THE HISTORIC MERITS OF BARGAINING

Let us consider the merits and weaknesses of the trade bargaining technique—and where it is leading us.

Bargaining made possible great achievements. It was a natural bridge across which opinion in the great trading countries moved away from the concept of a tariff or other trade barrier as a domestic instrument for the expansion of the national economy or protection from unfair foreign competition toward the concept of a reciprocal interest in reducing barriers to trade. It institutionalized the lesson—so disastrously learned in the fruitless national efforts of these trading countries to protect themselves out of industrial depression—that a unilateral act affecting trade can be completely frustrated by a foreign counteract. It became the basis for the concept of the GATT as a contract, giving each participant a sense of the value of the GATT as an instrument for obtaining some degree of fair treatment of its export trade from other countries as a matter of right. The bargaining technique has been the strength of the GATT and has often frustrated efforts to "unravel" the GATT. Why, then, shift emphasis to a different process?

BARGAINING DOES NOT BRING THE PUBLIC INTEREST TO BEAR ON SPECIAL-INTEREST QUESTIONS

In answer, let us examine some of the weaknesses of the bargaining technique in present circumstances. The logic of the bargaining technique does not run to the public interest; therefore, bargaining is not very effective in reducing an unneeded trade barrier if there is vigorous protest from a domestic interest involved. The rationale of the bargaining program is that the barrier must be reduced for the good of a foreign country; the foreign government will, in return, reduce one or more of its barriers in order to try to help U.S. exporters. The bargaining format dramatizes a distorted and oversimplified conflict of interest: On the one side, domestic producers keenly conscious of current foreign competition; on the other, a loose alliance of foreign sellers, international traders, and domestic producers vaguely hopeful of expanding foreign markets.

Other considerations, the consumer interest, alternative profitable use of the domestic producing resources, expected market expansion to offset the alleged injury, the effect of the barrier on dynamic competition and growth in the national economy, even the facts proving the alleged danger from foreign competition tend to be neglected in the emotions generated in the bargaining conflict. In the moment of negotiation decision, a government will rarely decide to risk injuring the going concern, however undesirably protected. Due deliberation of the general national public interest in the matter, not to mention the world public interest, is hardly to be expected.

THE BARGAINING TECHNIQUE IS SUFFERING FROM AGE: RIGIDITIES OF BARRIER MEASUREMENT, ACCOMPLISHMENT OF PART OF PURPOSE, AND RESIGNATION TO FAILURE FOR THE REST

This does not leave much for the bargaining technique to achieve. Current imperatives transfer most needed intervention from the bargaining process to intergovernmental discussion. Much unneeded intervention is able to resist the process; that which cannot resist is