

The enactment of that legislation launched the United States on a sustained period of leadership in international commercial policy. Since then, by a succession of reciprocal trade negotiations, we have changed the trading habits of the world.

Today, with the completion of the Kennedy Round, we are within sight of the fulfillment of the original vision of Cordell Hull and of his intrepid and dedicated disciples, such as Will Clayton. To be sure we still have some distance to go before tariffs cease to be a factor in restricting trade and we should not lose momentum. But we have arrived at what I regard as a significant watershed in world economic progress, and it is a good time for us to take stock of our position. Just as three decades ago we fixed our sights on the tearing down of tariff walls, we should now take new navigational bearings and reset our compass toward a farther horizon.

For our modern world is different in almost every respect from that of 1934. Then a handful of European metropolitan nations dominated one-third of the world's population through colonial structures that were at the same time closed trading systems, while American industry concentrated on our domestic market. It was a very wide world. No one could cross the Atlantic in less than 5 or 6 days, and anyone traveling to the Far East had to set aside months for his visit. Producing and even selling abroad were still thought of as something exotic and quite outside the scope of most American enterprises.

But the modern world is marked by air transport and telephones and teletypes, computers and automation; it is a world in which thousands of American companies no longer make much operational distinction between domestic and international trade. They no longer see their markets or their production limited by national boundaries but do business in every corner of the globe, utilizing raw materials and components, plant facilities and capital, labor and managerial talent wherever they may find them so as to produce the highest yield with the least cost to serve markets wherever they can be developed.

Underlying this activity is an inarticulate premise. However our Government may define the policies of the United States, the great American industrial enterprises have defined their own policies in terms of a world economy. They operate as though that world economy were a fact, and it is, I suggest, sound policy for us to shape our governmental action so as to help give reality to that assumption.

For the widespread development of the multinational corporation is one of our major accomplishments in the years since the war, though its meaning and importance have not been generally understood. For the first time in history man has at his command an instrument that enables him to employ resources flexibly to meet the needs of peoples all over the world. Today a corporate management in Detroit or New York or London or Dusseldorf may decide that it can best serve the market of country Z by combining the resources of country X with labor and plant facilities in country Y—and it may alter that decision 6 months from now if changes occur in costs or prices or transport. It is the ability to look out over the world and freely survey all possible sources of production, to study markets, and to use all of the factors of production with great flexibility that is enabling man to employ the world's finite stock of resources with a new degree of efficiency for the benefit of all mankind.