

balance in economic advantages between the two partners fall where it may. It usually chooses to stretch out the bargaining period to the limit. Because it has personnel and time to spare, and is not profit-oriented, it can bargain until it extracts an added advantage from the time-conscious private firm, whether it be in the form of a lower price, larger discount, better credit terms, longer operational guarantee period, or anything else it might use before the higher bureaucratic authority as "objective" evidence of its trading skill.

The precise form in which agreement between free and state trading enterprise could be reached on these practical issues cannot be determined in advance. There are a number of alternatives open to our choice. An agreement could conceivably take the form of an annex to the GATT rules, designed to deal specifically and in detail with the conditions of trade between private firms and official trading monopolies. Another logical possibility that suggests itself is a code of trade practices prepared by the trade experts of the Economic Commission for Europe. [United Nations]. Perhaps the most exact way of regularizing the whole complex of trade practices in this area could be by making them the subject of a commercial convention between the OECD, on behalf of the West and CEMA (The Council of Economic Mutual Assistance) representing the Communist-ruled countries. Quite clearly, this would require considerable advance preparation within the Western community. An adequate definite preparation for such a far-reaching enterprise could be assured, by the advance selection of a group of qualified and respected "wise men," who would review the issues in depth and recommend a balanced approach on which all might agree.

VII. THE RESPONSIBILITIES OF THE UNITED STATES IN EAST-WEST TRADE

During the next phase in the present movement toward greater Western cohesion, the United States will be confronted by the need to make some hard decisions. Our own enlightened self-interest will prompt us to play an expanded, forward-looking role in the growing cooperative effort among the free nations. In addition, it will be our responsibility to contribute new ideas and procedures to render more effective the economic confrontation between the nations of the Atlantic community and the Communist-dominated countries. Before we can begin to carry out this responsibility, however, we must try to identify the overriding goals of the free world coalition in East-West trade.

One immediate, specific goal looms up quite clearly. Our best thoughts and energies must be urgently directed to the prime task of reestablishing a multilateral approach toward trading with the Communist bloc. Such a unified policy, it is well to remind ourselves, served the cause of Western unity most effectively during the critical years 1949-54. It helped to deflect Soviet pressure against the free world, and, ultimately, compelled the Kremlin to revise its own commercial policy drastically after the death of Stalin. All that has happened in East-West relations since 1954 has demonstrated time and again that there is no substitute for a common economic policy. It is quite self-evident that so long as the Communist bloc, under the iron discipline of Moscow, remains irrationally committed