international reasons, that if we review our governmental overseas expenditures and commitments, I think we can get our balance of payments back into balance, and this is the real way to do it, and that such policies would not provoke retaliatory actions on the part of those abroad.

Now, if instead we continue down this road toward more and more elaborate controls, one of my fears is that foreign countries will retaliate, that the world will move back toward a system of controls and restraints which I think would be extremely damaging to the world. I mean, that is what I am trying to say.

Senator MILLER. You see, your statement is the kind of a statement which certain individuals in the administration might seize upon to quote when they come over to testify before the Finance Committee with respect to some quota bills which are pending in the Finance Committee, of which some of us happen to be cosponsors, and they might cite that statement as evidence that the Chase Manhattan Bank, at least one of its officials, does not think that these quota bills should be considered.

Now suppose that these quota bills are designed to offset discriminatory action on the part of some countries. Would that change your view a little bit?

Mr. BUTLER. No.

Senator MILLER. Let me give you a classic example. Feed grains imported into the Common Market are subjected to a tariff. The money from the tariff is then used to subsidize exports of canned hams to the United States. There are a few of the producers of canned hams in the United States who think this is a one-way street, and they would like to have countervailing duties imposed against the imported ham, canned ham, from these countries. Not that it is a matter of inviting retaliation on their part but as a matter of retaliation, or, if you do not like that word as a matter of offset on our part. Are you opposed to that kind of action?

Mr. BUTLER. Yes; I am.

Senator MILLER. In 1960, the dairy imports into the United States amounted to 600 million pounds. By 1965, they had increased to 900 million pounds; in 1966, they had increased to 2.8 billion pounds; as of June, last year, there were at the rate of 4 billion pounds, whereupon the President did take some action to cut them down in the year 1967, to approximately the 1966 figure of 2.8 billion pounds. I take it that you would be opposed to this, and would feel that the President made a mistake in that action?

Mr. BUTLER. I am not aware of all the details, but I will stand on the general position that it is to the advantage of the United States and the world to have the maximum amount of free trade.

Senator MILLER. May I interrupt you at that point to tell you that general proposition is shared by, I think, every Member of Congress.

Mr. BUTLER. May I just continue. I think there are circumstances under which you can get disruptive effects from, in effect, free trade, et cetera, and that I would agree that there should be provision to make orderly adjustments in these areas. I have always thought that one of the geniuses underlying the idea of the Common Market was the idea that you went to it over a period of time, say, 10 years, or whatever period, and I would support measures to promote orderly adjustments