tions on the imports of over 20 industries—from steel, chemicals, textiles and oil to mink skins, strawberries and baseball gloves. These measures would cover about $7 billion of United States imports—close to half of all imports subject to duty.

To this must be added the continuing pressures from already heavily protected industries—both firms and unions. The political strength of producers of such items as woolens, glassware, carpets and rugs, petroleum and watches, is indicated by the number of relatively high tariffs—some of them over 25 per cent, and a number of them over 50 per cent—that still prevail in the United States. The duty on woolen hosiery, for example, ranges as high as 50 per cent, brandy and rum is dutiable at from 50 to 64 per cent, and cigarettes at 55 per cent.

The sources of this groundswell of protectionism are many and complex. They include inflation, the growing capacity of other nations to produce sophisticated products at competitive prices, balance of payments deficits and gold losses, and the relatively high rate of U.S. unemployment, which, though largely due to poor training or feeble urge to work, rather than lack of jobs, makes it difficult for the politician to resist the protectionist argument.

Preferential tariff treatment for less developed countries of the kind provided for in my bill would not, moreover, simplify the job of those who must sell the free trade area concept in the United States, because American infant industries—of whatever age—are likely to seize upon this excuse to demand preferences, too.

But if the political outlook for free trade has its dark side, grounds for optimism can be found both in prospects for general improvement in the American economic balance sheet, and in the specific advantages of a Free Trade Association for meeting the trade needs of the future.

First, the tax increase-spending cut package just voted by Congress should slow the rate of inflation, thus helping to increase American exports, improve our balance of payments, and make the prospect of a flood of imports somewhat less immediate and horrifying.

Secondly, despite my strictures concerning general economic literacy, I do believe that it is on the rise. In the United States, for the last two generations at least, the academic economist has been able to inject the doctrine of comparative advantage into the trusting skulls of millions of captive undergraduates in training to become the nation's business and political leaders. The view that freer trade is somehow a threat to national well-being seems destined for not too distant fade-out, at least at the leadership level.

Third, the more meaningful, workable program of Federal assistance the President requested from Congress, to help businessmen and workers adjust to new lines of activity in the face of competitive challenge from increased imports, should help deflect the demands of the quota-seekers. When Congress authorizes this program—and there is every reason to believe it will—there will be an outlet, currently denied, to relieve the frustrations of marginal or inefficient industries.

If chances for blunting the protectionist attack look good, will the Free Trade Association concept be the beneficiary? If so, how soon can we expect the United States to launch its initiative?

On this matter there are two schools of thought.

The first view applauds the Free Trade Area as a bold, new approach for the future, but too ambitious a counterattack against protectionism to use now. A more moderate offensive—involving a steady, deliberate push toward further trade liberalization, together with meaningful negotiations for the elimination of nontariff barriers—but *without* ringing manifestoes for completely free trade—might be more effective and acceptable to Congressmen beset by constituent pressures and concerned about the decline in America's competitive position. According to this school of thought, serious discussion of a Free Trade Association should not come until *at least* another five years, *after* another Trade Expansion Act is passed and another round of negotiations to reduce tariff and nontariff barriers has been completed.

The second school of thought favors a stronger and more immediate free trade offensive. According to this view, a shift in favor of Free Trade Area participation should come *within* the next five years. Instead of waiting until *after* nontariff barriers are reduced before a Free Trade Area is initiated, this view holds that the Free Trade Association has a good chance of acceptance because it is precisely the vehicle to bulldoze nontariff barriers. The Free Trade Association provides the best means for gathering the proliferating number of regional trade organizations into meaningful nontariff barrier negotiations with the United