But to fulfill its full potential the multinational corporation must be able to operate with little regard for national boundaries—or, in other words, for restrictions imposed by individual national governments.

To achieve such a free trading environment we must do far more than merely reduce or eliminate tariffs. We must move in the direction of common fiscal concepts, a common monetary policy, and common ideas of commercial responsibility. Already the economically advanced nations have made some progress in all of these areas through such agencies as the OECD and the committees it has sponsored, the Group of Ten, and the International Monetary Fund, but we still have a long way to go. In my view, we could steer a faster and more direct course if the United States and the other major trading nations were to set a common goal by agreeing that what we seek at the end of the voyage is the full realization of the benefits of a world economy.

Implied in this, of course, is a considerable erosion of the rigid concepts of national sovereignty, but that erosion is taking place every day as national economies grow increasingly interdependent, and I think it desirable that this process be consciously continued. What I am recommending is nothing so unreal and idealistic as a world government, since I have spent too many years in the guerrilla warfare of practical diplomacy to be bemused by utopian visions. But it seems beyond question that modern business—sustained and reinforced by modern technology—has outgrown the constrictive limits of the antiquated political structures in which most of the world is organized, and that itself is a political fact which cannot be ignored. For the explosion of business beyond national borders will tend to create needs and pressures that can help alter political structures to fit the requirements of modern man far more adequately than the present crazy quilt of small national states. And, meanwhile, commercial, monetary, and antitrust policies—and even the domiciliary supervision of earth-straddling corporations—will have to be increasingly entrusted to supranational institutions.

Already we have seen this process beginning to work in Europe where six nations have created an Economic Community dedicated to the achievement of an integrated economy. Hopefully—I would say almost certainly—within the next 1 to 5 years that Community will be enlarged to include at least one other great trading nation, the United Kingdom.

To be sure, the members of the Community are finding the path increasingly hard going as they tackle the cherished prerogatives of nation states. In practical terms they are discovering that their failure to make progress toward political unity is severly holding back the full merger of their economies. Nevertheless, they have recently been able to reach agreement on a common approach to taxation. But they are suffering, and suffering rather querulously, from their inability to agree on a common companies law, or common social policies, or to achieve a sufficient degree of common action in monetary matters. Thus, European businessmen live in a state of anxiety. They are worried that their industries may be swallowed by giant U.S. enterprises. They are concerned that they are losing place in the technological race because their relatively small companies cannot afford