competition. Increases in mechanization, management and non-land inputs to the point where the rent component was low might some day change this. For agricultural products other than field crops, one finds great variation in economic characteristics. Some are "industrializing" fairly rapidly and becoming less subject to chronic surplus.

In the public discussion and deliberations under the approach here proposed, government action affecting trade in some of these products might very well be found, like the nuisance remnants of the beggar-my-neighbor tariffs of the depression, to be no longer needed for their purposes. Whatever the needs of a particular group of producers, the deliberating approach would bring a much more effective kind of pressure against unnecessary public support—and a much more sympathetic and efficient conduct of necessary support—than does the theoretical denial of economic rationale for *any supports* that has been so difficult to dissociate from the present policy.

Incidentally, the long search for a method of support which will not affect trade is doomed to failure. Intervention in a market affects the whole market—and these markets are world wide.

c. Restrictive Business Practices and Multinational Corporations

The development and exercise of power over markets by private firms or groups presents government with a great policy challenge in the field of international trade—as it long has in the field of the restraint of domestic trade. Here the present trade-policy approach may be said to inhibit the formation of policy—rather than to conflict with established policy. The deliberating approach, on the other hand, would facilitate facing the new situation rationally and responsibly.

The establishment of monopoly power *within* a country, of course, is often checked by imports. Therefore, to the extent that the present policy reduces import restrictions, it is consistent with our historic anti-trust policy. However, the bargaining approach has required us to publicly cling to the restrictions protecting our quasi-monopolistic industries in order to get maximum concessions from foreigners for reducing them. The resultant confusion and the present lack of leadership regarding future trade policy are being turned to monopoly purposes.

One of our major established industries—in whose world leadership we once took great pride—is making a great effort to persuade the Administration and Congress—at the expense of the American public (who consume products containing steel) and of national and world growthto save it from the alternative of revitalizing its management-entrepreneurship-competition practices or losing a share of its market to foreigners. There is an obvious need to get, and deliberate openly the full facts about the world steel economy—including some not yet available for our own industry—before making such a significant admission of American inability to compete.

But the challenge of the growth of private market power internationally—rather than within countries—may be even more important. A growing part of international commerce is conducted by firms whose interest is not exclusively within the American or French or German or any other national economy. "Multinational corporations" is the currently popular term for them. We apparently are witnessing the development of a private-enterprise management structure for the world economy. To obtain maximum benefit from technological progress—and to keep it progressing, the world production mechanism must integrate in the sense that the U.S. production mechanism—or the German or the Swedish or other industrial mechanisms—integrated as part of their national development processes. Therefore, this world-spanning entrepreneurial and managerial "techno-structure" is making a great contribution. It serves as a channel for interchanges of dynamism and efficiency among countries. It spurs social, economic and institutional adaptation to the demands and opportunities of change. But it can also, and sometimes apparently does, inhibit such interchanges and such adaptation—channeling or suppressing competition and innovation for its own ends.

Clearly some sort of basis is needed for intergovernmental consideration of problems stemming from multinational business activity. The U.S. has pushed for international agreement on the limitation of business practices restrictive of competition. This must doubtless be a concern of governments if they are to play their appropriate role in a dynamic mixed international economy. There must