffs and Trade, and thereby maintain a proved essential framework for international economic progress.

The CHAIRMAN. Any questions of Mr. Norris?

If not, we thank you, sir.

Mr. NORRIS. Thank you.

The CHAIRMAN. The Chair observes that our colleague from North Carolina, Mr. Whitener, is now in the room. Mr. Whitener, we appreciate your coming to the committee.

STATEMENT OF HON. BASIL L. WHITENER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NORTH CAROLINA

Mr. WHITENER. Thank you, Mr. Chairman and members of the committee.

Mr. Chairman, I am grateful for the opportunity to appear before the Ways and Means Committee this morning. As the Representative of a congressional district which has more textile manufacturing plants