

for many many generations if it is a worthy ideal but it does give you something to set your course by.

Now in this process I use the term "fair trade," because as I understand Adam Smith and his so-called laissez-faire, he was arguing against the mercantilism of his day where the state, the king, was doing the trading. Adam Smith was arguing that a better way to make economic judgments was through the marketplace, and that the Government had an important part to play in keeping the marketplace honest so that caveat emptor did not prevail. To establish honest weights and measures, this is Government function as I view it.

Now, what the quota and license approach is is moving back toward mercantilism. You are getting Government back into trade. You are moving toward state trading; not with a political agency perhaps, but it moves in that direction.

You are dismantling the marketplace. The other approach that I suggest, if we could develop these techniques and I don't know if we can, is to identify unfair trade practices and to have the machinery to correct them and, as I argued back in 1957, a tariff differential to reflect wage and productivity, economic differentials, costs.

Then we could be moving in this direction. I think it is important.

I am pleased to have this dialogue reach this point because our country must make these decisions, I think on, the basis of ideals. We should not accept them just because someone says they are an ideal but to examine whether they are a proper ideal. If they are, then we should plot our course along that direction knowing that we will not attain it in our lifetime or close to it but at least we will move in that direction.

That is why I asked the question, does the textile industry want us to change what I felt was a movement in this direction to come back to this other approach? I think you do, because your testimony said that you felt that the administration's bill was moving in a different direction from the Mills bill and I think your observation is correct, that there is a fundamental difference in approach.

I am willing to make exceptions for temporary reasons and temporary reasons can be as long as 10 or 15 years as long as it is clearly understood that they are temporary and relate to specific things, that if and when certain actions are taken the reasons for having the temporary measures disappear and the measure should be done away with. You take down the scaffold once your building is there.

Well, I have tried your patience but I appreciate your response and I hope that we will have memorandums on some of these areas that I have sought to discuss.

Thank you.

The CHAIRMAN. Are there any further questions of the witness?

Mr. BATTIN. Mr. Chairman, I have just one.

The CHAIRMAN. Yes, Mr. Battin.

Mr. BATTIN. I would like this on the record.

Other witnesses who have testified keep raising the flag of moving back in time, that we are proceeding with the approach that is being talked of here back to the days of the Smoot-Hawley tariff, this theory and concept.

I personally don't see it and I would like to have your comment on it.