

4. Congress should not enact protectionist legislation.

Under existing law the Federal Government has adequate powers to assist an industry facing excessive or unfair competition at home or in foreign markets. These include the "escape clause;" the national security provision; the power to lay countervailing duties; the anti-dumping laws; the power to raise tariffs by 50 percent of the rates existing on July 1934; the power to impose or modify import quotas; the power to negotiate "orderly marketing agreement;" and authority to retaliate against countries which go back on tariff concessions it granted to the United States.

These are the laws of the land today and are adequate to defend our industries against serious import injury.

Now there are those who are demanding import quotas to protect them against foreign competition. The granting of these quotas would be most unwise. If an industry is not entitled to protection under existing law or under new criteria proposed under the Trade Expansion Act of 1968 or under the principles outlined above, it is a valid question to ask whether the national interest would be served to protect that industry further.

Import quotas under such circumstances would not solve but create new problems. Retaliation, higher prices for our consumers, increased governmental controls on American industry are but some of the problems that would be created.

5. The direction and administration of foreign trade policy should be strengthened further by creating a permanent agency for that purpose in the White House. The Office of the Special Representative for Trade Negotiations under Christian Herter and now under William Roth has done a remarkable job.

That Office should be expanded to have its own capacity to analyze the complex commercial and economic issues involved in foreign trade and to be in a position to properly control the activities of the Departments of State, Treasury, Commerce, Agriculture, Interior, and Labor in the field of trade policy.

I would, therefore, urge that consideration be given to elevating that Office to the rank and scope of the President's Council of Economic Advisers.

6. A Presidential Commission on Foreign Economic Policy should be established.

The analysis of the implications of the principles outlined above for U.S. trade policy and their interrelationship will be exceedingly complex and technical. Whether this committee or the Senate Finance Committee wishes to undertake this task itself with the assistance of the executive branch and the Library of Congress is, of course, up to the chairmen and members of the committees.

I think that it would be far wiser to assign the task of analyzing these issues and relating them to other aspects of U.S. foreign economic policy, especially balance of payments and foreign economic assistance, to a bipartisan Presidential Commission on Foreign Economic Policy established by Congress and requested to make its recommendations to the President and Congress no later than December 1969.

The Commission should be a mixed one, composed of Members of Congress, representatives of the President, and from private life rep-