

ponents of the mixed-economy process—have not functioned well. The executive officials, certainly in the U.S., have shown a certain fear and distrust of the process. The opinion is widely held in governments that all people are dominated by a fear of depression and, therefore, are protectionist when their own earning activities are concerned. Hence, the executives have marshalled public support for vague or unrealistic concepts like freedom of trade, comparative advantage, across-the-board reductions, and (now) negotiating non-tariff barriers—but have carried out the details of the program behind closed doors. There they are in the dilemma of fearing to work for the public interest because they think the public will not support them when the results are known. At the same time, they are “sitting ducks” for the importunings of great corporations or other groups powerful and skillful enough to penetrate the secrecy. Thus, they preserve a trade-barrier reduction program in principle but do not feel free to carry it out thoroughly. They only rarely marshal opinion behind specific decisions in the public interest against the fears of a narrow interest.

The proposed deliberating approach would open out this process and restore to parliaments their basic, representative function (without recapturing for them the executive function which they carried to such absurd extremes in the depression). Parliaments would authorize their executives to discuss the pros and cons of any trade problem intergovernmentally. More important, the parliaments would be represented by an information officer with the duty and authority to see that the discussion was open, that all relevant facts were obtained and considered and, therefore, that both legislature and executive were far better informed than is ever the case under the present program.

The result would be a trading community disposed to progress together. Relations among governments, as regards the specific trade problems of such progress, would be cooperative and restrained instead of adversary and pugnacious.

3. *Bringing Coherence to U.S. Foreign Economic Policy*

A related advantage of the deliberating approach is that it can “ride tandem” relatively comfortably with many areas of policy that conflict with the present program. In the thirty-odd years since the Trade Agreements Program began, that policy has come into vigorous public conflict at various times with U.S. recovery programs, agricultural support programs, the European Recovery Program, aid to economic development abroad, various balance-of-payments programs, and others. In each case, a way through the apparent dilemma was improvised in pragmatic intergovernmental cooperation. That improvisation provided insights for formulating the deliberating approach. The following subsections of this statement discuss the consistency of that approach with policy in the fields of a. Aid, b. Agriculture, c. Restrictive Business Practices, d. East-West Trade, and e. Other Foreign Economic Problems.

a. *Aid to Economic Development*

The trade policy conflict with aid policy (and recovery policy) stems from a basic difference in underlying theory. People responsible for developing an economy rapidly (or for reconstructing one) do not want to liberalize trade—at least not until development is successful. They want to control trade—in order to require support for their development plan from individuals whose short-run economic interests lie in other directions. They want relief from import competition.

In the European case a working compromise was reached based on faith—and determination—that recovery and redevelopment would succeed. We felt ourselves involved. We bargained as equals to lower trade barriers, but we let the Europeans postpone performance of their part of the bargain until their “dollar gap” might be closed. This was thought to be a disguise for unilateral concessions because most economists said it never would be closed. But it closed well before they stopped saying that it wouldn’t.

For the poor agrarian countries, we have not yet found such a working compromise of policies. Their opinion leaders (like the postwar Europeans) consider that trade-freeing policies exaggerate their dollar gap (or “foreign exchange gap” as they call it). They consider it “economic imperialism”—freeing powerful firms to sell to them at administered prices and to buy their extractive products at competitive prices. On our side, we think we see “primitiveness”—economic and technical inadequacy. We say free trade will help them, but we have no faith that they can soon develop—even if conforming with the GATT rules,