

in these areas, but with clearly the idea that you would not get protection forever, that you would have a period to make an adjustment.

Senator MILLER. Well, I think that I certainly would subscribe to a mechanism for orderly adjustment, but when you do not have that mechanism, and, when, as a matter of fact, you have the discriminatory treatment in some countries overseas, which is causing serious impact on American industry, what are you supposed to do? Are you supposed to tell the affected industry in this country, "We are sorry we do not have any mechanism for reciprocal lowering of nontrade barriers. You will just have to get along in the name of good old free trade even though it happens to be a one-way street in this particular case."

It seems to me, Mr. Butler, that prudence indicates that if quotas are needed to offset discriminatory treatment, if a country is going to levy a tax on our exports of feed grains to them and turn right around and take the money that they collect on that to subsidize their imports into this country, we cannot stand still in the name of so-called free trade.

I recognize the desirability of free trade. This committee just put out a report on the future of foreign trade to the United States, pointing out that nontrade barriers which the Kennedy Round of negotiations had absolutely nothing to do with can be just as harmful and even more insidious than tariff barriers. So, I am just trying to elicit from you a recognition of the fact that while the general proposition of free trade is fine, we have to get down to cases and facts before we can determine whether a particular incidence of quotas not to provoke retaliatory actions but to offset actions, you might say, which are designed to provoke retaliation on our part are taken.

Mr. BUTLER. I would say only this. First, I would hope that whatever we did would be in this category of cushioning an adjustment and not moving in the direction of our erecting a lot of barriers. It seems to me that what we need is to negotiate on nontrade barriers around the world, and that that is the route that will lead to the greatest good of ourselves and other countries.

If we react to these measures, and I agree with you that we have been much more "simon pure" than other countries, although our record is tarnished in some areas, we are so powerful in this world that if we take this route there is the greatest danger that other countries will take it, that we will go back into systems of quotas and controls that will be extremely damaging.

Now, having said this, I recognize the problem of some particular industries, but I would support reasonable measures to ease their transition. I would support every possible measure on the part of our Government to try and reduce foreign nontariff barriers to trade. I do not know whether that is helpful.

Senator MILLER. I must say that I share your attitude. But what do you do in the meantime? What do you do during 2 or 3 years that it might take to negotiate? Do you let the plants close? Do you let the people become unemployed? Or during the interim do you establish some kind of a countervailing offset with the clear understanding that during negotiations you hope that these can both be eliminated?

Mr. BUTLER. First, it seems to me we carry a fairly big stick in the world, and I think we ought to get at the business of negotiating reduction of these barriers on the part of other countries. And, I think one