

Agreement in the Kennedy Round has saved U.S. trade policy, indeed U.S. foreign policy, from a formidable impasse. Fortunately agreement of some significance was reached, but the United States has not yet shown that it is ready for the momentum that must be maintained toward clearly defined goals. With completion of the Kennedy Round has come a feeling of relief, but no sense of urgency about the need to formulate quickly a trade policy that meets the current and long-term needs of both foreign economic and domestic economic policy. A policy issue in which momentum is essential and where protectionists adore a vacuum requires much more than "breathing spells" and "time for study and reflection." American businessmen need more clearly defined trade-policy premises, and the rest of the world needs clearer and earlier expressions of U.S. purpose in this major policy area.

The Government should be articulating the need for all sectors of the economy to gear their future planning to the premise of rapidly approaching free trade. The Government should also demonstrate that its own future planning is similarly based on this clear premise. Such exhortations and example require a careful, continuing effort. This includes assuring the American people and their elected representatives that the Federal Government fully understands the implications of freer international trade for all sectors of the nation's economy and is prepared to work with them in search of ways to facilitate the most rapid adjustment to rising foreign competition and expanding export opportunities. If a major deterrent to such a seemingly ambitious policy stance is fear of congressional reaction, it is not an insuperable obstacle—only a problem that demands imaginative and unceasing attention. A clear statement as to our long range policy commitments to free trade is needed now.

In their speeches before business and other groups throughout the country, government officials should elucidate all the dimensions of effective and forward-looking trade policy, including the need to adjust to imports, not restrict them—to eliminate trade barriers, not maintain or raise them. Instead of a tendency to yield to a supposed consensus, there should be determination to build the kind of consensus needed to ensure policies that adequately advance the national interest. A strong Presidential statement in this direction would go a long way toward raising the level of the dialogue.

A determined effort should also be made toward guaranteeing that the national policy of freer trade is nationwide in its implementation—that is, unimpaired by state and local government laws and regulations discriminating against imports. Rigid Buy American proposals at state and local levels continue unabated, with the steel industry one of the strongest pressure groups behind such efforts. The channels of communication between the Federal Government and state and local leaders are available and being improved. A nationwide trade policy in the national interest should be on the agenda.

In a variety of ways, many of them not publicized, CNTP is making every effort to keep the nation's trade policy moving in the right direction at the right pace. The road was never rockier, or the trip more necessary.