

PREFACE

In planning a short set of hearings for July 1967 on the subject of the future of U.S. foreign trade policy, the Subcommittee on Foreign Economic Policy took account of several special factors that appeared likely to affect the usefulness of the hearings.

First, there had been a gap in the public discussion of where the national interest of the United States lay, in regard to the next steps in trade policy. Congressional commentary during the last 6 months of the Kennedy Round negotiation had been for the most part reserved and particular. As the terminal date of the Kennedy Round, the last day of June 1967, approached, the tension and uncertainty of the negotiations engaged public attention.

Secondly, the subcommittee was quite aware of the shift in the relative importance of different subjects of trade policy, for example, the growing significance of nontariff barriers; the undefined problem, for national trade policy, of the development of multinational corporations; the acute difficulty of beginning negotiations on agricultural commodities; the possibility that the special situation of the trade of less developed countries would receive less than due attention, and many similar issues.

Thirdly, it was not expected that either the subcommittee or any external observer would be able to supply a prompt and complete evaluation of the outcome of the negotiations. Yet, in order to give substance and balance to its deliberations it was necessary to have up-to-date and expert commentary on the status of U.S. trade policy.

For these reasons, in the main, the subcommittee sketched out some of the issues and objectives of trade policy and considered some of the recent expert writing on these subjects. Members of the staff inquired whether the authors were willing to contribute their most recent work for the information of the subcommittee or were able to adapt its scope to meet the subcommittee's intentions.

Happily the authors concerned, and in some cases the organizations or businesses with which they were associated, gave the most ample and generous support to these requests, and the subcommittee gratefully recognizes their valuable contributions.

The subcommittee accepted in every case the authors' own approved statement. Apart from earlier editorial reductions of the scope of the papers, the staff contribution was that of coordination. The subcommittee therefore stresses that the views presented are those of the authors and not those of the subcommittee or any of its members.

At the hearing of July 19, 1967, on "The Future of U.S. Foreign Trade Policy" before the Subcommittee on Foreign Economic Policy, the papers presented by Mr. William Diebold, Jr., of the Council on Foreign Relations, Prof. Robert E. Baldwin of the University of Wisconsin, Dr. John Pincus of the RAND Corp., and Prof. Lawrence W. Witt of Michigan State University were the basis of their testimony before the subcommittee.