

STATEMENT OF ROBERT M. NORRIS, PRESIDENT, NATIONAL FOREIGN TRADE COUNCIL, INC., NEW YORK; ACCOMPANIED BY MELVILLE H. WALKER, VICE PRESIDENT, NATIONAL FOREIGN TRADE COUNCIL

Mr. NORRIS. Mr. Chairman, I think we can live within the bounds of our time requirements, and we attach sufficient importance to our statement that we would like to go over it with you in full.

We appreciate, of course, the opportunity to appear here in behalf of the council. I think most of the members of your committee and other members of the council comprises a broad cross section of the U.S. companies engaged in all major fields of international trade and investment, including manufacturers; exporters and importers; companies engaged in rail, sea, and air transportation; bankers; and insurance underwriters.

It is my understanding that the emphasis, this afternoon, is upon that part of the President's Economic Report dealing with the balance-of-payments program announced on January 1, 1968, and its implications with relation to our foreign trade and investment policy. The need to correct the recurring deficit position is manifest.

Among the specifics under the programs with which we thus far have had to deal are the foreign direct investment regulations issued by the Department of Commerce, pursuant to Executive Order No. 11387, and the travel tax program proposed by the Secretary of the Treasury in his statement before the House Ways and Means Committee hearings on February 5. Consequently, within the basic framework of our position on the balance of payments, my statement deals primarily with these two matters.

The Council and its membership have long been concerned with the U.S. balance of payments and have been reviewing balance-of-payments data annually since 1951. For some time we have stressed the paramount need for the United States to take meaningful measures to restore a sustainable balance in the U.S. international payments and to assure the integrity of the dollar. In this connection, the Council, since 1914, has annually sponsored and conducted the National Foreign Trade Convention. At these conventions U.S. business executives examine important issues in our foreign economic policy and develop recommendations related thereto.

The 54th National Foreign Trade Convention, in its declaration adopted on November 1, 1967, included the following resolution concerning the balance of payments:

BALANCE OF PAYMENTS

Notwithstanding the encouraging steps toward strengthening the international monetary system, the need remains paramount for the United States Government to take meaningful measures to restore a sustainable balance in the United States international payments and to assure the integrity of the dollar.

The need fundamentally is for the United States to orient its balance-of-payments policies to expansion of both world trade and investment. Remedial measures should be derived basically from an overall integration and consistency of monetary, fiscal, taxation, export financing, trade promotion and investment policies. The Convention regrets the harmful lack of consistency in some measures taken in recent years.

Primary requirements for strengthening the United States balance of payments at the present time are the restraint or offsetting of inflationary pressures,