

the interchangeability of many trade-affecting actions. Therefore, there is room for intergovernmental discussion of the incidental trade consequences of alternative actions which would accomplish a given purpose. We have seen that the determinants of a given trade flow lie in the worldwide product economy of which it is a part. Therefore, an overview of that product economy must be part of the information available to governments if they are to find the most effective and least disturbing way of accomplishing a purpose involving that trade.

AN INTERNATIONAL TRADE-POLICY MECHANISM

THE BASIC PRESCRIPTION (ELIMINATE BARRIERS OR COORDINATE THEM)
WOULD FACILITATE CONSISTENCY THROUGHOUT FOREIGN ECONOMIC
POLICY

Since the proposed trade policy approach does not extend the traditional free-trade prescription to cases where it is in the public interest to bear the cost of giving help to particular producers, it can "ride tandem" relatively comfortably with many policy areas which have come into some conflict with the present program. Since these areas are being dealt with in other papers prepared for the committee, I will not elaborate except to note that, in the 30 years we have come through under the trade agreements program, we have at various times seen the trade-freeing objective of the program publicly held to be inconsistent with progress toward domestic recovery, agricultural support, European recovery and rehabilitation, aid to economic development, monetary stability, and other national objectives. A way through these apparent dilemmas was improvised through pragmatic intergovernmental cooperation. The proposal in this paper derives its inspiration from that experience.

A WAY TO START

How could the proposed approach be launched? There are many ways. The initiative would not have to be American. Since the proposal is essentially to base future intergovernmental trade cooperation (especially among the industrial countries) on recognition of the common interest in the growth and expansion of the international industrial economy, it might be put forward officially by any interested government or by one or more of such international secretariats as the GATT, the UNCTAD and the UN. And there are doubtless many kinds of programs that would launch the approach suitably. It could be put forward as the subject of a new general conference or as a rationale for continuing the gradual shifting of stance and modification of procedures in existing intergovernmental organizations. There could be emphasis either on the new-approach aspect, on the consolidation of experience, on a combination or on some specialized application. But in any case, something like the proposed approach must eventually pervade intergovernmental discussions if the industrial powers are to live together in peace.⁶

⁶ This sort of approach is necessary, also, if the less-developed countries are to be brought to a decent economic existence during the present era. They should be parties to the entire process.