Again, the Society wishes to acknowledge the progress currently being made through the adoption of liberalized regulations by the Treasury Department to improve tax incentives for American exporters. We urge that these efforts continue and that all appropriate incentive areas continue to be explored.[10] We believe that such efforts would be greatly facilitated were Congress to express its support by the adoption of an appropriate resolution such as suggested above.

IV. Future Administration of U.S. Foreign Trade Policy Proposals Concerning the

A. Sector Negotiations

Based upon the experience of the recently-concluded Kennedy Round, the Society is of the opinion that the sector approach is the most practical means of negotiating tariff and trade matters. We believe that the concept of dealing on an all-commodities basis is virtually unmanageable and that the more specific "sector approach" is far better designed to result in informed and enlightened decisions by all concerned. The Society, therefore, recommends that sector bargaining be elevated to a formal basis for purposes of trade negotiations and that the chemical industry be defined as one sector with plastic materials and plastic fabricated articles as two specific subsectors thereof.

B. Industry Advisors

With the recent dissolution of the roster of industry specialists selected during the Kennedy Round, we believe the time is now ripe for both the Administration and Congress to review that program generally and to institute procedures looking towards strengthening the relationship between government and industry on all future matters relating to tariffs and trade.

In our opinion, one of the significant shortcomings in U.S. trade policy has been the existence of a serious "information gap" between those in government responsible for implementing our trade programs and those in the private sector who have such vital interests at stake, most notably domestic industry. This was evident in the recently concluded "Kennedy Round". Due to the lack of any really manageable system, it was difficult—often impossible—to establish a meaningful dialogue between industry and those officials responsible for the conduct of our negotiations. As a consequence, in many instances, our negotiators were deprived of the in-depth knowledge needed to make fully informed and truly enlightened decisions.

This was true even though a very real effort was made by the STR to assemble, and organize industry data, and make it available to the negotiators. As one of the technical specialists for industry, I was involved in the preparation of many studies and reports, and on many occasions responded to questions from the STR. Near the end of the negotiations, I spent several days in Geneva. At all times, the officials contacted in STR and in other government agencies, showed a sincere interest in the information provided. Yet, there remained the very real problem of making use of this information in the course of the negotiations, and especially at the point of decision.

The problem stems primarily from the fact that the industry technical specialist system, as conceived, was basically unworkable. To begin with, there were far too many technical specialists. Moreover, they were not organized in any rational way nor did they have the kind of official status needed to make them effective in their contacts with the Government, and in their dealings with industry itself. Added to this, the technical specialists were not utilized by our Government to the degree possible with the result that their talents were left untapped in many areas.

We strongly support the issuance of an Executive Order by the President aimed at establishing a closer working relationship between the Congress, industry, labor, and the Executive Branch on trade matters.[11] In connection with this, and in the belief that such a program would be much more effective and more helpful to movement, we would also make the following more specific recommendations:

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[10] For example, consideration should be given to the allowance of special depreciation for investment allocable to export sales. Such an approach would encourage the building of plants specifically for export business as opposed to the concept prevalent among many producers of building for domestic supply with excess, if any, to be applied to export.

[11] 90th Congress, 2d Session—*Committee Print;* Committee on Ways and Means, U.S. House of Representatives; *Proposed "Trade Expansion Act of 1968;"* p. 5.