from the reciprocal reduction of trade barriers provide the essential raw materials for our industrial machine, the foreign exchange for our trading partners which enables them to buy our exports and a greater choice for millions of our consumers.

The $31.4 billion of imports into the United States not only represent competition for our industries but also such essential raw materials as iron ore, bauxite and crude oil. International competition resulting from trade liberalization provides a major incentive to increase the efficiency of our industries.

We benefit from this efficiency through the better use of our resources and by being in a better position to meet competition at home and abroad.

The experience of the past two quarters should not be taken as evidence that there is something wrong with our trade policy. According to Commerce Department information released yesterday the first quarter of this year marked a sharp improvement in U.S. exports, even though imports remained at a high level.

In April exports went up 18 percent over the depressed March level, while imports gained only 1 percent. While the 1968 trade balance may still not equal the surpluses of recent years, such favorable factors as the lowering of tariff barriers by our trading partners as a result of the Kennedy round on July 1, the expected rise in economic activity abroad and the dampening effects of the 10 percent tax surcharge-spending cut package are developments which should give strong impetus to a more favorable trade balance.

I should now like to discuss briefly those trade policy principles which I consider essential:

1. Henceforth the United States should take decisive action against countries which compete unfairly against U.S. exports or in selling to the United States.

Under this heading I include such devices as export subsidies, quotas, discriminatory import licenses and border taxes. Ambassador Roth is to be commended for beginning to take decisive steps in several recent cases. These range from subsidizing U.S. poultry exports to Switzerland to compensate for subsidized poultry exports to the same market from EEC countries and Denmark, to threatening to take before GATT Japanese import quotas against automobile components.

We must take effective action against protectionist policies abroad to resist the demands of those in this country who demand protection against import competition.

2. Congress should continue to delegate effective trade negotiating authority to the President while retaining the right to disapprove, under the right of veto, the results of trade negotiations in their entirety.

Unless we give temporary and well defined powers to the President to negotiate in the trade field we can either return to congressional tariff making or have the President conclude trade treaties subject to the approval of two-thirds of the Senate.

We have attempted both in the past with unsatisfactory results.

In order to deal with the complex issues of nontariff barriers, trade policy toward developing countries and problems involved in agricultural trade, the President should have powers to reduce tariffs or nontariff barriers, even to zero.