

A technique of openly deliberating the full facts such as the one I will offer for inclusion in the record should have the opposite effect. It would emphasize the interpenetration of real economic interests short term as well as long between countries. International economic stresses and strains crisscross political lines. They are properly seen as healthy differences within a dynamic international economic community.

The proposed request to the President whether it is a forward-looking addition to the bill before the committee or separate would be an important step in building the structure.

Thank you, Mr. Chairman.

(The following supplemental statement was received by the committee:)

SUPPLEMENTAL STATEMENT OF ROBERT B. SCHWENGER

A GROWTH-ORIENTED FOREIGN TRADE POLICY: DELIBERATING PROBLEMS OPENLY INSTEAD OF BARGAINING BARRIERS SECRETLY

1. INTRODUCTION

My name is Robert B. Schwenger. I worked in the Interdepartmental Trade Agreements Organization from 1934 to 1966: 26 years for the Department of Agriculture; 6 years for the Department of Labor, after holding graduate fellowships in international economic relations at the Universities of Wisconsin, Geneva (Switzerland) and Chicago.

About 1963, I became convinced of the need for a fundamental change in approach to the intergovernmental discussion of what are called "trade barriers"—that is, government actions affecting foreign trade. In 1964, I was awarded a sabbatical year (and appointed research professor at the University of Stockholm's Institute for International Economic Studies) to develop my idea. However, officials and economists were then too preoccupied with the Kennedy Round to really consider it.

In January 1967, I retired in order to try to get my proposal considered in connection with new trade-policy legislation. Hence, I am particularly grateful for the opportunity to appear before this Committee.

Immediate consultation and longer-term deliberation

In the present circumstances, I have two proposals—one (which should be relatively uncontroversial) for consideration in the limited time available for action at this session of the Congress, the other (which involves a change in approach) for consideration next year or whenever the Committee sets the course for future U.S. foreign trade policy. They may be summarized as follows:

1. At this session, enact an arrangement (either as part of the Administration bill or separately) whereby the Congress can be fully and authoritatively informed, when it debates and decides on future foreign trade policy, as regards the relevant problems and concerns of foreign governments and people. The purpose is to arrest and reverse the deterioration taking place in the atmosphere of intergovernmental discussion of trade problems and in popular support (here and abroad) for expansionist trade policy.

2. When setting policy, provide for open intergovernmental deliberation of the full facts regarding the effects of individual trade barriers in the light of their public purposes, to be followed in each case by national reconsideration and, when appropriate, intergovernmental cooperation toward accepted purposes. This would achieve the maximum possible expansion of mutually beneficial trade. It would replace the adversary confrontations of the old program (which now serve mainly to confuse and fragmentize) by cooperation in problem analysis and the search for solutions.

The Committee will observe that the two proposals, though related ideologically, are quite independent of one another. Declaring an interest in hearing all sides of the problem would not commit the Congress to any particular solution. On the other hand, the longer-term proposal will be appropriate and important even if no action is taken this year.