THE FUTURE OF U.S. FOREIGN TRADE POLICY

WEDNESDAY, JULY 19, 1967

CONGRESS OF THE UNITED STATES,
SUBCOMMITTEE ON FOREIGN ECONOMIC POLICY,
JOINT ECONOMIC COMMITTEE,
Washington, D.C.

The subcommittee met at 10 a.m., pursuant to notice, in room 1202, New Senate Office Building, Hon. Hale Boggs (chairman of the subcommittee) presiding.

Present: Representative Boggs; and Senators Javits and Miller.

Also present: John R. Stark, executive director; John B. Henderson, staff economist; and Donald A. Webster, minority staff economist.

Chairman BOGGS. The subcommittee will come to order.

Our witnesses for today's panel are Mr. William Diebold, Jr., of the Council on Foreign Relations; Prof. Robert E. Baldwin, University of Wisconsin; Prof. Richard N. Cooper, Yale University; Prof. John Pincus, the RAND Corp.; and Prof. Lawrence W. Witt, Michigan State University.

We appreciate all of you gentlemen taking the time to come and help the subcommittee. Other members of the committee will be along shortly. We will get started.

Mr. Diebold, may we hear from you first?

STATEMENT OF WILLIAM DIEBOLD, JR., COUNCIL ON FOREIGN RELATIONS

Mr. DIEBOLD. Thank you, Mr. Chairman.

Success seems to me to bring problems rather than a surcease of effort. The Kennedy Round is the culmination of a generation of progress under American leadership to remove barriers to world trade. If it and its predecessors had accomplished less, I think we would be talking here today, as we did at intervals of 3 or 4 years over 30-odd years, about the wisdom of giving the President the power to reduce tariffs, and under what conditions. I think that remains a problem. But it is only a part of the larger problem that we have to deal with. I think trade policy is no longer solely, perhaps not even mainly, a matter of tariff policy. It has broadened.

There are two kinds of problems we face now: Those that were left relatively untouched by the Kennedy Round and those that were opened up in new ways by the Kennedy Round, so that they can only be dealt with by bringing into play matters which have ordinarily not been thought of as being in the forefront of trade policy.