whether it is the auto industry, or whether it is the sugar people, or whether it is oil, or textiles, or whatever, it is whoever puts on the most political muscle that wins. And this is what has bothered me. You can take each one of these items. We could discuss the all-important quota. And you could say the agreement was the lesser of the two evils.

I hope we are trying to develop some rational system rather than a system that is based on who can generate the most political pressure.

The thing that disturbs me as I read history on this subject is the reaction that the people have had to the Smoot-Hawley tariff. The determination of the tariffs got to be wide open—who could put on the most political pressure. And I think we are moving very rapidly to this kind of situation now. And that is why I make these remarks. Are we really moving to what I would hope would be a liberalized or more reciprocal setup in international trade?

I do not look for free trade in any sense, but fair trade, because I happen to think this is an imperfect world, and there are many economic differentials that perhaps need measuring, or legitimately can be measured. You could possibly allow for differentials through the tariff technique—which is the most liberal of all the techniques, I would argue. Or you can go to this license quota system, or these many, many varieties of Government subsidies which we haven't really discussed.

The United States is in that subsidy business. That was the problem we got into in the two-price cotton. This is the problem that faces our petrochemical industry here today. Because of the oil import quotas and so forth, the price that they have to pay for their raw material is greater than their competitors in the international marketplace have to pay. Again we see that one subsidy begets another subsidy, as we found in the long history of cotton.

So, I am not posing this question idly. Are we really liberalizing world trade? In fact, your response worries me even more. To each one of these items that I have seen come before the Ways and Means Committee, and before the Congress, the answer has been what you say, "Well, this is the lesser of two evils." In other words, the first evil is the pressure—I assume I am right in saying so—the political pressure being put on by an organized industry.

So, the common and easy way seems to go to something second best. What I would think would be the preferable thing is to face up to these problems. Let's have a public dialog. Let's have a national discussion. What is the best arrangement? As I asked the automakers, Is your interest best served by going along in this line of bilateral commodity agreements? Because, if it is done in autos, it can be logically extended to any industry, the logic to do it in any commodity is there. We can go back to bilateral negotiations and away from multilateral, and we can forget about most-favored-nation clause principles. Maybe that is what we are headed for. I think we have got to face these issues.

Would you care to comment further?

Mr. BALL. I don't disagree with you at all, Mr. Curtis. In fact, I think you have stated very well a serious problem that we do face, which is the tendency of particular industries, when they are confronted with some imports—and they don't even have to be very large in a number of cases—to try to mount pressure for some kind