

THE RESTRUCTURING OF FOREIGN TRADE NEGOTIATIONS

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INTRODUCTION AND SUMMARY

A NEW APPROACH BASED ON UNDERLYING IMPERATIVES

This paper presents and explains a new approach to international trade discussion. Its principal conclusion is that future foreign trade policy should be conducted on different principles. This is not a criticism of what has been done in the past. In fact, the five principles presented here were derived in very large part by observation of certain present trends in intergovernmental discussion. The U.S. foreign trade program should be modified and adapted to the changed environment which imposed these trends.

To bring out their relevance for the next stage of policymaking, after the expiration of the powers granted under the Trade Expansion Act of 1962, the principles are incorporated in a specific proposal for restructuring future trade negotiations. To emphasize, the principles do not supply immediate solutions to present problems; they are elements for a policy framework—a modified approach—within which such problems may prove more readily solvable. In particular, they were not developed for application to the Kennedy Round of GATT trade negotiations, now successfully ended as a worthy sixth episode in that remarkable series of negotiations that began in Geneva in 1947. They envisage, as a sequel to the GATT negotiation series, certain new and continuing discussions along a somewhat different track.

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This paper presents the central thesis of the manuscript, "Rethinking Foreign Trade Policy," Washington, February 1966. That manuscript was a product of a sabbatical year spent at Gunnar Myrdal's Institute for International Economic Studies, University of Stockholm, reviewing 30 years of personal experience in the trade agreements program and comparing notes with others in the field.