

Second, to initiate preliminary discussions with Canada, with the United Kingdom and its partners in the European Free Trade Association, and with other individual members of GATT, or groups of trading nations, such as the Common Market, to explore their interest in establishing a broad free trade association.

Great Britain and Canada may very well be the only two nations initially willing to join with the United States in free trade area negotiations. These three would form a sound nucleus: three nations with more similarities than differences in heritage; speaking each other's language, more or less; enjoying high living standards, and possessing ties of friendship, trade and political background which stretch to all reaches of the globe.

America's international commitments, as do those of Britain and Canada, oblige her to be outward looking and never exclusivist. In fact, these very world-wide commitments make American participation in a Free Trade Area the more insistent. America has pledged to help the nations of the Free World achieve a better life for their peoples and defend their political independence. How better to strengthen our friends than through free trade on a nondiscriminatory basis?

Thus it is not contemplated that the Free Trade Association would be an Anglo-American club, but rather that it should look to a far broader scope, eventually including at least the nations of Western Europe, Japan, Australia, New Zealand and the less developed nations such as Latin America.

In the underdeveloped world, the United States has tried to win friends and influence people, in part by dispensing large sums in aid and cheap loans. The most cheerful do-gooder can scarcely claim that the results of this outpouring have lived up to expectation. I am sorry to report that, as a practical political matter, we may be moving toward the end of grant-in-aid and cheap loans as the major instrument of foreign development policy. Dismayed by the cost and waste of foreign aid, disillusioned with its results, puzzled by the ill will it has evoked, and beset by mounting needs at home, the American taxpayer is becoming increasingly restive. The possibility that expansion of foreign trade would be less costly than aid, and could accomplish the far sounder purpose of encouraging poor nations to help themselves, would add greatly to its saleability in the American political grass-roots.

In setting forth guidelines for the President in negotiations for the Free Trade Association, H.R. 18194 states that membership in the Free Trade Association would be open automatically to all nations or group of nations willing to assume the obligations and adhere to the rules of membership—with the exception that less developed nations may be given preferential, non-reciprocal tariff treatment to enable them to develop their infant industries without fear of their being smothered in their cribs by the powerful competition of the developed nations.

My bill provides for this preferential treatment with grave misgivings, because I know of no conclusive evidence relating tariff levels to rates of economic growth, even for nations struggling to develop infant industries.

I have inserted this provision with the clear understanding that these discriminatory arrangements would be temporary. The protected industrial infant has a habit of not growing up. About the only strength often developed is the political muscle to fight against giving up its crutches.

I will briefly touch upon the remaining guidelines in my bill.

Negotiations to remove trade barriers should initially include industrial goods, with specifically negotiated exemptions, but provide for the eventual inclusion of agricultural commodities as well.

Rules of competition should be negotiated to prevent nontariff barriers—official procurement policies, border taxes, and government aids to production and exports, for example—from frustrating the benefits of a Free Trade Area.

The phase-out period for tariffs and quotas would be up to 15 years, to allow time for readjustment of marginally efficient production.

The governing institutions of the Association should not be vested with any supranational authority or political decisionmaking power, and substantive decisions are to be made by unanimous agreement.

This is the Free Trade Area concept, as illustrated by my bill. Now let us look at its political prospects.

At first glance these are not bright.

We in Congress are currently under a heavy protectionist assault. Pending before us are more protectionist bills than we have seen in the last five or six years. Legislation has been introduced to impose quotas or other trade restric-